

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

HB 526 cont thru HB 530 391

1 field related to social work; or

2 (B) satisfactorily completed the provisional social  
3 worker program under AS 08.90.060.

4 (b) A person is eligible for a license as a master social worker  
5 (LMSW) if the person meets the requirements of (a)(1) - (3) of this  
6 section and has a masters degree in social work from a school with a  
7 social work program accredited by the Council on Social Work Educa-  
8 tion.

9 (c) A person is eligible for a license as an independent social  
10 worker (LISW) if the person meets the requirements of (a)(1) - (3) of  
11 this section, has a masters degree in social work from a school with a  
12 social work program accredited by the Council on Social Work Educa-  
13 tion, and has completed at least 24 months of supervised post-graduate  
14 experience approved by the board in the specialty in which the person  
15 intends to engage as a private practitioner.

16 Sec. 08.90.060. LICENSING OF PROVISIONAL SOCIAL WORKERS. (a)  
17 The board shall license provisional social workers and establish a  
18 program for training and education of provisional social workers. The  
19 requirements of the program must include at least three years of  
20 supervised practice consisting of at least 35 hours each week for 44  
21 weeks each year.

22 (b) The board shall issue a provisional social worker license to  
23 a person who

24 (1) applies on a form provided by the department;

25 (2) is a resident of the state; and

26 (3) submits evidence satisfactory to the board

27 (A) that the applicant has or will have regular or  
28 full-time employment in the practice of social work under the  
29 personal supervision of a licensed master social worker; and

1 (B) from a social worker who has been licensed in this  
2 state for at least two years as a master social worker, that the  
3 applicant is or will be employed as a provisional social worker  
4 and that the social worker will act as supervisor for the appli-  
5 cant and will instruct the applicant in the practice of social  
6 work.

7 (c) The board may refuse to license an applicant for a provi-  
8 sional social workers license who fails to satisfy the board of the  
9 validity of a statement in the application. The board may revoke a  
10 provisional social worker license if the licensee has not completed  
11 the program within six years after initial issuance of the license.

12 (d) The supervisor shall personally supervise the work of the  
13 provisional social worker and administer written examinations on a  
14 schedule and on subjects established by the board. The supervisor  
15 shall submit as the board may require,

16 (1) reports concerning the course work studied and the  
17 results of examinations; and

18 (2) the completed examinations taken by the provisional  
19 social worker.

20 (e) A person may not serve as supervisor of a provisional social  
21 worker if the person is the subject of a disciplinary proceeding under  
22 this chapter or if the person has been disciplined under this chapter  
23 or under similar provisions of another licensing jurisdiction.

24 (f) A licensed provisional social worker may request permission  
25 to change supervisors by submitting a new application for licensure.

26 Sec. 08.90.070. SCOPE OF PRACTICE. (a) A person licensed as a  
27 provisional, bachelor, master, or independent social worker may  
28 provide services that enhance, protect, or restore a person's capacity  
29 for social functioning whether impaired by physical, environmental, or

1 person's activities constitute a part of the person's supervised  
2 course of study.

3 Sec. 08.90.110. CONFIDENTIALITY OF COMMUNICATIONS. A social  
4 worker licensed under this chapter may not disclose information pro-  
5 vided to the social worker by a client in the course of their profes-  
6 sional contact. This prohibition does not apply if the

7 (1) client provides written consent to the social worker to  
8 reveal the communication;

9 (2) client is incompetent and the guardian or personal  
10 representative provides written consent to the social worker to reveal  
11 the communication;

12 (3) client is dead and a beneficiary of an insurance policy  
13 on the client's life provides written consent to the social worker to  
14 reveal the communication;

15 (4) communication discloses that a crime has been committed  
16 or reveals an intent to commit a crime;

17 (5) client is a minor, the communication discloses that the  
18 client was the victim of a crime or harmful act, and the social worker  
19 reveals the communication only during the course of an official exam-  
20 ination, trial, or other proceeding in which the commission of the  
21 crime or harmful act is a subject of inquiry;

22 (6) client brings charges against the social worker and the  
23 social worker reveals the communication only as necessary to defend  
24 the charges;

25 (7) information is revealed as part of the discovery of  
26 evidence related to a court proceeding or introduced in evidence in a  
27 court proceeding;

28 (8) social worker is collaborating or consulting with  
29 professional colleagues or an administrative superior on behalf of the

1 client;

2 (9) communication discloses information that the social  
3 worker is required by state or federal laws or regulations to dis-  
4 close.

5 Sec. 08.90.120. GROUNDS FOR IMPOSITION OF DISCIPLINARY SANC-  
6 TIONS. After a hearing, the board may impose a disciplinary sanction  
7 on a person licensed under this chapter when the board finds that the  
8 licensee

9 (1) secured a license through deceit, fraud, or intentional  
10 misrepresentation;

11 (2) engaged in deceit, fraud, or intentional misrepresenta-  
12 tion in the course of providing professional services or engaging in  
13 professional activities;

14 (3) advertised professional services in a false or mislead-  
15 ing manner;

16 (4) has been convicted of a crime that has a substantial  
17 relationship to the licensee's activities and services or that affects  
18 the licensee's ability to continue to practice competently and safely;

19 (5) intentionally or negligently engaged in or permitted  
20 the performance of social work by persons under the licensee's super-  
21 vision that does not conform to minimum professional standards regard-  
22 less of whether actual injury occurred;

23 (6) failed to comply with this chapter, with a regulation  
24 adopted under this chapter, or with an order of the board;

25 (7) continued to practice after becoming unfit due to

26 (A) professional incompetence;

27 (B) addiction or dependence on alcohol or other drugs  
28 that may endanger the public by impairing the licensee's ability  
29 to practice;

- 1 (C) physical or mental disability;
- 2 (8) engaged in lewd conduct in connection with the delivery
- 3 of professional service;
- 4 (9) has been held liable for malpractice in a civil action;
- 5 (10) has had a license revoked in another jurisdiction.

6 Sec. 08.90.130. CRIMINAL PENALTY. A person who violates AS 08.-

7 90.100 or 08.90.110 of this chapter is guilty of a class B misdemea-

8 or.

9 Sec. 08.90.140. INJUNCTIVE RELIEF. The board may apply to the

10 superior court for an order enjoining a person subject to this chapter

11 or whose license is suspended, revoked, or expired from violating this

12 chapter.

13 Sec. 08.90.150. EXEMPTIONS. (a) Employees of a regional or

14 village nonprofit corporation organized under 43 U.S.C. 1601 - 1628

15 (Alaska Native Claims Settlement Act) are exempt from this chapter.

16 (b) A person who uses a title other than a title included in

17 AS 08.90.100 is exempt from this chapter.

18 Sec. 08.90.190. DEFINITION. In this chapter "board" means the

19 Board of Social Worker Examiners.

20 \* Sec. 3. AS 08.01.010 is amended by adding a new paragraph to read:

21 (28) Board of Social Worker Examiners (AS 08.90.010).

22 \* Sec. 4. AS 08.03.010(c) is amended by adding a new paragraph to read:

23 (21) Board of Social Worker Examiners (AS 08.90.010) --

24 June 30, 1992.

25 \* Sec. 5. Within 60 days after the effective date of this Act the

26 governor shall appoint initial members to the Board of Socia' Worker Exam-

27 iners. Notwithstanding AS 08.90.010 as enacted in sec. 2 of this Act,

28 initial members shall consist of three persons who have a masters degree in

29 social work from a school with a social work program accredited by the

1 Council on Social Work Education, at least one of whom is engaged in the  
2 private practice of social work, one person with a bachelors degree in  
3 social work from a school with a social work program accredited by the  
4 Council on Social Work Education, and one public member.

5 \* Sec. 6. (a) Notwithstanding AS 08.90.050(a) as enacted in sec. 2 of  
6 this Act, a person may apply for and receive a license as a bachelor social  
7 worker if the person

8 (1) holds a degree in social work from a school with a social  
9 work program that is not accredited by the Council on Social Work Education  
10 or a bachelors or masters degree in a social sciences field related to  
11 social work as defined by the board, and has been practicing under the  
12 title "social worker"

13 (A) for at least 24 consecutive months before July 1, 1990;

14 or

15 (B) before July 1, 1990, and is employed on the date of  
16 application for a license in the administration of an agency that has  
17 employees who use the title "social worker";

18 (2) meets the requirements of AS 08.90.050(a)(1), (3), and (4);

19 or

20 (3) has been practicing social work under the supervision of a  
21 person eligible to be licensed under this Act for at least two years.

22 (b) A person who does not meet the requirement under AS 08.90.-  
23 050(a)(2) but otherwise meets the requirements of AS 08.90.050(b) may apply  
24 for and receive a license as a master social worker.

25 (c) A person who does not meet the requirements under AS 08.90.-  
26 050(a)(2) but otherwise meets the requirements of AS 08.90.050(c) may apply  
27 for and receive a license as an independent social worker.

28 (d) An application for a license under this section must be filed  
29 before July 1, 1990.

1     \* Sec. 7. Notwithstanding AS 08.90.100 as enacted by sec. 2 of this  
2 Act, a person practicing social work on July 1, 1988, may use a title and  
3 letters as part of the title that indicate that the person is a social  
4 worker until June 30, 1990, even if the person is not licensed under  
5 AS 08.90.050 or 08.90.080 as enacted by this Act.

6     \* Sec. 8. This Act takes effect July 1, 1988.

C S H B

5 2 6

SENATE COMMITTEE REPORT

FURTHER

4/26/88

DATE TURNED INTO OFFICE 5/6/88

Mr. President:

FINANCE Committee considered CSHB 526 (FIN)

practice of clinical social work and exempting certain persons from licensure as clinical social workers; efd

and recommended

replace with \_\_\_\_\_ CS \_\_\_\_\_ )  same title  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_ )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new  updated or  previous

zero 4.5 DCFED  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*[Handwritten signatures: Paul H. ...]*  
\_\_\_\_\_  
*[Handwritten signature: Jim ...]*  
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*[Handwritten signature: Rick ...]*  
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*[Handwritten signature: Paul Grish No Rec]*  
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*[Handwritten signature: Rick Halford do pass]*  
\_\_\_\_\_  
Chairman signature and recommendation

Committee Backup attached

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

BILL VERSION: CSHB 526 (FIN)  
PUBLISH DATE: HOUSE 4/11/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act relating to the practice of clinical social work...  
Sponsor: House Labor & Commerce  
Requestor: \_\_\_\_\_

Agency Affected: Commerce & Economic Dev.  
BRU: Occupational Licensing  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL		3.5	3.5	3.5	3.5	3.5
CONTRACTUAL		1.0	1.0	1.0	1.0	1.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		4.5	4.5	4.5	4.5	4.5

CAPITAL						
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REVENUE		15.0	3.0	21.0	3.0	27.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		4.5	4.5	4.5	4.5	4.5
TOTAL		4.5	4.5	4.5	4.5	4.5

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

The bill establishes a Board of Clinical Social Work Examiners to regulate and license approximately 50 practitioners. The expenses identified above include travel funds for the board to meet and contractual funds to cover printing, advertising and communication expenses. (CONTINUED ON ATTACHED)

Prepared by: Jennifer Strickler, Management Analyst Phone: 465-2144  
Division: Occupational Licensing Date: 3/31/88

Approved by Commissioner: J. Anthony Smith Date: 4/4/88  
Agency: Commerce and Economic Development

Distribution (by preparer):

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

**CONTINUATION of FISCAL NOTE ANALYSIS****For Bill/Resolution No.**CSHB 526 (FIN)  
HOUSE 4/11/88

The expenses identified do not include administrative overhead costs. All licensing programs under central licensing are expected to cover a portion of the overhead expenses. To accomplish this, the division has established a formula used to spread overhead costs in each licensing area based on the number of licensees within an occupation. For clinical social workers, 50 practitioners equal 0.24% of the current licensees; therefore, 0.24% of the overhead is assigned to the clinical social work licensing program to be covered by licensing fees.

Therefore, the total cost of the clinical social work licensing program is \$15,400 in the first year and licensing fees would need to attempt to cover this cost.

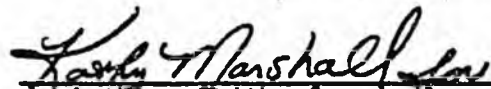
Clinical social workers have expressed their willingness to pay up to \$150 per year (\$300 biennial) for licensing fees. As a result, the profession will just about cover the costs of its licensing program in the first year. Revenues identified on even-numbered years are based on 10 new licensees. Because of the renewal cycle of licenses, expenses in a nonrenewal year will have to be subsidized by general funds or through other licensing fees for those occupations undergoing renewal.

CSHB 526 (7): An Act relating to the practice of clinical social work and exempting certain persons from licensure as clinical social workers; and providing for an effective date.

CSHB 526 establishes a Board of Clinical Social Work Examiners to regulate the practice of clinical social work performed by independent practitioners and exempts individuals who practice clinical social work as an employee of a federal, state or local government, or of a private nonprofit organization.

Currently, clinical social workers practice independently with no oversight of individual qualifications, or means to pursue unethical practice. Clinical social workers often work closely with psychologists and psychiatrists in diagnosing and treating emotional disorders. Although other classifications of social workers generally receive supervision through their employment by the state or a clinic or medical facility, clinical social workers have been isolated from such oversight.

The department supports the licensing of clinical social workers, provided that the profession is cooperative in attempting to support adequate funding for the new licensing function through realistic licensing fees.

  
\_\_\_\_\_  
J. Anthony Smith, Commissioner  
Department of Commerce and  
Economic Development

Date: 4/4/88

JS/dg10066o  
040488b

Original sponsors: Pourchot, Phillips  
and Collins

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 526 (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 the practice of clinical social  
7 work and exempting certain persons from licensure as  
8 clinical social workers; and providing for an effective  
9 date."

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

11 \* Section 1. PURPOSE. The purpose of this Act is to protect the public  
12 by

13 (1) setting standards for the education, training, and experi-  
14 ence for persons practicing clinical social work; and

15 (2) promoting high standards of professional performance by  
16 those persons licensed to practice clinical social work.

17 \* Sec. 2. AS 08 is amended by adding a new chapter to read:

18 CHAPTER 95. CLINICAL SOCIAL WORK.

19 ARTICLE 1. BOARD OF CLINICAL SOCIAL WORK EXAMINERS.

20 Sec. 08.95.010. CREATION AND MEMBERSHIP OF THE BOARD. (a)

21 There is created the Board of Clinical Social Work Examiners composed  
22 of five members. Four members must be persons licensed under this  
23 chapter, including at least one person who is not an employee of a  
24 federal, state, or local government or of a private nonprofit organi-  
25 zation that is exempt from federal income tax. One member must be a  
26 public member.

27 (b) Members of the board shall elect a member of the board as  
28 chair. The chair serves for a term of one year.

29 Sec. 08.95.020. BOARD MEETINGS. The board shall hold at least

1 one meeting each year. The board may hold additional meetings at the  
2 call of the chair or of a majority of the board members.

3 Sec. 08.95.030. DUTIES. The board shall

4 (1) issue licenses to qualified applicants;  
5 (2) submit an annual report of its proceedings to the  
6 department;

7 (3) after a hearing, impose disciplinary sanctions on a  
8 person who violates this chapter or the regulations or orders of the  
9 board;

10 (4) adopt regulations requiring that continuing education  
11 requirements be satisfied before a license is renewed;

12 (5) adopt regulations necessary to carry out the purpose of  
13 this chapter.

14 Sec. 08.95.040. CONTINUING EDUCATION REQUIREMENT. (a) The  
15 board shall adopt continuing education requirements for persons li-  
16 censed under this chapter. Continuing education requirements must  
17 include a minimum of 45 hours per biennium of education or training  
18 with a minimum of six hours in substance abuse and six hours in cross-  
19 cultural education emphasizing Alaskan Natives.

20 (b) The board shall appoint three persons licensed under this  
21 chapter to serve as a continuing education committee. The committee  
22 shall advise the board on matters related to continuing education for  
23 clinical social workers. One person appointed to the committee must  
24 be familiar with social problems in the rural areas of the state.

25 ARTICLE 2. LICENSING.

26 Sec. 08.95.100. LICENSE REQUIRED. (a) A person who practices  
27 clinical social work without obtaining a license issued by the board  
28 and without qualifying for an exemption from this chapter is guilty of  
29 a class B misdemeanor.

1 (b) A person who is not licensed as a clinical social worker, or  
2 whose license is suspended or revoked, or whose license has lapsed,  
3 who uses in connection with the person's name the words or letters  
4 "L.C.S.W.," "Licensed Clinical Social Worker," or other letters,  
5 words, or insignia indicating or implying that the person is a li-  
6 censed clinical social worker, or who in any way, orally, or in writ-  
7 ing, directly or by implication, holds out as a licensed clinical  
8 social worker is guilty of a class B misdemeanor.

9 (c) A person not licensed under this chapter may use the title  
10 of "social worker."

11 Sec. 08.95.110. LICENSE TO PRACTICE CLINICAL SOCIAL WORK. The  
12 board shall issue a license to practice clinical social work to a  
13 person who

14 (1) has received a master's degree or a doctoral degree in  
15 social work from a college or university accredited by the Council on  
16 Social Work Education;

17 (2) has completed, within the 10 years before application  
18 for licensure and under the supervision of a licensed clinical social  
19 worker, licensed psychologist, licensed psychiatrist, or, with ap-  
20 proval of the board, a clinical social worker who is exempt from this  
21 chapter under AS 08.95.910, either (A) a minimum of two years of  
22 continuous full-time employment in postgraduate clinical social work;  
23 or (B) a minimum of 3,000 hours of less than full-time employment in a  
24 period of not less than two years in postgraduate clinical social  
25 work; at least 100 hours of supervision required under this paragraph  
26 shall be conducted by a qualified person approved by the board;

27 (3) is in good professional standing and is fit to practice  
28 social work as determined by the board;

29 (4) has provided three professional references to the

1 board;

2 (5) has satisfactorily completed the examination given by  
3 the board; and

4 (6) has paid required fees.

5 Sec. 08.95.120. LICENSING BY CREDENTIALS. The board shall issue  
6 a license to practice clinical social work without examination if the  
7 applicant

8 (1) holds a current license to practice clinical social  
9 work in another jurisdiction that at the time of original issuance of  
10 the license had requirements for licensure equal to or more stringent  
11 than those of this state;

12 (2) is not the subject of an unresolved complaint or disci-  
13 plinary action before a regulatory authority or a professional social  
14 work association;

15 (3) has not failed the examination for a license to prac-  
16 tice clinical social work in this state;

17 (4) has not had a license to practice clinical social work  
18 revoked or suspended in this state or another jurisdiction;

19 (5) has submitted proof of continued competency satis-  
20 factory to the board; and

21 (6) has paid required fees.

22 Sec. 08.95.130. DISPLAY OF LICENSE. A person licensed under  
23 this chapter shall display the license in a conspicuous place where  
24 the licensee practices.

25 ARTICLE 3. GENERAL PROVISIONS.

26 Sec. 08.95.900. CONFIDENTIALITY OF COMMUNICATION. (a) A li-  
27 censed clinical social worker may not reveal to another person a  
28 communication made to the licensee by a client about a matter concern-  
29 ing which the client has employed the licensee in a professional

1 capacity. This section does not apply to

2 (1) a case conference with other clinical social workers or  
3 with psychologists, psychological associates, physicians, or surgeons;

4 (2) the release of information which the client in writing  
5 authorized the licensee to reveal; or

6 (3) information revealed as part of the discovery of evi-  
7 dence related to a court proceeding or introduced in evidence in a  
8 court proceeding.

9 (b) Notwithstanding (a) of this section, a licensed clinical  
10 social worker shall report incidents of child abuse or neglect as  
11 required by AS 47.17.020.

12 Sec. 08.95.910. EXEMPTIONS. This chapter does not apply to a  
13 person who

14 (1) practices clinical social work as an employee of a  
15 federal, state, or local government or of a private nonprofit orga-  
16 nization that is exempt from federal income tax; or

17 (2) is a qualified member of a recognized profession, other  
18 than clinical social work, and does not represent to the public by  
19 title or description of service as practicing clinical social work.

20 Sec. 08.95.990. DEFINITIONS. In this chapter

21 (1) "board" means the Board of Clinical Social Work Ex-  
22 aminers;

23 (2) "clinical social work" means a service in which a  
24 special knowledge of social resources, human capabilities, and the  
25 part that unconscious motivation plays in determining behavior is  
26 directed, through the application of social work principles and meth-  
27 ods, at helping individuals to achieve more adequate, satisfying, and  
28 productive social adjustments;

29 (3) "clinical social worker" means a person who practices

1 clinical social work;

2 (4) "department" means the Department of Commerce and  
3 Economic Development;

4 (5) "social work principles and methods" include counseling  
5 and using techniques of applied psychotherapy of a nonmedical nature  
6 to assist in the diagnosis and treatment of mental and emotional  
7 conditions of individuals, families, and groups; providing information  
8 and referral services; providing or arranging for the provision of  
9 social services; explaining and interpreting the psychosocial aspects  
10 in the situations of individuals, families, or groups; helping commu-  
11 nities to organize, provide, or improve social and health services;  
12 and doing research related to social work.

13 \* Sec. 3. AS 08.01.010 is amended by adding a new paragraph to read:

14 (28) Board of Clinical Social Work Examiners (AS 08.95.010).

15 \* Sec. 4. AS 08.02.010(a) is amended to read:

16 (a) An audiologist licensed under AS 08.11, a person licensed in  
17 the state as a chiropractor under AS 08.20, a dentist under AS 08.36,  
18 a medical practitioner or osteopath under AS 08.64, a registered nurse  
19 under AS 08.68, an optometrist under AS 08.72, a registered pharmacist  
20 under AS 08.80, a registered physical therapist or occupational thera-  
21 pist under AS 08.84, [OR] a psychologist under AS 08.86, or a clinical  
22 social worker licensed under AS 08.95, shall use as professional  
23 identification appropriate letters or a title after that person's name  
24 which represents that person's specific field of practice. The let-  
25 ters or title shall appear on all signs, stationery, or other ad-  
26 vertising in which the person offers or displays personal professional  
27 services to the public. In addition, a person engaged in the practice  
28 of medicine or osteopathy under AS 08.64.380(2) or a person engaged in  
29 any manner in the healing arts who diagnoses, treats, tests, or

1        counsels other persons in relation to human health or disease and uses  
2        the letters "M.D." or the title "doctor" or "physician" or another  
3        title that tends to show that the person is willing or qualified to  
4        diagnose, treat, test, or counsel another person, shall clarify the  
5        letters or title by adding the appropriate specialist designation, if  
6        any, such as "dermatologist", "radiologist", "audiologist", "naturo-  
7        path", or the like.

8        \* Sec. 5. AS 08.03.010(c) is amended by adding a new paragraph to read:  
9                (21) Board of Clinical Social Work Examiners (AS 08.95.010)  
10        -- June 30, 1992.

11        \* Sec. 6. INITIAL APPOINTMENTS TO THE BOARD OF CLINICAL SOCIAL WORK  
12 EXAMINERS. Notwithstanding AS 08.95.010, as enacted by sec. 2 of this Act,  
13 a person is eligible for an initial appointment as a professional member of  
14 the Board of Social Work Examiners, if the person

15                (1) has received a master's degree or a doctoral degree in  
16 social work from a college or university accredited by the Council on  
17 Social Work Education;

18                (2) has completed, within the preceding 10 years, either

19                        (A) a minimum of two years of continuous full-time employ-  
20 ment in postgraduate clinical social work; or

21                        (B) a minimum of 3,000 hours of less than full-time employ-  
22 ment in postgraduate clinical social work in a period of not less than  
23 two years;

24                (3) is in good professional standing; and

25                (4) has practiced clinical social work in this state within the  
26 year preceding appointment.

27        \* Sec. 7. TRANSITIONAL LICENSURE. (a) Notwithstanding AS 08.95.110,  
28 as enacted by sec. 2 of this Act, the Board of Clinical Social Work Ex-  
29 aminers shall issue a license to practice clinical social work to a person

1 who

2 (1) applies for a license before July 1, 1989; and

3 (2) satisfies the requirements of AS 08.95.110(1) - (4) and (6).

4 (b) Notwithstanding AS 08.95.110(2) as enacted by sec. 2 of this Act,  
5 the board shall issue a license to practice clinical social work to a  
6 person who applies for licensure under this section without regard to  
7 whether the supervising clinical social worker is licensed in this state.

8 \* Sec. 8. This Act takes effect July 1, 1988.

# Alaska State Legislature

REPRESENTATIVE  
PAT POURCHOT

HOUSE FINANCE COMMITTEE,  
VICE CHAIR

HOUSE ETHICS COMMITTEE, CHAIR

LEGISLATIVE BUDGET & AUDIT  
COMMITTEE



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JUNEAU, AK 99811  
(907) 485-3712

### MEMORANDUM

TO: Members, House Finance Committee  
FROM: Representative Pat Pourchot  
RE: CSHB 526 (Fin), Social Work Licensing  
DATE: April 7, 1988

I am writing to call your attention to CSHB 526 (Fin), which would establish licensure for clinical social workers.

Licensure of social workers is an issue that has been before the Legislature in the past, but due to strong opposition from some groups has failed to achieve passage into law. The primary opposition has come from Native non-profit organizations concerned about the impact licensure might have on the ability of the Native community to continue to provide services to its people. Lesser opposition has come from the State Division of Family and Youth Services (DFYS) who is concerned about the feasibility of licensing state employees and the difficulty of attracting licensed professionals to remote areas of the state.

The bill before you is a scaled-down version of earlier licensing proposals. It meets the concerns of the Native non-profits and DFYS, is supported by the Alaska Chapter of the National Association of Social Workers (ANASW), and meets the most pressing consumer protection issue -- social workers providing counseling or psychotherapy services in unsupervised private practice.

Proposed CSHB 526 (Fin) would apply only to clinical social workers in private practice, a subset (approximately 50 persons) of the general social work profession. A clinical social worker is classified according to NASW's standardized definition and is set apart from other social workers by the fact that he or she performs psychotherapy (diagnosis and assessment of persons with mental and emotional conditions). This aspect of social work requires specialized knowledge and training and can have detrimental effects if wrongly

CSHB 526(Fin)  
April 7, 1988  
Page 2

applied. Social workers employed by federal, state, or local government entities and by private non-profits (e.g. social workers who, by the nature of their employment, operate within a supervised structure) would be specifically exempt from licensure.

HB 526 should not be interpreted to mean that consumer protection and standard of practice issues arise only with clinical social workers. Probably each decision made by each social worker impacts somebody's life, and there are many people who feel that this justifies licensure of all social workers. However, there is simply not support for that approach. I am convinced that CSHB 526(Fin) will do much to enhance consumer protection and improve the standard of care by targeting those social workers that are totally unregulated at this time, and I would urge your support.

The bill will have no fiscal impact, as license fees. (approximately \$150 per year) would cover the cost of licensing. I would also note that licensure would facilitate the receipt of third party insurance payments by clinical social workers, which would have the general effect of increasing the availability of their services.

HB 526 received a unanimous "do pass" recommendation from both the House Labor and Commerce Committee and the House Health, Education, and Social Services Committee after supportive testimony was received from the Alaska Chapter of the National Association of Social Workers, the Alaska Department of Health and Social Services, the State Division of Occupational Licensing, and the Alaska Federation of Natives.

The Finance Committee Substitute contains only one change from earlier versions of the bill. In response to a concern expressed by the House HESS Committee, the confidentiality provision has been amended to remove any apparent conflict between the bill (which implies that social workers are exempt from the court's authority to require testimony) and the court rules (which authorize the courts to require persons to testify or to grant them the privilege of confidentiality). Page 5, lines 1-5 now recognize the court's authority.

I urge your support.

# Alaska State Legislature

REPRESENTATIVE  
PAT POURCHOT

HOUSE FINANCE COMMITTEE,  
VICE CHAIR

HOUSE ETHICS COMMITTEE, CHAIR

LEGISLATIVE BUDGET & AUDIT  
COMMITTEE



ANCHORAGE  
P O BOX 10483E  
ANCHORAGE AK 99510  
(W) (907) 561-7623  
(H) (907) 338-2425

JUNEAU  
P O BOX V  
STATE CAPITOL  
JUNEAU, AK 99811  
(907) 485-3712

## House of Representatives

April 7, 1988

CSHB 526(Fin), An Act relating to the practice of clinical social work.

### BILL ANALYSIS

#### Section 1 Purpose

Protect the public by setting standards of professional performance for clinical social workers.

#### Section 2, 08.95.010 Board Make-up

Four licensed clinical social workers and one public member.

#### Section 08.95.020 Board Meetings

At least once a year.

#### Section 08.95.030 Duties of the Board

Issue licenses, impose disciplinary sanctions, adopt regulations, and prepare an annual report.

#### Section 08.95.040 Continuing Education

Minimum of 45 hours per biennium of education or training, with a minimum of 6 hours in substance abuse and 6 hours in cross-cultural education that emphasizes Alaska Natives.

#### Section 08.95.100 Penalties

Class B misdemeanor (maximum 90 day sentence) for practicing clinical social work or using the title "clinical social worker" without a license. Unlicensed persons may use the title "social worker".

#### Section 08.95.110 Licensure

Qualifications: (1) Masters or doctoral degree in social work; (2) 2-years of full-time supervised employment in clinical social work or 3,000 supervised hours of less than full-time employment; (3) good professional standing; (4) 3 professional references; (5) pass examination; (6) pay fees.

Section 08.95.130 Display of License

Must be in a conspicuous place.

Section 08.95.900 Confidentiality

Required except under certain conditions (case conferences with other licensed professionals, written consent, court proceedings, incidents of child abuse or neglect).

Section 08.95.910 Exemptions

Employees of federal/state/local government, non-profits, other qualified professionals.

Section 08.95.990 Definitions

Defines "clinical social work" and "social work principles and methods".

Section 3-4 DCED Duties

08.01.010 places Social Work Board under the centralized licensing statute.

08.01.050 authorizes DCED to provide investigative services to the Board.

Section 5, 08.02.010(a) Use of Title

Must be used on all signs, stationery, or other advertising.

Section 6, 08.03.010(c) Sunset

June 30, 1992

Section 7 Initial Appointments to Board

Persons with masters or doctoral degree in social work, 2 years or 3000 hours of experience, good professional standing, and who practiced in Alaska during the past year are eligible.

Section 8 Transitional Licensure

License without exam until June 30, 1989 for persons who meet all other licensure requirements.

Section 9 Effective Date

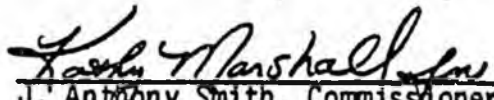
July 1, 1988

CSHB 526 (L&C): An Act relating to the practice of clinical social work and exempting certain persons from licensure as clinical social workers; and providing for an effective date.

CSHB 526 establishes a Board of Clinical Social Work Examiners to regulate the practice of clinical social work performed by independent practitioners and exempts individuals who practice clinical social work as an employee of a federal, state or local government, or of a private nonprofit organization.

Currently, clinical social workers practice independently with no oversight of individual qualifications, or means to pursue unethical practice. Clinical social workers often work closely with psychologists and psychiatrists in diagnosing and treating emotional disorders. Although other classifications of social workers generally receive supervision through their employment by the state or a clinic or medical facility, clinical social workers have been isolated from such oversight.

The department supports the licensing of clinical social workers, provided that the profession is cooperative in attempting to support adequate funding for the new licensing function through realistic licensing fees.

  
\_\_\_\_\_  
J. Anthony Smith, Commissioner  
Department of Commerce and  
Economic Development

Date: 4/4/88

JS/dg10066o  
040488b

POSITION PAPER  
COMMITTEE SUBSTITUTE FOR HOUSE BILL No. 526

For an Act entitled: "An Act relating to the practice of clinical social work and exempting certain persons from licensure as clinical social workers; and providing for an effective date."

The Committee Substitute for House Bill 526 would provide for a licensing body with the authority to regulate the practice of clinical social work in Alaska. The provisions in this Committee Substitute would:

1) promote high standards of professional performance by persons licensed to practice clinical social work.

As a result of this legislation, only persons found by the Board to meet the requirements under Section 08.95.110 would be issued a license to practice clinical social work. Clinical social workers intervene in complex situations involving interpersonal, social, financial, and legal dimensions, and in an area where the professional capabilities of the individual have such an important impact on the persons receiving services, it is essential that the standards of quality of one's professional performance are consistently high. Licensure or certification has been effected in 43 states, the Virgin Islands, and Puerto, as a mechanism to ensure those standards.

2) protect the consumer by insuring that persons using the title of clinical social worker have specific educational training designed to prepare persons for the field of social work.

There are presently no requirements for clinical social work practitioners, and while consumers of these services can contact the Alaska Chapter of the National Association of Social Workers (NASW) to see if the person is a member, membership in NASW is voluntary and therefore all "licensable" social workers may not belong to NASW. In addition, while persons who are members of NASW are required to conduct their practices according to the national organization's code of ethics, censoring a member for unethical practices does not stop them from practicing in Alaska; that can only be accomplished through licensure.

3) provide individuals in the community with more options for treatment than what presently exists.

Licensure provides the clinical social worker with the ability to seek financial reimbursement for services through a number of insurance companies which presently will only reimburse "licensed" professionals. The result of the present situation is that persons seeking treatment services are forced to wait for the availability of other professionals if they need to pay for these services through insurance. Social workers provide a large percentage of the clinical services offered in Alaska, particularly in the rural areas, and the availability of those services often means the difference between some treatment and no treatment.

4) provide for privileged communication between the professional social worker and the client.

While the information acquired by state social workers in their performance of their duties under AS 47.10.090, 47.17.040, 47.35.060, and 47.35.070 is confidential, social workers in private agencies or in private practice have no similar protection of their clients' information.

The Department of Health and Social Services strongly supports both the recognition of the profession of social work and the commitment of the Alaska Legislature to regulate that practice in order to assure quality service to clients.

RECOMMENDED: *Yvonne M. Chase*  
Yvonne M. Chase, Director  
Division of Family  
and Youth Services  
DATE: 3/24/88

APPROVED: *Myra M. Munson*  
Myra M. Munson, Commissioner  
Department of Health  
and Social Services  
DATE: 3/24/88

# NASW Statement

## LICENSING OF CLINICAL SOCIAL WORKERS IN PRIVATE PRACTICE

The Alaska Chapter of the National Association of Social Workers supports the passage of legislation to regulate social workers who are engaged in the private-for-profit, independent practice of clinical social work. Currently 35 States provide some control over clinical social work in their jurisdiction through registration, certification, or licensure of social workers and 9 States including California and Oregon regulate only the practice of clinical social work.

The standard adopted by NASW for the independent practice of clinical social work includes a master's degree in social work from an accredited program and two years of supervised experience in a clinical setting. Clinical settings include but are not limited to mental health clinics, hospitals, and counseling centers. Only clinical social workers are qualified to diagnose and treat mental illness and emotional disorders utilizing psychosocial methods and psychotherapeutic techniques. Clinical social workers deliver over 50% of mental health services on the national and statewide level. Clinical social workers are the only unlicensed mental health professionals currently permitted by State statute to evaluate clients for commitment in mental health proceedings.

The majority of social workers engaged in private practice throughout the State are clinical social workers. There are several masters level and some bachelors level social workers engaged in private practice as consultants but it would be difficult to regulate this group because they do not possess a standard body of knowledge in comparison to clinical social workers. Consumers of clinical social work services by private practitioners are those consumers most at risk of receiving services from unqualified or unethical practitioners.

NASW believes that licensing of all social workers is beneficial to the public but licensing of private practitioners is absolutely necessary to protect consumers. Clients of agencies can file complaints with the worker's supervisor, director, or governing board, but clients of private practitioners have no such recourse. Recently there have been several reports indicating that complaints against social workers accused of sexually abusing clients has sharply increased. The Alaska Chapter of NASW is currently in the process of handling a complaint of this nature against one of our members. Because NASW can only handle complaints against members, the only sanction we can impose is to revoke membership.

We estimate that approximately 40-50 clinical social workers are engaged in the private practice of clinical social work on a part-time or full-time basis in Alaska and an additional 50-80 clinical social workers employed by agencies, clinics, and hospitals will meet the qualifications. Licensing of clinical social workers will enable private practitioners to collect third-party payments for treatment of mental and emotional disorders. Licensing of clinical social workers will expand treatment options for many Alaskans because clinical social workers frequently charge less for their services, and because clinical social workers are more likely to reside in rural areas of the State than psychiatrists or psychologists. In addition, many clinical social workers have developed expertise in areas such as treating victims of domestic violence and sexual abuse, but have had difficulty establishing their expertise as competent witnesses in courtroom settings because social workers are not licensed.

Submitted by: Marsha Schneider, MSW, ACSW  
Executive Director  
Alaska Chapter, NASW  
3/22/88

SENATE COMMITTEE REPORT

FINANCE

FURTHER

4  
4/13/88

DATE TURNED INTO OFFICE \_\_\_\_\_

Mr. President:

L&C Committee considered CSHB 526 (FIN)

practice of clinical social work and exempting certain persons from licensure as clinical social workers; efd

and recommended

[ ] replace with \_\_\_\_\_ CS \_\_\_\_\_ ) [ ] same title  
[ ] or adopt \_\_\_\_\_ CS \_\_\_\_\_ ) [ ] new title

[ ] attached amendment(s) and

*Majority*  
[X] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

[ ] letter of intent adopted \_\_\_\_\_

Committee [X] attached or [ ] adopted ~~fiscal note~~(s)

[ ] new [ ] updated or [X] previous  
[ ] zero [X] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Ch. Klason*  
*Mike Spindler*  
*Johannes*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Tim Kelly - Do Pass*  
Chairman signature and recommendation

*L & C Report*

HB

529

# HOUSE COMMITTEE REPORT

(11)

Date referred: 4/19/88

FURTHER REFERRALS:

DATE: 4-27-88

The Finance Committee has considered HB 529

"An Act relating to workers' compensation benefits for members of the state's organized militia; and providing for an effective date."

**RECOMMENDS:**

- replace with \_\_\_\_\_  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 2/17/88 #3
- zero fiscal note  same as previous zero fiscal note published 2/17/88 #2
- zero with analysis

**SIGNING DO PASS:**

Al Adams  
Pat Kunkel  
Ronald J. Jarm  
Peter J...  
Charles  
Mark Boyer  
Kurt Walling  
Myke Orr  
John

**SIGNING OTHER RECOMMENDATIONS:**

Steve Neip  
Ray Brown  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Al Adams  
 Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An act relating to workers' comp. benefits for member of the ANG, ANM & ASM  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Department of Administration  
BRU: Risk Management

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0.0	88.0	114.0	148.0	193.0	250.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0.0	88.0	114.0	148.0	193.0	250.0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	88.0	114.0	148.0	193.0	250.0
TOTAL	0	88.0	114.0	148.0	193.0	250.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This fiscal note is extremely difficult to project---see Fiscal Note Analysis on page 2.

Prepared By: Donald J. Hitchcock, Director Phone: 465-2180  
Division: Risk Management Date: February 10, 1988

Approved by Commissioner: John M. Andrews Date: 2/16/88  
Agency: Department of Administration

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

## CONTINUATION OF FISCAL NOTE ANALYSIS

This fiscal note is based on present estimated costs of the State self-insured Workers' Compensation program prorated to the number of days of probable National Guard or Militia exposure.

It is further estimated that the Federal Government would pay 75% of loss and the State of Alaska would pay any additional in order to provide the injured person with Alaska Workers' Compensation benefits. If no Federal coverage was available, then the State may become obligated to the entire amount of loss.

There are approximately 5,000 people in these affected military units of which approximately 600 are full time.

It is very difficult to estimate total additional exposure to the State with no loss history available.

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An act relating to workers comp benefits for members of the org. militia  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Military & Veterans Affairs  
BRU: Alaska National Guard  
Components: Office of the Adjutant General

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		88.0	114.0	148.0	193.0	250.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		88.0	114.0	148.0	193.0	250.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		88.0	114.0	148.0	193.0	250.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Amounts budgeted by this fiscal note will be transferred by RSA to Risk Management, Department of Administration, to pay for additional insurance coverage created by this bill. See attached analysis.

Prepared by: Jeff Morrison  
Division: Administrative & Support Services, DMVA

Phone: 465-4600  
Date: February 11, 1988

Approved by Commissioner: MG John W. Schaeffer  
Agency: Department of Military & Veterans Affairs

Date: February 11, 1988

Distribution (by preparer):

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

Attachment to fiscal note for: "An Act relating to workers compensation benefits for members of the organized militia."

Overview: This act makes two changes to existing statutes: 1) to expand workers compensation coverage to members of the Alaska State Militia; and 2) to provide a safety net of state workers compensation coverage to members of the Alaska National Guard on training status.

1. Alaska State Militia (ASM) workers compensation coverage: Premiums for workers compensation coverage are calculated by multiplying the total payroll covered by the specific rate for the type of work being performed. Members of the ASM serve without pay for their training, which consists of two days per month, for a total of 24 days per year. Under the bill, the earnings of a member of the ASM are presumed to be the same as they would be if the ASM member held the same grade or rank as a member of the U.S. Armed Forces. Under this assumption, the total covered payroll of the ASM amounts to about \$10,000 per day. For the 24 days of drill per year, the total payroll covered is about \$240,000. During drills, members of the ASM train in an office setting. The rate for workers compensation for office workers is approximately 1% of the total payroll. At an assumed total payroll of \$240,000, and a premium rate of 1%, the total annual premium due to the Division of Risk Management is \$2,400.
2. Safety net coverage for Alaska National Guard members: Alaska National Guard members are already covered under state workers compensation while on state active duty. The proposed legislation would extend that coverage to include the times that a guardsman is on federal duty under 32 U.S.C. Since guardsmen are also covered under federal workers compensation while on federal duty, the state would only be paying for the coverage which exceeds the federal workers compensation coverage. The legislation also provides that any state workers compensation payable under the proposed new language of the law would be reduced and offset by the amount payable under the federal coverage. The Division of Risk Management has estimated that the additional workers compensation exposure created by this bill will cost the state an additional \$ 85,600 in the first year.
3. FY90 and beyond: Recent workers compensation loss history documented by the Division of Risk Management shows a growth rate in risk management costs of about 30% per year. This growth rate is applied to the total first year expense of \$88,000, to project the likely cost of this legislation for the years following FY89.

Prepared by: Jeff Morrison, Director  
Administrative and Support Services Division  
Department of Military and Veterans Affairs  
465-4600  
February 11, 1988

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An Act relating to workers' Compensation benefits..."  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Labor  
BRU: Workers' Compensation  
Components: Workers' Compensation

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						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jacque McClintock Phone: 465-2790  
Division: Workers' Compensation Date: 12/16/87  
Approved by Commissioner: Jim Sampson Date: 12/16/87  
Agency: Labor

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

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 529

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 workers' compensation benefits  
7 for members of the state's organized militia; and  
8 providing for an effective date."

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

10 \* Section 1. AS 26.05.260(d) is amended to read:

11 (d) A member of the organized militia [ALASKA NATIONAL GUARD OR  
12 ALASKA NAVAL MILITIA] who, while performing duties [ON ACTIVE SERVICE]  
13 under AS 26.05.070 [AND LAWFULLY PERFORMING DUTIES], including transit  
14 to and from the member's home of record, suffers an injury or [A]  
15 disability in the line of duty is entitled to all compensation and  
16 benefits available under the Alaska Workers' Compensation Act  
17 (AS 23.30).

18 \* Sec. 2. AS 26.05.260(e) is amended to read:

19 (e) If a member of the organized militia [ALASKA NATIONAL GUARD  
20 OR ALASKA NAVAL MILITIA] dies as a result of an injury or [A] disabil-  
21 ity suffered in the line of duty while performing duties [ON ACTIVE  
22 SERVICE] under AS 26.05.070 [AND WHILE LAWFULLY PERFORMING DUTIES],  
23 including transit to and from the member's home of record, death  
24 benefits must [SHALL] be paid to the persons in the amounts specified  
25 in AS 23.30.215.

26 \* Sec. 3. AS 26.05.260(h) is amended to read:

27 (h) In this section, "member" means an active commissioned or  
28 warrant officer or enlisted man or woman in the organized militia  
29 [ALASKA NATIONAL GUARD OR ALASKA NAVAL MILITIA].

1 \* Sec. 4. AS 26.05.260 is amended by adding new subsections to read:

2 (i) Except as provided in (k) of this section, a member of the  
3 organized militia who, while performing duties under 32 U.S.C. 316,  
4 502, 503, 504, or 505, suffers an injury or disability in the line of  
5 duty is entitled to all compensation and benefits available under the  
6 Alaska Workers' Compensation Act (AS 23.30).

7 (j) Except as provided in (k) of this section, if a member of  
8 the organized militia dies as a result of an injury or disability  
9 suffered in the line of duty while performing duties under 32 U.S.C.  
10 316, 502, 503, 504, or 505, death benefits must be paid to the persons  
11 in the amounts specified in AS 23.30.215.

12 (k) A member or survivor of a member of the Alaska National  
13 Guard who is entitled to compensation under (i) or (j) of this section  
14 shall apply for, and provide proof to the Department of Military and  
15 Veterans' Affairs of application for, all compensation and benefits  
16 authorized under federal law for the injury, disability, or death.  
17 The amount of compensation or death benefit paid to a person under  
18 AS 23.30 must be reduced by the amount payable to the person by the  
19 United States for the same injury, disability, or death under 10  
20 U.S.C. and 37 U.S.C. If a person receives payment of compensation or  
21 benefits authorized under 10 U.S.C. or 37 U.S.C. for the injury,  
22 disability, or death after payment of compensation begins under  
23 AS 23.30 for the injury, disability, or death, or if for any other  
24 reason a person receives an overpayment of compensation under AS 23.30  
25 and this section, the person shall repay the overpayment by making a  
26 lump sum payment or by an offset against future payments due for the  
27 injury, disability, or death under AS 23.30 and this section.

28 (l) For purposes of computation of benefits under AS 23.30, the  
29 earnings of a member of the organized militia will be presumed to be

1 no less than the pay and allowances authorized for a member of the  
2 regular armed forces of the United States in the same grade or rank as  
3 the member at the time of the injury or death.

4 \* Sec. 5. This Act takes effect July 1, 1988.

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

No. 3  
BILL VERSION: HB 529  
PUBLISH DATE: HOUSE 2/17/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Labor  
 Title: "An Act relating to workers' Compensation benefits..."  
 BRU: Workers' Compensation  
 Sponsor: Rules Committee  
 Components: Workers' Compensation  
 Requestor: Governor

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						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jacque McClintock Phone: 465-2790  
 Division: Workers' Compensation Date: 12/16/87  
 Approved by Commissioner: Jim Sampson Date: 12/16/87  
 Agency: Labor

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

TALKING PAPER HB 529

MILITIA COMPOSITION

ALAKSA MILITIA COMPOSED OF TWO ELEMENTS

1. ORGANIZED MILITIA (AS 26.05.010 (b) (1)) CONSISTING OF:
  - A. ALASKA NATIONAL GUARD MADE UP OF:
    1. ALASKA AIR NATIONAL GUARD
    2. ALASKA ARMY NATIONAL GUARD
  - B. ALASKA NAVAL MILITIA
  - C. ALASKA STATE MILITIA
2. UNORGANIZED MILITIA (AS 26.05.010 (b) (2))

CALL JEFF  
BOWER

TALKING PAPER HB529

MILITIA DUTY STATUSES

STATE ACTIVE DUTY (AS 26.05.070)

APPLICABLE TO ALL ELEMENTS OF THE ORGANIZED MILITIA

NATIONAL GUARD

NAVAL MILITIA

STATE MILITIA

CALLED TO DUTY BY THE GOVERNOR

DUTY IN "STATE STATUS" (32 USC 502, 503, 504)

APPLICABLE TO THE NATIONAL GUARD ONLY

EQUIPMENT PROVIDED BY THE FEDERAL GOVERNMENT (DOD)

WAGES/SALARIES PAID BY FEDERAL GOVERNMENT (DOD)

OFFICERS APPOINTED BY STATE AUTHORITIES

GOVERNOR IS COMMANDER IN CHIEF

ADJUTANT GENERAL EXERCISES GOVERNOR'S AUTHORITY AS COMMANDER

CONFORMS TO CONSTITUTIONAL PROVISIONS THAT STATES SHALL APPOINT OFFICERS AND TRAIN THE MILITIA ACCORDING TO THE DISCIPLINE PRESCRIBED BY CONGRESS.

CONGRESS/DOD EXERCISE DISCRETIONARY AUTHORITY TO DETERMINE SCOPE OF TRAINING.

STATES EXERCISE OPERATIONAL AUTHORITY OVER NATIONAL GUARD TRAINING.

FEDERAL DUTY (10 USC)

BY NATIONAL GUARD WHEN

MOBILIZED BY PRESIDENTIAL ORDER

PERFORMING TRAINING OUTSIDE TERRITORIAL LIMITS OF US

BY NAVAL MILITIA MEMBERS WHEN

PERFORMING USNR TRAINING

TALKING PAPER HB529

SUMMARY OF FEDERAL MILITARY BENEFITS FOR INJURED MEMBERS OF THE GUARD

I. IF ORDERED TO DUTY FOR 30 DAY OR MORE

A. FULL MILITARY MEDICAL CARE

B. CONTINUATION OF MILITARY PAY DURING PERIOD OF TREATMENT

C. MEDICAL EVALUATION BOARD 6 MONTHS AFTER INJURY/DISEASE TO DETERMINE IF MEMBER CAN RETURN TO DUTY

1. IF EVALUATION IS POSITIVE, PAY AND TREATMENT CONTINUE UNTIL MEMBER IS RETURNED TO DUTY.

2. IF EVALUATION IS NEGATIVE, PAY AND TREATMENT CONTINUE UNTIL PHYSICAL EVALUATION BOARD (PEB) CONVENES.

D. PEB DETERMINES EXTENT OF DISABILITY

1. IF 30% OR GREATER, MEMBER RETIRED IN GRADE WITH 1/2 PAY, ALL MILITARY BENEFITS AND CONTINUED MILITARY MEDICAL CARE.

2. IF LESS THAN 30%, MEMBER GIVEN SERVICE CONNECTED DISABILITY WHICH PERMITS VA DISABILITY COMPENSATION AND VA MEDICAL CARE.

II. IF ORDERED TO DUTY FOR 30 DAYS OR LESS, BENEFITS THE SAME EXCEPT

NO PAY OR ALLOWANCES ACCRUE TO INJURED GUARD MEMBERS.

WAGE CONTINUATION (UP TO A MAXIMUM OF THE MILITARY PAY GRADE) PREDICATED UPON DEMONSTRABLE LOSS OF NON MILITARY INCOME.

TALKING PAPER HB529

NEED FOR HB529

BRING ASM WITHIN COVERAGE OF AS26.05.260

LIMIT STATE EXPOSURE TO WORKERS COMP REMEDY

LIMIT REMEDY OF INJURED MILITIA MEMBERS TO THOSE OF OTHER STATE EMPLOYEES

INSURE ADEQUATE REMEDY/TREATMENT FOR INJURED MILITIA MEMBERS

REQUIRE ADEQUATE BUDGET/PLANNING FOR "PREMIUM" COSTS ASSOCIATED WITH RISK.

PROVIDE "SAFETY NET" FOR NATIONAL GUARD MEMBERS OF THE ORGANIZED MILITIA

ACKNOWLEDGES DUAL EMPLOYER NATURE OF NATIONAL GUARD (FEDERAL WAGES FOR TRAINING CONDUCTED BY STATE OFFICERS/AUTHORITIES)

REQUIRES EXHAUSTION OF FEDERAL BENEFITS

WORKERS COMP REMEDY IS SECONDARY NOT PRIMARY

PROVIDES TREATMENT/REMEDY WHEN FEDERAL REMEDY UNAVAILABLE OR INADEQUATE.

REQUIRE ADEQUATE BUDGET/PLANNING FOR "PREMIUM" COSTS ASSOCIATED WITH RISK ASSOCIATED WITH OPERATIONAL SUPERVISION OF NATIONAL GUARD TRAINING.

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 17, 1988

The Honorable Ben Grussendorf  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to workers' compensation benefits for members of the Alaska State Militia, Alaska National Guard, and Alaska Naval Militia.

Under AS 26.05.020, the organized militia is composed of the Alaska State Militia (also known as the Alaska State Guard), the Alaska National Guard (composed of the Alaska Army National Guard and the Alaska Air National Guard), and the Alaska Naval Militia.

The National Guard is concurrently a reserve component of the armed forces of the United States. The National Guard drills one weekend each month and two weeks annually. For this duty, members of the National Guard are paid by the federal government from money appropriated to the Department of Defense. Members of the Naval Militia are concurrently members of the U.S. Naval Reserve. When performing drill for the U.S. Navy, naval reservists may be paid from money appropriated to the Navy Department.

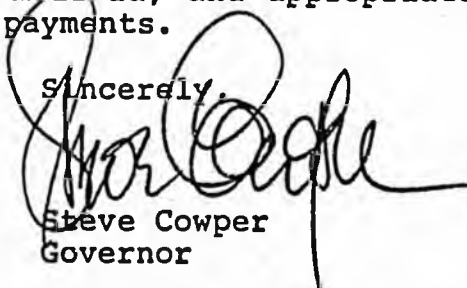
The Alaska State Militia (ASM) has no status as a reserve of the armed forces of the United States and its members receive no compensation from the federal government. The governor has authority to call the organized militia into active state service or training duty under AS 26.05.070. As currently written, AS 26.05.260 expressly provides that members of the National Guard and Naval Militia who are injured or killed while performing duties under AS 26.05.070 are entitled to workers' compensation. The statute is silent regarding compensation of members of the ASM who are injured or killed while performing duties under AS 26.05.070. No state workers' compensation coverage is presently provided for members of the National Guard who are injured or killed in the line of duty in the reserve component of the armed forces of the United States.

This bill expressly extends workers' compensation coverage to members of the ASM. Sections 1, 2, and 3 of the bill. This insures that injured militia members receive adequate compensation for injuries incurred incident to state service, and the bill limits the state's liability for injuries to the remedy provided for in AS 23.30. The bill also expressly extends workers' compensation coverage to members of the organized militia who are injured or killed in the line of duty under certain federal statutes, including federal details, drills, exercises, and training. However, members injured or killed in the line of federal duty are not covered while in transit to and from duty, and workers' compensation benefits are subject to a setoff described below. Section 4 of the bill, in proposed AS 26.05.260(i) and (j).

For purposes of computing workers' compensation benefits for a member of the organized militia, the bill provides that a member's earnings are presumed to be no less than the pay and allowances authorized for a member of the armed forces in the same grade and rank as the member at the time of the injury or death. Section 4 of the bill, in proposed AS 26.05.260(l). The bill also provides that members, or survivors of members, of the Alaska National Guard must apply for available benefits payable by the federal government for the injury or death of the member, and that workers' compensation payments will be reduced by the amount payable by the federal government for the disability or death. Section 4 of the bill, in proposed AS 26.05.260(k). The provisions on the federal setoff apply only to the National Guard because, of the three components of the organized militia, only that one is entitled to federal compensation under federal law. Notwithstanding the federal benefits, there will be some occasions when individuals will have recourse to the Alaska workers' compensation system. Therefore, some additional appropriation to cover the premium for this responsibility is anticipated.

This bill, then, provides for equity among the three components of Alaska's organized militia, and appropriately provides for setoff of federal payments.

Sincerely,



Steve Cowper  
Governor

HB

529-S

STATE OF ALASKA  
1988 LEGISLATIVE SESSION

No. 3  
BILL VERSION: HB 529  
PUBLISH DATE: HOUSE 2/17/88

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: "An Act relating to workers'  
Compensation benefits..."  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Labor  
BRU: Workers' Compensation  
Components: Workers' Compensation

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						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jacque McClintock Phone: 465-2790  
Division: Workers' Compensation Date: 12/16/87  
Approved by Commissioner: Jim Sampson Date: 12/16/87  
Agency: Labor

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

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Department of Administration  
 Title: An act relating to workers' comp. benefits for member of the ANG, ANM & ASM BRU: Risk Management  
 Sponsor: Rules Committee Components: \_\_\_\_\_  
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0.0	88.0	114.0	148.0	193.0	250.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0.0	88.0	114.0	148.0	193.0	250.0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	88.0	114.0	148.0	193.0	250.0
TOTAL	0	88.0	114.0	148.0	193.0	250.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

This fiscal note is extremely difficult to project---see Fiscal Note Analysis on page 2.

Prepared By: Donald J. Hitchcock, Director Phone: 465-2180  
 Division: Risk Management Date: February 10, 1988

Approved by Commissioner: John M. Andrews Date: 2/16/88  
 Agency: Department of Administration

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

## CONTINUATION OF FISCAL NOTE ANALYSIS

This fiscal note is based on present estimated costs of the State self-insured Workers' Compensation program prorated to the number of days of probable National Guard or Militia exposure.

It is further estimated that the Federal Government would pay 75% of loss and the State of Alaska would pay any additional in order to provide the injured person with Alaska Workers' Compensation benefits. If no Federal coverage was available, then the State may become obligated to the entire amount of loss.

There are approximately 5,000 people in these affected military units of which approximately 600 are full time.

It is very difficult to estimate total additional exposure to the State with no loss history available.

SENATE COMMITTEE REPORT

FURTHER

Finance

4/30/88

DATE TURNED INTO OFFICE

5/6/88

Mr. President:

State Affairs

Committee considered

HB 529

workers' compensation benefits for members of the state's organized militia; efd

and recommended

+ reports it back as follows:

[ ] replace with \_\_\_\_\_ CS \_\_\_\_\_ ) [ ] same title
[ ] or adopt \_\_\_\_\_ CS \_\_\_\_\_ ) [ ] new title

[ ] attached amendment(s) and

[X] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

[ ] letter of intent adopted \_\_\_\_\_

Committee [X] attached or [ ] adopted fiscal note(s)

[ ] new [ ] updated or [X] previous

[ ] zero [X] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

1 W. Henry
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_

2 Ken Conroy - No Rec
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_
\_\_\_\_\_

Chairman signature and recommendation

[ ] Committee Backup attached

STEVE COWPER  
GOVERNOR



743527

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 17, 1988

The Honorable Ben Grussendorf  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to workers' compensation benefits for members of the Alaska State Militia, Alaska National Guard, and Alaska Naval Militia.

Under AS 26.05.020, the organized militia is composed of the Alaska State Militia (also known as the Alaska State Guard), the Alaska National Guard (composed of the Alaska Army National Guard and the Alaska Air National Guard), and the Alaska Naval Militia.

The National Guard is concurrently a reserve component of the armed forces of the United States. The National Guard drills one weekend each month and two weeks annually. For this duty, members of the National Guard are paid by the federal government from money appropriated to the Department of Defense. Members of the Naval Militia are concurrently members of the U.S. Naval Reserve. When performing drill for the U.S. Navy, naval reservists may be paid from money appropriated to the Navy Department.

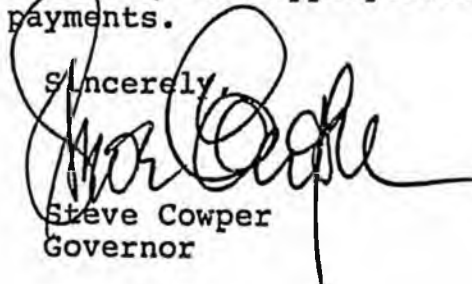
The Alaska State Militia (ASM) has no status as a reserve of the armed forces of the United States and its members receive no compensation from the federal government. The governor has authority to call the organized militia into active state service or training duty under AS 26.05.070. As currently written, AS 26.05.260 expressly provides that members of the National Guard and Naval Militia who are injured or killed while performing duties under AS 26.05.070 are entitled to workers' compensation. The statute is silent regarding compensation of members of the ASM who are injured or killed while performing duties under AS 26.05.070. No state workers' compensation coverage is presently provided for members of the National Guard who are injured or killed in the line of duty in the reserve component of the armed forces of the United States.

This bill expressly extends workers' compensation coverage to members of the ASM. Sections 1, 2, and 3 of the bill. This insures that injured militia members receive adequate compensation for injuries incurred incident to state service, and the bill limits the state's liability for injuries to the remedy provided for in AS 23.30. The bill also expressly extends workers' compensation coverage to members of the organized militia who are injured or killed in the line of duty under certain federal statutes, including federal details, drills, exercises, and training. However, members injured or killed in the line of federal duty are not covered while in transit to and from duty, and workers' compensation benefits are subject to a setoff described below. Section 4 of the bill, in proposed AS 26.05.260(i) and (j).

For purposes of computing workers' compensation benefits for a member of the organized militia, the bill provides that a member's earnings are presumed to be no less than the pay and allowances authorized for a member of the armed forces in the same grade and rank as the member at the time of the injury or death. Section 4 of the bill, in proposed AS 26.05.260(l). The bill also provides that members, or survivors of members, of the Alaska National Guard must apply for available benefits payable by the federal government for the injury or death of the member, and that workers' compensation payments will be reduced by the amount payable by the federal government for the disability or death. Section 4 of the bill, in proposed AS 26.05.260(k). The provisions on the federal setoff apply only to the National Guard because, of the three components of the organized militia, only that one is entitled to federal compensation under federal law. Notwithstanding the federal benefits, there will be some occasions when individuals will have recourse to the Alaska workers' compensation system. Therefore, some additional appropriation to cover the premium for this responsibility is anticipated.

This bill, then, provides for equity among the three components of Alaska's organized militia, and appropriately provides for setoff of federal payments.

Sincerely,



Steve Cowper  
Governor

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 529

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 workers' compensation benefits  
7 for members of the state's organized militia; and  
8 providing for an effective date."

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

10 \* Section 1. AS 26.05.260(d) is amended to read:

11 (d) A member of the organized militia [ALASKA NATIONAL GUARD OR  
12 ALASKA NAVAL MILITIA] who, while performing duties [ON ACTIVE SERVICE]  
13 under AS 26.05.070 [AND LAWFULLY PERFORMING DUTIES], including transit  
14 to and from the member's home of record, suffers an injury or [A]  
15 disability in the line of duty is entitled to all compensation and  
16 benefits available under the Alaska Workers' Compensation Act  
17 (AS 23.30).

18 \* Sec. 2. AS 26.05.260(e) is amended to read:

19 (e) If a member of the organized militia [ALASKA NATIONAL GUARD  
20 OR ALASKA NAVAL MILITIA] dies as a result of an injury or [A] disabil-  
21 ity suffered in the line of duty while performing duties [ON ACTIVE  
22 SERVICE] under AS 26.05.070 [AND WHILE LAWFULLY PERFORMING DUTIES],  
23 including transit to and from the member's home of record, death  
24 benefits must [SHALL] be paid to the persons in the amounts specified  
25 in AS 23.30.215.

26 \* Sec. 3. AS 26.05.260(h) is amended to read:

27 (h) In this section, "member" means an active commissioned or  
28 warrant officer or enlisted man or woman in the organized militia  
29 [ALASKA NATIONAL GUARD OR ALASKA NAVAL MILITIA].

1 \* Sec. 4. AS 26.05.260 is amended by adding new subsections to read:

2 (i) Except as provided in (k) of this section, a member of the  
3 organized militia who, while performing duties under 32 U.S.C. 316,  
4 502, 503, 504, or 505, suffers an injury or disability in the line of  
5 duty is entitled to all compensation and benefits available under the  
6 Alaska Workers' Compensation Act (AS 23.30).

7 (j) Except as provided in (k) of this section, if a member of  
8 the organized militia dies as a result of an injury or disability  
9 suffered in the line of duty while performing duties under 32 U.S.C.  
10 316, 502, 503, 504, or 505, death benefits must be paid to the persons  
11 in the amounts specified in AS 23.30.215.

12 (k) A member or survivor of a member of the Alaska National  
13 Guard who is entitled to compensation under (i) or (j) of this section  
14 shall apply for, and provide proof to the Department of Military and  
15 Veterans' Affairs of application for, all compensation and benefits  
16 authorized under federal law for the injury, disability, or death.  
17 The amount of compensation or death benefit paid to a person under  
18 AS 23.30 must be reduced by the amount payable to the person by the  
19 United States for the same injury, disability, or death under 10  
20 U.S.C. and 37 U.S.C. If a person receives payment of compensation or  
21 benefits authorized under 10 U.S.C. or 37 U.S.C. for the injury,  
22 disability, or death after payment of compensation begins under  
23 AS 23.30 for the injury, disability, or death, or if for any other  
24 reason a person receives an overpayment of compensation under AS 23.30  
25 and this section, the person shall repay the overpayment by making a  
26 lump sum payment or by an offset against future payments due for the  
27 injury, disability, or death under AS 23.30 and this section.

28 (l) For purposes of computation of benefits under AS 23.30, the  
29 earnings of a member of the organized militia will be presumed to be

1       no less than the pay and allowances authorized for a member of the  
2       regular armed forces of the United States in the same grade or rank as  
3       the member at the time of the injury or death.

4       \* Sec. 5. This Act takes effect July 1, 1988.

HB

530



Date referred: 3/14/88

FURTHER REFERRALS:

DATE: 3/17/88

The Finance Committee has considered HB 530

"An Act relating to the establishment and operation of a state boarding school by the Department of Education; and providing for an effective date."

RECOMMENDS:

- replace with \_\_\_\_\_  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
- zero with analysis  same as previous zero fiscal note published 2/17/88

SIGNING DO PASS:

ADAMS *Al Adams*

PSURCHOT *Paul Puschot*

ARSON *Ronald L Arson*

GOLL *Pete Goll*

RIEGER *Steve Rieger*

BOYER *Mark Boyer*

FRANK *Frank*

BROWN *Lay Brown*

DAVIS *Mike Davis*

SWACK *Swack*

HAMMER *Hammer*

SIGNING OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*Al Adams*

Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Establishment and operation of a state board school.  
Sponsor: Rules Committee  
Requestor: Governor

Agency Affected: Education  
BRU: Mt. Edgecumbe and K-12 Support  
Components: All of Mt. Edgecumbe; Foundation

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						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached analysis; FY89 budget revisions will be necessary for several budget components: there is a net zero effect on the overall budget.

Prepared by: Mary Hakala  
Division: Commissioner's Office

Phone: 465-2800  
Date: 2-12-88

Approved by Commissioner: William G. Demmert  
Agency: Department of Education

Date: 2-12-88

Distribution (by preparer):

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

## Mt. Edgecumbe Fiscal Note Analysis

<u>Budget Component</u>	<u>FY99 Gov Budget</u>	<u>Proposed under Bill</u>
Mt. Edgecumbe Maint & Cp	0	0
Instructional	1322.2 GF	0 GF
	<u>63.0 Oth</u>	<u>63.0 Oth</u>
Subtotal Instructional	1385.2	63.0
Residential	1510.0 GF	1565.3 GF (1)
Private & Federal Grants	28.5 Oth	28.5 Oth
	-----	-----
SUB-TOTAL	\$2923.7	\$1656.8
K-12 Support Foundation	411,913.0 GF	413,179.9 GF (2)
	21,246.1 PL874	21,246.1 PL374
	<u>8,830.9 PSF</u>	<u>8,830.9 PSF</u>
Subtotal Foundation	\$441,990.0	\$443,256.9
TOTAL	<u>\$444,913.7</u>	<u>\$444,913.7</u>

## Footnotes:

1) Increase of \$55.3 for one round trip for each student between the student's place of residence and Mt. Edgecumbe (page 6, line 22-24).

2) Increase by \$1266.9 for Mt. Edgecumbe allocation under proposed formula as follows: State Aid (20.33 Units x \$60.0) \$1219.8

10% PL874 Revenues generated by Mt. Edgecumbe students (budgeted revenue for foundation program, included within PL874 \$21,246.1) 47.1

Total Instructional Program aid under Formula \$1266.9

STEVE COWPER  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 17, 1988

The Honorable Ben Grussendorf  
Speaker of the House  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the establishment and operation of a state boarding school. The Department of Education (department) already operates such a school on Japonski Island in Sitka -- Mt. Edgumbe High School. This bill would, among other things, institutionalize certain funding for the school under the public school foundation program and clarify certain aspects of the operation of the school and the status of its employees. A section-by-section analysis of the bill follows.

Section 1 of the bill creates new AS 14.16, which contains the following new sections:

Proposed AS 14.16.010 authorizes the department to establish and operate a state boarding school, to be known as Mt. Edgumbe High School, to offer a secondary education curriculum and provide domiciliary services to its students.

Proposed AS 14.16.020 requires the board, in operating the school, to adopt a philosophy of education, employ a chief school administrator and approve the employment of necessary personnel, establish the salaries and benefits of its teachers (excluding administrators), designate the employees authorized to direct disbursements, provide custodial services and routine maintenance, establish procedures for the development and implementation of curriculum and instructional materials, provide health evaluation and placement screening programs for newly admitted students, establish procedures for staff evaluation, and provide staff training.

Proposed AS 14.16.030 requires the board to establish admissions standards and procedures by regulation, and permits the school to admit students meeting those criteria.

Proposed AS 14.16.040 establishes the state boarding school as a public school of the state.

Proposed AS 14.16.050 makes certain other provisions of AS 14 applicable to the state boarding school as if it were a school district. Especially noteworthy are the provisions making the statutes in AS 14.20, pertaining to employment, tenure, salaries, and collective bargaining for teachers, applicable to the state boarding school as if it were a school district. Note, however, that AS 14.20.550 -- 14.20.610, regarding collective bargaining, would allow the board to delegate its bargaining responsibilities.

Proposed AS 14.16.060 provides that the employees of the state boarding school are state employees.

Proposed AS 14.16.070 provides that the Public Employment Relations Act (AS 23.40.070 -- 23.40.260) applies to the employees of the state boarding school who are not subject to AS 14.20, i.e., those employees who are not teachers or administrators. It should also be noted that the certificated teachers in the Mt. Edgecumbe School are already in the exempt service under 39.25.110(7).

Proposed AS 14.16.080 provides for the applicability of certain financial provisions in other statutes.

Section 2 of the bill amends AS 14.17.010(a) to reflect that money appropriated to the public school foundation account may be distributed to the state boarding school.

Section 3 of the bill creates a new AS 14.17.024. Subsection (a) of the proposed section provides for funding from the public school foundation account, in an amount that is generally equivalent to the amount that would be generated by a single funding community school district, for instructional services provided by the state boarding school. Subsection (b) of this proposed new section provides that, in addition, the governor shall request appropriation of program receipts and federal aid received on behalf of the school, as well as amounts necessary for domiciliary services, student transportation, and maintenance and operation of the school's physical plant.

Section 4 of the bill amends AS 14.30.010(b)(10) to provide an exception to the state's compulsory education statute, which would otherwise require students to attend school in the district in which they reside, for students attending the state boarding school.

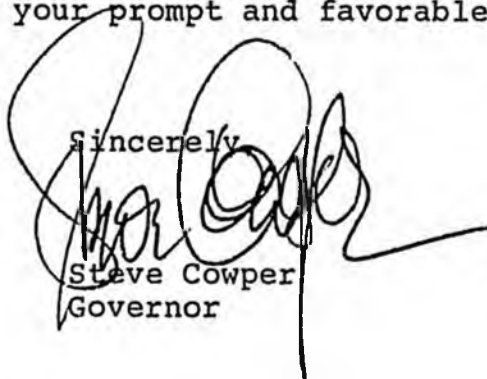
Section 5 of the bill amends AS 36.30.850(b) by adding a paragraph (14) to exempt the state boarding school from application of the State Procurement Code (AS 36.30) if the board or the commissioner of the department adopts procurement and contracting regulations for use by the school.

Section 6 of the bill is a transition section providing for the continuance of pending litigation, hearings, investigations, and other proceedings, and contractual and other legal obligations.

Sections 7 and 8 of the bill provide that sec. 3 (funding for the state boarding school) will take effect July 1, 1988, while the other sections of the bill will take effect immediately under AS 01.10.070(c).

The State Board of Education and the Department of Education support this bill. I urge your prompt and favorable consideration of it.

Sincerely,



Steve Cowper  
Governor

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 530

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 establishment and operation  
7 of a state boarding school by the Department of  
8 Education; and providing for an effective date."

9

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

10

\* Section 1. AS 14 is amended by adding a new chapter to read:

11

CHAPTER 16. SPECIAL SCHOOLS.

12

Sec. 14.16.010. ESTABLISHMENT OF STATE BOARDING SCHOOL. The  
13 department may establish and operate a boarding school, to be known as  
14 the Mt. Edgecumbe High School, to be managed in accordance with this  
15 chapter. The state boarding school must offer a secondary education  
16 curriculum to students enrolled in it, and must provide domiciliary  
17 services for students needing such services.

18

Sec. 14.16.020. OPERATION OF STATE BOARDING SCHOOL. In the  
19 management of the state boarding school, the board shall

20

(1) adopt a philosophy of education for the state boarding  
21 school;

22

(2) employ a chief school administrator and approve the  
23 employment of other personnel necessary to operate the state boarding  
24 school;

25

(3) establish the salaries and benefits to be paid teachers,  
26 excluding administrators, of the state boarding school;

27

(4) designate the employees authorized to direct disburse-  
28 ments from the money appropriated for the operation of the state  
29 boarding school and for the construction of its facilities;

1 (5) provide custodial services and routine maintenance of  
2 the state boarding school's physical facilities;

3 (6) establish procedures for the development and implementa-  
4 tion of curriculum and the selection and use of textbooks and instruc-  
5 tional materials at the state boarding school;

6 (7) prescribe health evaluation and placement screening  
7 programs for newly admitted students;

8 (8) establish procedures for staff evaluation; and

9 (9) provide staff training.

10 Sec. 14.16.030. ADMISSION TO SCHOOL. (a) The state boarding  
11 school may admit students who are qualified in accordance with appli-  
12 cable admission standards. Preference for enrollment must be given to  
13 students currently enrolled at the boarding school and to students  
14 whose educational, emotional, or family requirements warrant atten-  
15 dance in a domiciliary environment.

16 (b) The board shall prescribe admission standards and procedures  
17 by regulation.

18 Sec. 14.16.040. STATUS OF STATE BOARDING SCHOOL. The state  
19 boarding school is a public school of the state.

20 Sec. 14.16.050. APPLICABILITY OF EDUCATION LAWS. (a) The  
21 following provisions apply with respect to the operation and manage-  
22 ment of the state boarding school as if it were a school district:

23 (1) requirements relating to school district operations:

24 (A) AS 14.03.030 -- 14.03.050 (defining the school  
25 term, day in session, and school holidays);

26 (B) AS 14.03.083 -- 14.03.140 (miscellaneous provisions  
27 applicable to school district operations);

28 (C) regulations adopted by the board under authority of  
29 AS 14.07.020(a) that are applicable to school districts and their

1 schools, unless the board specifically exempts the state boarding  
2 school from compliance with a regulation;

3 (D) AS 14.12.150 (authorizing school districts to  
4 establish and participate in the services of a regional resource  
5 center);

6 (E) AS 14.14.050 (imposing the requirement of an annual  
7 audit);

8 (F) AS 14.14.110 (authorizing cooperation with other  
9 school districts);

10 (G) AS 14.14.130 (directing the employment of a chief  
11 school administrator);

12 (H) AS 14.14.140(b) (establishing a prohibition on  
13 employment of a relative of the chief school administrator);

14 (I) AS 14.18 (prohibiting discrimination based on sex  
15 in public education);

16 (2) requirements relating to state financial assistance for  
17 education and the receipt and expenditure of that assistance:

18 (A) AS 14.17.080 (relating to student count esti-  
19 mates);

20 (B) AS 14.17.082 (relating to school operating fund  
21 balances);

22 (C) AS 14.17.160 -- 14.17.220 (setting out the proce-  
23 dure for payment of financial assistance, and imposing general  
24 requirements and limits on money paid);

25 (3) requirements relating to teacher employment and retire-  
26 ment:

27 (A) AS 14.14.105 and 14.14.107 (relating to sick  
28 leave);

29 (B) AS 14.20.095 -- 14.20.210 (relating to the

1 employment and tenure of teachers);

2 (C) AS 14.20.220 (relating to the salaries of teachers  
3 employed);

4 (D) AS 14.20.280 -- 14.20.350 (relating to sabbatical  
5 leave provisions for teachers);

6 (E) AS 14.20.550 -- 14.20.610 (authorizing collective  
7 bargaining, negotiation, and mediation by certificated employ-  
8 ees), except with regard to teachers who are administrators and  
9 except that the board may delegate some or all of its respon-  
10 sibilities under those statutes;

11 (F) AS 14.25 (provisions regarding the teachers' re-  
12 tirement system);

13 (4) requirements relating to students and educational pro-  
14 grams:

15 (A) AS 14.30.180 -- 14.30.350 (relating to educational  
16 services for exceptional children);

17 (B) AS 14.30.360 -- 14.30.370 (establishing health  
18 education program standards);

19 (C) AS 14.30.400 -- 14.30.410 (relating to bilingual  
20 and bicultural education).

21 (b) A person employed as a teacher at Mt. Edgecumbe High School  
22 on the effective date of this section acquires tenure rights in accor-  
23 dance with AS 14.20.150 and 14.20.155 as though the person had been  
24 employed by a school district.

25 Sec. 14.16.060. STATUS OF EMPLOYEES. The employees of the state  
26 boarding school are state employees.

27 Sec. 14.16.070. APPLICABILITY OF OTHER LAW. The Public Employ-  
28 ment Relations Act (AS 23.40.070 -- 23.40.260) applies to the employ-  
29 ees of the state boarding school who are not subject to AS 14.20.

1           Sec. 14.16.080. FINANCIAL PROVISIONS APPLICABLE TO STATE BOARD-  
2           ING SCHOOL. (a) AS 14.17.024 applies to the calculation of state aid  
3           payable for operation of the state boarding school.

4           (b) In the transmittals required by AS 37.07.060 -- 37.07.062,  
5           the governor shall request amounts for the expenses of construction,  
6           rehabilitation, and improvement of the facilities of the state board-  
7           ing school.

8           (c) Unless specified otherwise in an appropriation bill, AS  
9           37.25.010 does not apply to an appropriation made for the purposes of  
10          (a) of this section.

11          (d) AS 37.25.020 applies to money appropriated for the purposes  
12          of (b) of this section.

13          (e) For purposes of application for and receipt of federal aid  
14          to education, the state boarding school constitutes a "local educa-  
15          tional agency."

16       \* Sec. 2. AS 14.17.010(a) is amended to read:

17           (a) The public school foundation account is established. The  
18           account consists of appropriations for distribution to school dis-  
19           tricts, the state boarding school, and for centralized correspondence  
20           study programs under this chapter.

21       \* Sec. 3. AS 14.17 is amended by adding a new section to read:

22           Sec. 14.17.024. MONEY FOR STATE BOARDING SCHOOL. (a) Money for  
23           the instructional services provided in a fiscal year by the state  
24           boarding school established under AS 14.16.010 includes an allocation  
25           from the public school foundation account in an amount calculated by

26           (1) multiplying the instructional unit value in AS 14.17.056  
27           by the total number of instructional units under AS 14.17.031 for that  
28           fiscal year, as determined by treating the school as if it were a  
29           school district consisting of a single funding community;

1           (2) multiplying the product determined under (1) of this  
2 subsection by the area cost differential that is applicable to calcu-  
3 lation of the entitlement for the adjacent school district under AS  
4 14.17.051; and

5           (3) adding 10 percent of the eligible federal impact aid  
6 received for that fiscal year on behalf of the school plus any federal  
7 impact aid received on behalf of the school which the state, under  
8 P.L. 81-874 (20 U.S.C. 236 -- 244), as amended, and regulations adopt-  
9 ed under it, could not consider as local resources if the school were  
10 considered a school district.

11           (b) In addition to the amount calculated and payable under (a)  
12 of this section, the governor shall request from the legislature  
13 appropriation of any program receipts or federal food service reim-  
14 bursements or other federal aid, other than aid under P.L. 81-874 (20  
15 U.S.C. 236 -- 244), as amended, received on behalf of the school, and  
16 other amounts necessary for the expenses of operating the state board-  
17 ing school, including

18           (1) domiciliary services, including room, board, custodial  
19 services, and other reasonable expenses related to the operation and  
20 maintenance of dormitory and other residential facilities for stu-  
21 dents;

22           (2) student transportation services, to include one round  
23 trip for each student between the student's place of residence and the  
24 site of the state boarding school during each school year; and

25           (3) maintenance and operation of the school's physical  
26 plant.

27           (c) Money received by the state boarding school for purposes  
28 described in (a) of this section may be used for the purposes de-  
29 scribed in (b) of this section, and money received for the purposes

1 described in (b) may be used for the purposes described in (a).

2 \* Sec. 4. AS 14.30.010(b)(10) is amended to read:

3 (10) is enrolled in

4 (A) the state boarding school (AS 14.16); or

5 (B) a full-time program of correspondence study ap-  
6 proved by the department; in those school districts providing an  
7 approved correspondence study program, a student may be enrolled  
8 either in the district correspondence program or in the cen-  
9 tralized correspondence study program;

10 \* Sec. 5. AS 36.30.850(b) is amended by adding a new paragraph to read:

11 (14) operation of the state boarding school (AS 14.16), if  
12 the State Board of Education or the commissioner of education adopts  
13 regulations for use by the state boarding school in procurement and  
14 contracting.

15 \* Sec. 6. TRANSITION; PENDING MATTERS. (a) All litigation, hearings,  
16 investigations, and other proceedings pending under law for functions  
17 affected by this Act continue in effect and may be continued and completed  
18 notwithstanding the provisions of this Act.

19 (b) All contracts and other obligations created by law affected by  
20 this Act and in effect on the effective date of this Act remain in effect  
21 unless specifically revoked or modified by the provisions of this Act.

22 \* Sec. 7. Sections 1, 2, and 4 -- 6 of this Act take effect immediately  
23 under AS 01.10.070(c).

24 \* Sec. 8. Section 3 of this Act takes effect July 1, 1988.

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 530

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act relating to the establishment and operation  
of a state boarding school by the Department of  
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department may establish and operate a boarding school, to be known as

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chapter. The state boarding school must offer a secondary education

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management of the state boarding school, the board shall

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school;

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(2) employ a chief school administrator and approve the

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employment of other personnel necessary to operate the state boarding

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(3) establish the salaries and benefits to be paid teachers,

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excluding administrators, of the state boarding school;

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1 (5) provide custodial services and routine maintenance of  
2 the state boarding school's physical facilities;

3 (6) establish procedures for the development and implementa-  
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6 (7) prescribe health evaluation and placement screening  
7 programs for newly admitted students;

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11 school may admit students who are qualified in accordance with appli-  
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16 (b) The board shall prescribe admission standards and procedures  
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19 boarding school is a public school of the state.

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22 ment of the state boarding school as if it were a school district:

23 (1) requirements relating to school district operations:

24 (A) AS 14.03.030 -- 14.03.050 (defining the school  
25 term, day in session, and school holidays);

26 (B) AS 14.03.083 -- 14.03.140 (miscellaneous provisions  
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28 (C) regulations adopted by the board under authority of  
29 AS 14.07.020(a) that are applicable to school districts and their

1 schools, unless the board specifically exempts the state boarding  
2 school from compliance with a regulation;

3 (D) AS 14.12.150 (authorizing school districts to  
4 establish and participate in the services of a regional resource  
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6 (E) AS 14.14.050 (imposing the requirement of an annual  
7 audit);

8 (F) AS 14.14.110 (authorizing cooperation with other  
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13 employment of a relative of the chief school administrator);

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15 in public education);

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20 (B) AS 14.17.082 (relating to school operating fund  
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22 (C) AS 14.17.160 -- 14.17.220 (setting out the proce-  
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24 requirements and limits on money paid);

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27 (A) AS 14.14.105 and 14.14.107 (relating to sick  
28 leave);

29 (B) AS 14.20.095 -- 14.20.210 (relating to the

1 employment and tenure of teachers);

2 (C) AS 14.20.220 (relating to the salaries of teachers  
3 employed);

4 (D) AS 14.20.280 -- 14.20.350 (relating to sabbatical  
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6 (E) AS 14.20.550 -- 14.20.610 (authorizing collective  
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8 ees), except with regard to teachers who are administrators and  
9 except that the board may delegate some or all of its respon-  
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11 (F) AS 14.25 (provisions regarding the teachers' re-  
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18 education program standards);

19 (C) AS 14.30.400 -- 14.30.410 (relating to bilingual  
20 and bicultural education).

21 (b) A person employed as a teacher at Mt. Edgumbe High School  
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23 dance with AS 14.20.150 and 14.20.155 as though the person had been  
24 employed by a school district.

25 Sec. 14.16.060. STATUS OF EMPLOYEES. The employees of the state  
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28 ment Relations Act (AS 23.40.070 -- 23.40.260) applies to the employ-  
29 ees of the state boarding school who are not subject to AS 14.20.

1           Sec. 14.16.080. FINANCIAL PROVISIONS APPLICABLE TO STATE BOARD-  
2           ING SCHOOL. (a) AS 14.17.024 applies to the calculation of state aid  
3           payable for operation of the state boarding school.

4           (b) In the transmittals required by AS 37.07.060 -- 37.07.062,  
5           the governor shall request amounts for the expenses of construction,  
6           rehabilitation, and improvement of the facilities of the state board-  
7           ing school.

8           (c) Unless specified otherwise in an appropriation bill, AS  
9           37.25.010 does not apply to an appropriation made for the purposes of  
10          (a) of this section.

11          (d) AS 37.25.020 applies to money appropriated for the purposes  
12          of (b) of this section.

13          (e) For purposes of application for and receipt of federal aid  
14          to education, the state boarding school constitutes a "local educa-  
15          tional agency."

16        \* Sec. 2. AS 14.17.010(a) is amended to read:

17           (a) The public school foundation account is established. The  
18           account consists of appropriations for distribution to school dis-  
19           tricts, the state boarding school, and for centralized correspondence  
20           study programs under this chapter.

21        \* Sec. 3. AS 14.17 is amended by adding a new section to read:

22           Sec. 14.17.024. MONEY FOR STATE BOARDING SCHOOL. (a) Money for  
23           the instructional services provided in a fiscal year by the state  
24           boarding school established under AS 14.16.010 includes an allocation  
25           from the public school foundation account in an amount calculated by

26           (1) multiplying the instructional unit value in AS 14.17.056  
27           by the total number of instructional units under AS 14.17.031 for that  
28           fiscal year, as determined by treating the school as if it were a  
29           school district consisting of a single funding community;

1           (2) multiplying the product determined under (1) of this  
2 subsection by the area cost differential that is applicable to calcu-  
3 lation of the entitlement for the adjacent school district under AS  
4 14.17.051; and

5           (3) adding 10 percent of the eligible federal impact aid  
6 received for that fiscal year on behalf of the school plus any federal  
7 impact aid received on behalf of the school which the state, under  
8 P.L. 81-874 (20 U.S.C. 236 -- 244), as amended, and regulations adopt-  
9 ed under it, could not consider as local resources if the school were  
10 considered a school district.

11           (b) In addition to the amount calculated and payable under (a)  
12 of this section, the governor shall request from the legislature  
13 appropriation of any program receipts or federal food service reim-  
14 bursements or other federal aid, other than aid under P.L. 81-874 (20  
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16 other amounts necessary for the expenses of operating the state board-  
17 ing school, including

18           (1) domiciliary services, including room, board, custodial  
19 services, and other reasonable expenses related to the operation and  
20 maintenance of dormitory and other residential facilities for stu-  
21 dents;

22           (2) student transportation services, to include one round  
23 trip for each student between the student's place of residence and the  
24 site of the state boarding school during each school year; and

25           (3) maintenance and operation of the school's physical  
26 plant.

27           (c) Money received by the state boarding school for purposes  
28 described in (a) of this section may be used for the purposes de-  
29 scribed in (b) of this section, and money received for the purposes

1 described in (b) may be used for the purposes described in (a).

2 \* Sec. 4. AS 14.30.010(b)(10) is amended to read:

3 (10) is enrolled in

4 (A) the state boarding school (AS 14.16); or

5 (B) a full-time program of correspondence study ap-  
6 proved by the department; in those school districts providing an  
7 approved correspondence study program, a student may be enrolled  
8 either in the district correspondence program or in the cen-  
9 tralized correspondence study program;

10 \* Sec. 5. AS 30.30.850(b) is amended by adding a new paragraph to read:

11 (14) operation of the state boarding school (AS 14.16), if  
12 the State Board of Education or the commissioner of education adopts  
13 regulations for use by the state boarding school in procurement and  
14 contracting.

15 \* Sec. 6. TRANSITION; PENDING MATTERS. (a) All litigation, hearings,  
16 investigations, and other proceedings pending under law for functions  
17 affected by this Act continue in effect and may be continued and completed  
18 notwithstanding the provisions of this Act.

19 (b) All contracts and other obligations created by law affected by  
20 this Act and in effect on the effective date of this Act remain in effect  
21 unless specifically revoked or modified by the provisions of this Act.

22 \* Sec. 7. Sections 1, 2, and 4 -- 6 of this Act take effect immediately  
23 under AS 01.10.070(c).

24 \* Sec. 8. Section 3 of this Act takes effect July 1, 1988.