

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

HR 5 HCR 6 - 15

411

2

HR

5

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 21, 1989

FURTHER REFERRALS:

Date of Committee Action: 5/5/89

The FINANCE Committee considered:

HR 5

HOUSE RESOLUTION NO. 55 [REQUESTING A HIRING FREEZE]
 Requesting a hiring freeze for state employees.

RECOMMENDATIONS:

- [] be replaced with CS HR 5 (Finance) [X] the same title
- [] have attached amendment(s)
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
 (Dept)

APPROVES PREVIOUS: _____ (Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [] fiscal note(s) _____
- [] zero fiscal note(s) _____
- [X] zero fn/analysis OMB 4/21/89

SIGNING DO PASS:

Pamora Barnes Barnes
Dick Shultz Shultz
R. E. Phillips Phillips

SIGNING:
 (Check Approp. column)

	Do Not Pass	No Rec	Amend
<u><i>Swackhammer</i></u> Swackhammer	✓		
<u><i>Koponen</i></u> Koponen	X		
<u><i>Ulmer</i></u> Ulmer	✓		

Swackhammer *vice chair*
 Chairman's Signature

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSHR 5 (SA)
PUBLISH DATE: HOUSE 4/21/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: ALL
 Title: "Requesting a Hiring Freeze for State Employees" BRU: _____
 Sponsor: Hanley, Leman, Hudson et al Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY:91	FY 92	FY 93	FY 94
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	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

SEE ATTACHED ANALYSIS

Prepared by: Alison M. Elgee, Director Phone: 465-3568
 Division: Budget Review Date: 03/20/89

Approved by Commissioner: _____ Date: _____
 Agency: _____

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

FISCAL NOTE ANALYSIS

The Administration is unable to ascertain savings, if any, resulting from a hiring freeze. While we can identify positions budgeted which are currently vacant, many of these positions are vacant because of the practice of short-funding personal services for an assumed vacancy and turnover. It is therefore impossible to calculate savings as a result of maintaining these vacancies, as the vacancies represent savings already built in to the FY 89 appropriations.

Additionally, even with a hiring freeze in place, an emergency hire procedure would have to be implemented to allow for hiring of positions which are necessary to maintain security in the prisons, adequate care in pioneer's homes and the Alaska Psychiatric Institute, and other areas of government where, to not do so, would present a direct threat to the health and life safety of Alaskans.

It would not be the intent of the Administration to institute a hiring freeze in areas of seasonal employment, as seasonal employees are hired for specific job functions which are by their nature only performed during specific times of year.

We do not believe a hiring freeze will result in any additional cost savings to the state. We currently exercise restraint in all employment to determine the necessity of any new hire. However, the legislature has directed through statute and subsequent appropriation a menu of services to be provided. Adequate staffing is essential in providing those services. We will continue to hire new employees essential in providing those services which have been directed by the legislature and which the public has a right to expect.

Original sponsors: Hanley, Leman,
Hudson, et al.

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE RESOLUTION NO. 5 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Requesting a hiring freeze for state
6 employees.

7 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

8 WHEREAS from September 1987 to September 1988 the actual number of
9 state government employees increased by seven percent, an increase of over
10 1,000 jobs; and

11 WHEREAS 31.3 percent of the state operating budget for fiscal year
12 1989 was allocated to the costs of personal services; and

13 WHEREAS the operating budget includes the addition of over 400 new
14 budgeted full-time equivalent positions in the fiscal year 1990 operating
15 budget; and

16 WHEREAS the state is facing a budget shortfall in fiscal year 1990;
17 and

18 WHEREAS reduced spending for state operations will likely be necessary
19 to meet the budget shortfall; and

20 WHEREAS the continued growth of the state budget must be halted in the
21 face of declining oil revenues; and

22 WHEREAS the decision to avoid hiring state employees rather than
23 resorting to layoffs is fairer to current employees; and

24 WHEREAS reducing the number of state positions through the process of
25 attrition allows for both immediate and long-term savings in personnel
26 costs;

27 BE IT RESOLVED that the House of Representatives respectfully requests
28 the Governor to institute an immediate hiring freeze for all positions
29 except those temporary positions needed to respond to emergencies or needed

1 for reasons involving health and safety.

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A M E N D M E N T

OFFERED IN HOUSE FINANCE COMMITTEE

BY HANLEY

TO: CS HR 5 (State Affairs)

*with corrections
CS HR 5 (SA)*
Page 1, Line 13

DELETE "WHEREAS the Governor has proposed the addition of 307 new
budgeted"

INSERT "WHEREAS the operating budget includes the addition of over
400 new budgeted"

Page 1, Line 17

DELETE "\$250,000,000"

INSERT "\$90,000,000"

BALANCE SHEET

HOUSE FINANCE COMMITTEE

	GOV	GOV AMD	HOUSE
FY 88 CARRY FORWARD	224.0	224.0	224.0
FY 89 Unrestricted Revenues [1]	1,956.8	2,106.0	2,106.0
FY 89 Adjustments to Revenues	120.8	128.5	128.5
FY 89 AVAILABLE	2,301.6	2,458.5	2,458.5
FY 89 Expenditures			
Operating--Agency	1,076.3	1,076.4	1,076.4
Formula Programs	904.4	904.4	904.4
Debt Service			
-G.O. Debt	135.6	135.6	135.6
-Other Debt	11.8	11.8	11.8
Capital	118.4	118.4	118.4
Loans	16.7	16.7	16.7
Special Appropriations		54.0	20.0
FY 89 Supplementals			
-Health Benefits	15.3	11.9	8.0
-Other	19.4	21.1	20.0 + \$ 621.0 Supp
FY 89 EXPENDITURES	2,297.9	2,350.3	2,311.3
FY 89 CARRY FORWARD	3.7	108.2	147.2
FY 90 Unrestricted Revenues [1]	1,640.9	1,995.8	1,995.8
FY 90 Adjustments to Revenue	57.8	61.9	64.0
ELF Revision			131.0 <#131.0>
FY 90 AVAILABLE	1,702.4	2,165.9	2,338.0
FY 90 Expenditures			
Operating--Agencies	1,123.4	1,126.3	1,067.4
Formula Programs	949.3	953.8	918.7
Exxon Valdez Oil Spill			
Debt Service			
-G.O. Debt	120.4	120.4	120.4
-Other Debt	12.1	12.1	12.1
Capital	98.9	100.0	90.0 + 9.0
Loans	13.0	13.0	10.0
New Legislation	0.0	0.0	5.0
FY 90 EXPENDITURES	2,317.1	2,325.6	2,223.6
FY 90 CARRY FORWARD	-614.7	-159.7	114.4 <#87.6>

NOTES:

[1] Spring forecast--FY89 HIGH/FY90 Mid Scenario

4/23/89

STATE OF ALASKA
BUDGETED NEW POSITIONS BY AGENCY

SALHOPSA

PAGE 3

MMM AGENCY SUMMARY TOTALS

TITLE	GOVERNOR'S BUDGET		HOUSE BUDGET		SENATE BUDGET		C. C. BUDGET	
	APPROVED POSITIONS	SALARY & BENEFITS	APPROVED POSITIONS	SALARY & BENEFITS	APPROVED POSITIONS	SALARY & BENEFITS	APPROVED POSITIONS	SALARY & BENEFITS
MMM TOTAL ALL AGENCIES								
	FULL TIME	418	19867.6	436	19585.3			
	PART TIME	36	774.9	31	625.5			
	TEMPORARY	113	1278.3	40	418.2			
	MMM TOTAL	559	21112.4	527	20621.0			

MMM TOTAL NEW POSITION FUNDING

FEDERAL RECEIPTS	3198.7	3167.7
GENERAL FUND MATCH	657.1	636.7
GENERAL FUND	11646.9	10886.0
GF/PROGRAM RECEIPTS	758.4	846.0
GF/MENTAL HEALTH TRUST	356.3	306.1
INTER-AGENCY RECEIPTS	974.1	970.1
STATE CORP RECEIPTS	3058.8	3958.6
FISH AND GAME FUND	230.4	230.4
PUBLIC EMPLOYEES RETIRE	11.8	11.8
TEACHERS RETIREMENT	11.7	11.7
U/A STUDENT TUITION/FEE	9.3	16.6
PUBLIC LAW 81-874	43.0	43.0
PERMANENT FUND DIV FUND	28.0	60.2
CAPITL IMPRV PROJ RCPTS	127.7	275.9
MMM TOTAL FUNDING	21112.2	20620.8

all funds
** discrepancy*
new decrease
Temp & perm
countdown
permanent



Alaska State Legislature

House of Representatives

3111 "C" STREET, SUITE 410
ANCHORAGE, ALASKA 99503
(907) 561-2033

DURING SESSION
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4939

MEMORANDUM

April 24, 1989

REPRESENTATIVE
ALYCE HANLEY
DISTRICT 9, SEAT B

MEMBER
HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE
REGULATION REVIEW COMMITTEE

TO: Representative Ron Larson, Co-Chairman
Representative Lyman Hoffman, Co-Chairman
Members of the House Finance Committee

FROM: Representative Alyce Hanley *A.H.*

SUBJECT: House Resolution No. 5 - Requesting a hiring freeze for
state employees

On behalf of myself as well as the co-sponsors, I want to thank you for scheduling the above resolution for a committee hearing.

HR 5 calls for an immediate employee hiring freeze in order to reduce the number of employees by attrition rather than subject employees to the uncertainty of job layoffs.

We in the legislature are presented with charts and graphs of anticipated revenues and expenditures on a daily basis. The result of the revenue projections is that the State of Alaska will receive less revenue because less oil is being pumped through the pipeline at a lower price.

The number of state employees is increasing every year and we as responsible public officials must halt this trend. The public reaction to increased taxes at the recent budget forum in Anchorage was unanimously against increased taxes without budget cuts.

It is in the public interest to reduce the number of state employees in a manner which causes the least amount of anxiety and reduced morale. This resolution provides the administration with a very viable method of avoiding employee layoffs due to reduced revenues.

We all need to think of ways to reduce the number of employees while at the same time reducing the uncertainty of job layoffs.

Enclosures

MEMORANDUM

State of Alaska
Office of the Governor
Division of Policy

TO: Mary

DATE: November 4, 1988

FROM: Gregg

SUBJECT: State Government Employment Growth

State government employment increased by 7 percent-- over 1000 jobs--in the last year. The attached table shows which agencies have grown the most in absolute and in percentage terms.

The data shows the number of paychecks issued by each agency for the pay period including the 12th of the month.

Comparable data is not yet available for the University of Alaska. Based on recent trends, Labor's economists expect an increase of about 100 jobs (2 percent) on a base of 4,411 in Sept. 1987.

cc: Allison

attachment

MEMORANDUM

State of Alaska
Office of the Governor
Division of Policy

TO: Mary Halloran
Director

DATE: December 13, 1988

FROM: Gregg Erickson *GKE*
Senior Economist

PHONE: 465-3568

SUBJECT: Trends in State Employee Compensation and Numbers

Salary and benefits received by the average state employee in 1988 increased by \$1,123 over the previous year, from \$47,045 to \$48,168, according to official figures just available. The figures are annual rates recorded as of June 30. The gain this year reverses a \$455 decrease in total compensation between 1986 and 1987.

State employee benefits increased more than salaries. The value of the total benefit package grew by \$773, from \$11,342 to \$12,115, a gain of 7 percent. The benefits increase would have been even larger had the state not made a 14 percent cut in its contributions to employee retirement funds.

Comparable data on private sector benefits are not available, but looking at salary alone, state employees did better than Alaskans working in the private sector. The salary component of state compensation increased by \$350, from \$35,703 to \$36,053. By comparison, the average private sector salary decreased by \$444, from \$25,490 in 1987 to \$25,046 in 1988. The changes amounted to a 1 percent average increase for state employees and an almost 2 percent decrease for private workers.

The number of state employees is also increasing. The number of state (including University of Alaska) paychecks issued in November 1988 was up by 1,312 over the same month in 1987, from 17,903 to 19,215. An agency-by-agency breakdown of the growth, analysing September data, is found in my earlier memorandum on the subject, copy attached.

Table 1 (attached) shows the historical statistics on state employee compensation. Table 2 shows the same data adjusted for inflation. Statistics in the tables were compiled by the Division of Policy from Division of Retirement and Benefits data. Information on private sector pay is from the Alaska Department of Labor's *Statistical Quarterly*, second quarter 1987, 1988 (in press). State government employment figures are from *Economic Trends* estimates, also compiled by DOL.

Attachments:

Tables 1 and 2.

Memorandum of 11/4/88 with attached tables.

cc: A. Elgee, OOG/DBR
B. Cummings, DOA

RECEIVED
JAN 24 1989

Juneau Report March 1989

Changes in Alaska State Employment September 1987 to September 1988

Agencies Ranked By Change In Number Of Employees

<i>State Agency</i>	<i>Change in Employment</i>	<i>Increase</i>
Corrections	203	17%
Transportation and Public Facilities	123	4%
Health and Social Services	120	7%
Administration	94	8%
Fish and Game	87	7%
Natural Resources	81	8%
Education	57	12%
Governor's Office	52	20%
Military/Veteran's Affairs	45	33%
Public Safety	37	4%
Environmental Conservation	34	13%
Commerce, Economic Development	29	7%
Revenue	25	7%
Legislative	24	6%
Law	19	6%
Courts	11	2%
Community and Regional Affairs	10	6%
Labor	-44	-7%
Total Growth	1,007	
Overall Growth Rate		7%

NOTE: Updated data from November show 1,312 new state workers compared to November 1987, or 19,215 compared to 17,903.

Source: OMB

POSITIONS/FY 87 ACTUAL - FY 89 CONFERENCE COMMITTEE

DEPARTMENT		FY 87 ACTUAL	FY 88 AUTHORIZED	FY 89 GOV. AMENDED	FY 89 CONF. COMM.	FY 89 CONF. COMM. COMMENTS
Governor	PFT	198	196	203	199	Transfer of the EEO function from DOT/PFT 3 PFT.
	PPT	7	7	7	7	
Administration	PFT	1,061	1,012	1,050	1,061	State operation of Juneau Pioneer Home 40 PFT and 14 PPT; State telephone network billing 1 PFT; reclass of 7 PPT to PFT in Palmer, Anchorage and Central Office Pioneer Homes, Longevity Bonus Admin., and Commissioner's office; Ketchikan Pioneers Home reclass of 2 PFT to PPT; transfer of 8 PFT/2 PPT to DOE for Archives function; 1 PFT associated with HB 7 Fiscal Note; Fiscal Notes: 2 PFT in OAC for SB 442 & SCR 50; 8 PFT in Retirement for SB 56.
	PPT	89	98	105	105	
Law	PFT	361	315	345	341	Prisoner Rights Litigation 2 PFT; Federal Anti-drug Enforcement 2 PFT; Human Services 7 PFT; Debt Collection 4 PFT; Interagency 5 PFT; Anti-trust Litigation 1 PFT; 1 PFT Acct. Clerk; and Oil & Gas Litigation 7 PFT.
	PPT	8	7	6	6	
Revenue	PFT	395	391	428	431	25 PFT AHFC, 4 PFT in audit section, 9 PFT in Child Enforcement, 3 PFT in Permanent Fund; convert 1 PPT to PFT; transfer 5 PFT/1 PPT to Commerce; and 3 PFT/12 PPT Fiscal Note positions.
	PPT	26	25	23	35	
Education	PFT	443	403	429	435	3 PFT Data Mgmt; 2 PFT/2 PPT Correspondence Study increased enrollment; 1 PFT Mining Educ.; 1 PFT AK. Native Arts; 1 PFT Library Maintenance of Effort; 8 PFT/2 PPT Archives transfer from DOA; 1 PFT Museum Conservator; 10 PFT Student Loan Repayment; 1 PFT/1 PPT Gov. Council on Career & Voc. Ed.; Misc. Reclasses 4 PFT/-4 PPT.
	PPT	104	104	109	105	

DEPARTMENT		FY 87 ACTUAL	FY 88 AUTHORIZED	FY 89 GOV. AMENDED	FY 89 CONF. COMM.	FY 89 CONF. COMM. COMMENTS
Health & Social Services	PFT	1,703	1,633	1,738	1732	GICCY increments 27 PFT; Bethel Youth Facility 16 PFT and reclass of 2 PPT to PFT; Nome Youth Facility reclass of 5 PPT to PFT; MYC 5 PFT. Cost management initiatives such as Title IVE Eligibility Reviewer (1 PFT/2 PPT), Health Surveyor (1), Patient Care Info System (1), AIDS (5), Rural Service Delivery (3), Medicaid Auditors (1); reclasses of 14 PPT to PFT; miscellaneous adjustments and corrections -4 PFT/-2 PPT); Mental Health/Suicide 6 PFT; Fiscal Notes: SB 348, 8 PFT.
	PPT	88	135	114	118	
Labor	PFT	618	592	613	609	Additional 8 PFT to enforce and monitor employment preference statutes, reclass of 11 PPT to PFT; delete 3 PFT/11 PPT due to unrealized GF or Federal Funds; delete 1 PFT Admin. Asst.; Add 1 PPT clerk and 1 PPT special asst; Fiscal Notes: 1 PFT for SB 141, Hazardous Painting.
	PPT	178	202	181	181	
Commerce	PFT	398	364	392	390	Business Development Program 2 PFT, Insurance 2 PFT; APA position count correction 5 PFT; Tourism 4 PFT; Housing Marketing Council 6 PFT. Transfer Business Licensing from Revenue 5 PFT. Convert 2 PPT to PFT in Occupational Licensing.
	PPT	21	19	18	18	
Military Affairs	PFT	98	95	100	100	Convert 2 PPT to PFT for Corrected position count; 1 PFT Communications Officer; 1 PFT Recording Clerk; 1 PFT Construction Engineer.
	PPT	9	8	6	6	
Natural Resources	PFT	707	573	595	596	Industrial Materials Development 2 PFT; TAGS Project 2 PFT; Citizens Advisory Commission on Federal Areas 2 PFT/1 PPT. Convert PPT positions to PFT. Delete 1 PFT Info. Officer.
	PPT	286	335	320	321	

DEPARTMENT		FY 87 ACTUAL	FY 88 AUTHORIZED	FY 89 GOV. AMENDED	FY 89 CONF. COMM.	FY 89 CONF. COMM. COMMENTS
Fish & Game	PFT	748	722	722	725	Game Division - 3 PFT; add PPT positions in Sport Fisheries & Commercial Fisheries to support expanded management presence; add 3 PPT positions in the Commercial Fisheries Entry Comm.
	PPT	912	882	911	913	
Public Safety	PFT	832	751	782	787	Add 18 Troopers, 2 Fire Marshalls, 2 Educ. Specialists, 3 Criminalists, 1 Latent Fingerprint Exam., 1 Analyst/Programmer, and 5 support staff. Reclass four PPT to PFT.
	PPT	89	79	75	75	
Environmental Conservation	PFT	247	239	308	293	Additional 32PFT/2PPT for first year phase in of three year program to bring DEC to a core level of funding for mandated functions, 22 PFT for federal programs.
	PPT	19	21	25	23	
Community & Regional Affairs	PFT	194	174	194	186	2 foster; 2 Redi; 1 job training; 2 in base for Senior Citizens tax for FY 88; 1 Housing Loans; 2 Dislocated Workers; less 1 for 88 fiscal note and 3 PPT to PFT.
	PPT	2	3	3	0	
Corrections	PFT	999	1,150	1,265	1,269	Opening of Spring Creek CC - 84 PFT; Probation Officer staffing statewide and clerical support - 9 PFT; security staffing: Fairbanks (2), Anvil Mtn. (4), Yukon Kuskokwim (3), Mat-Su (3), Wildwood (7), combined Hiland Mtn (1); Delete 3 PFT at Goose Bay (not using facility); Major Medical staff - 5 PFT/1 PPT; 5 PFT in Wildwood (cooks and support); Miscellaneous: 1 PFT to PPT in Training unit.
	PPT	0	0	2	2	
Transportation	PFT	2,798	2,780	2,794	2,793	Implementation of management system for capital projects 3 PFT; Convert 10 PPT positions to PFT; Delete 1 PFT SE Maintenance & Operations Director. Add 1 PFT and 8 PPT at Anchorage International Airport.
	PPT	982	1,012	1,010	1,010	

DEPARTMENT		FY 87 ACTUAL	FY 88 AUTHORIZED	FY 89 GOV. AMENDED	FY 89 CONF. COMM.	FY 89 CONF. COMM. COMMENTS
University	PFT	3,024	3,312	3,269	3,271	Reduce 75 PFT/3 PPT for Restructuring savings, add 7 PFT for Hazardous Material Management, New Facilities 3 PFT, Library Enhancements 3 PFT, Fisheries 4 PFT, 4 PFT Advising, Research & UAS Counseling, 2 PFT Rural College; Other Misc. adjust. +11 PFT/9 PPT.
	PPT	268	287	284	293	
Alaska Court System	PFT	603	606	611	608	Increase Trial Courts by adding two new Court Clerks.
	PPT	35	35	32	35	
Legislature	PFT	275	303	303	303	
	PPT	40	48	48	48	
TOTAL	PFT	15,702	15,615	16,141	16,129	
	PPT	3,163	3,308	3,279	3,301	

HCR

G

SENATE COMMITTEE REPORT

FURTHER

3/20/89

DATE TURNED INTO OFFICE

5/3/89

Mr. President:

FINANCE

Committee considered

HCR 6

Supporting the development of coal mining at Wishbone Hill

and recommended

- replace with _____ CS) same title
- or adopt _____ SCS HCR 6 (ZTT)) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

- FISCAL NOTE(S) zero fiscal impact appropriation no FN
- new updated previous
- same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

Frank J. ... No-Rec

Chairman signature and recommendation

Committee Backup attached

John Binsley Co-CHAIR

No-REC UNTIL WE MAKE SURE THAT IDEMITSU KOSAN DOESN'T OWN ANY SALMON PIRATE SHIPS

84

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SCS HCR 6 (ITT)
PUBLISH DATE: 3/20/89

116

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Supporting the development
of coal mining at Wishbone Hill
Sponsor: Menard, Larson, Zawacki, Gruenberg
Requestor: House Resources Committee

Agency Affected: Department of Natural Resources
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Representative Curt Menard *CM*
Division: Co-Chair, House Resources Committee
Phone: 465-4944
Date: 1/31/89

Approved by Commissioner: _____ Date: _____
Agency: _____

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

Original sponsors: Menard, Larson,
Zawacki, et al.

1 IN THE HOUSE
2 SENATE CS FOR HOUSE CONCURRENT RESOLUTION NO. 6 (ITT)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION
5 Supporting the development of coal
6 mining at Wishbone Hill.
7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 WHEREAS the economies of communities in Southcentral Alaska have been
9 slowed in recent years due to a variety of factors; and
10 WHEREAS Alaska's coal reserves are the greatest of any state, yet
11 remain largely undeveloped and untapped; and
12 WHEREAS Alaska has long sought to encourage trade with its neighbors
13 on the Pacific Rim; and
14 WHEREAS Idemitsu Alaska, Inc., the subsidiary of a large Japanese
15 energy firm, Idemitsu Kosan, Ltd., owns eight state coal leases in the
16 Wishbone Hill district and has immediate plans to mine the coal and export
17 it to Japan; and
18 WHEREAS the Wishbone Hill district has been the site of extensive coal
19 mining activity over the last 70 years; and
20 WHEREAS Idemitsu Alaska, Inc., anticipates an employment base of 180
21 full-time jobs with an annual payroll of approximately \$10,000,000 for the
22 mine itself; and
23 WHEREAS the State of Alaska, the Matanuska-Susitna Bcrough, the Alaska
24 Railroad, and the City of Seward would each benefit from increased revenue
25 and employment from royalties, property taxes, indirect effects on trans-
26 portation, and the other services required by an operating mine; and
27 WHEREAS the Alaska Railroad is the principal transportation link from
28 Wishbone Hill to tidewater; and
29 WHEREAS one of the purposes of the Alaska Railroad is support for the

1 development of Alaska's natural resources; and

2 WHEREAS the Alaska Industrial Development and Export Authority has
3 been effective in promoting resource development projects similar to the
4 Wishbone Hill coal mine;

5 BE IT RESOLVED that the Sixteenth Alaska State Legislature strongly
6 supports the development of Alaska's natural resources, including the coal
7 deposits at Wishbone Hill; and be it

8 FURTHER RESOLVED that the legislature strongly urges that the state
9 agencies working on this project coordinate their actions and do their
10 utmost to take whatever prudent action is necessary to bring this project
11 into operation; and be it

12 FURTHER RESOLVED that the Alaska Railroad is encouraged to support the
13 development of coal mining at Wishbone Hill to the greatest extent allowed
14 under the findings and purposes of the Alaska Railroad Corporation Act; and
15 be it

16 FURTHER RESOLVED that the Alaska State Legislature encourages the
17 Alaska Industrial Development and Export Authority to do everything possi-
18 ble to support and promote the development of coal mining at Wishbone Hill.

19 COPIES of this resolution shall be sent to Mark S. Hickey, commis-
20 sioner of transportation and public facilities; to Lennie Boston-Gorsuch,
21 commissioner of natural resources; to Dennis D. Kelso, commissioner of
22 environmental conservation; Don W. Collinsworth, commissioner of fish and
23 game; and to Frank Turpin, president and chief-executive officer of the
24 Alaska Railroad Corporation.



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

POUCH V
JUNEAU, ALASKA 99801
(907) 465-3718

MAR 23 1989

MEMORANDUM

TO: Senator Rick Uehling, Co-Chair Senate Finance Committee
Senator John Binkley, Co-Chair Senate Finance Committee

FROM: Rep. *Curt* Menard, Co-Chair House Resources Committee

DATE: March 22, 1989

RE: HCR No. 6 - Supporting the development of coal mining at
Wishbone Hill

I would like to request that the Senate Finance Committee hear House Concurrent Resolution No. 6 at the earliest possible date. Speedy passage is warranted in this case given that the Resolution has no fiscal impact and will send a strong message of support to the various state agencies which are currently handling administrative aspects of the project or will be integrally involved with the project over its anticipated 12-15 year life.

Again, I would appreciate your prompt consideration of this very important resolution.

H C R

Q

HOUSE COMMITTEE REPORT

(11)

Date Referred: February 1, 1989

FURTHER REFERRALS:

Date of Committee Action: 2/1/89

The FINANCE Committee recommends that:

HOUSE CONCURRENT RESOLUTION NO. 9
Relating to Alliance Bank.

[ALLIANCE BANK]

be replaced with CS HCR 9 (Finance) the same title
 a new title

have attached amendment(s)

- 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
- zero fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published:
- zero fiscal notes(s) published:
2/1/89

SIGNING DO PASS:

Ronald J. Larson Larson
Dick Schultz Schultz
Roxana Barnes Barnes
Jay Brown Brown
Mike Koponen Koponen

SIGNING OTHER THAN DO PASS:

(Do Not Pass, No Recommendation, Amend)
F. Kousser Wallis
R. D. Phillips Phillips
John Rieger Rieger

Ronald J. Larson Larson
 Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Resolution relating to Alliance Bank
Sponsor: Jacko, Navarre and Donley
Requestor: House Labor & Commerce

Agency Affected: Commerce & Economic Dev. Banking, Securities & Corp.
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Willis F. Kirkpatrick, Director *WFK* Phone: 465-2521
Division: Banking, Securities & Corp. Date: _____

Approved by Commissioner: Larry Mercurieff *LM* Date: 1/27/89
Agency: Commerce & Economic Development

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

RECEIVED

JAN 30 1989

LEGISLATIVE FINANCE page 1 of 1

HCR 9

Original sponsors: Jacko, Navarre,
and Donley

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 9 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to Alliance Bank.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

7 WHEREAS the concentration of commercial banks in the state has been
8 affected during the past two years by the closing of six banks; and

9 WHEREAS the legislature wants to ensure that a viable and competitive
10 banking system exists throughout the state; and

11 WHEREAS at the beginning of 1987, the Federal Deposit Insurance Corpo-
12 ration determined that public policy considerations in the state required
13 the financial restructuring of what are now known as the Alliance Bancorpo-
14 ration and its wholly-owned subsidiary Alliance Bank; and

15 WHEREAS these public policy considerations are still present in the
16 banking market and have become more acute due to the subsequent closing of
17 other commercial banks in the state; and

18 WHEREAS Alliance Bank operates an extensive network of branches in the
19 rural and southeast parts of the state; in several locations served by
20 Alliance Bank, there is only one other bank, and the next closest competi-
21 tor is hundreds of miles away; and

22 WHEREAS there has been vocal community support in rural Alaska for
23 Alliance Bank, and there have been requests for Alliance Bank to service
24 additional rural communities; and

25 WHEREAS Alliance Bank, in conjunction with the Alaska Department of
26 Community and Regional Affairs, handles a majority of the outstanding loans
27 for rural borrowers of the state; and

28 WHEREAS Alliance Bank has been, and continues to be, a major provider
29 of mortgage servicing in the state and is servicing over \$1,500,000,000

1 worth of loans; the failure of Alliance Bank would severely disrupt the
2 servicing of these loans and would cause additional financial strain on
3 governmental agency loans, including loans from the state Department of
4 Community and Regional Affairs, the Alaska Housing Finance Corporation, the
5 public employees' retirement system (AS 39.35), and the teachers' retire-
6 ment system (AS 14.25); and

7 WHEREAS the failure of Alliance Bank would hinder the economic re-
8 covery of the state, and the closure of the bank would result in a loss of
9 jobs for the 460 employees of Alliance Bank and an annual loss of
10 \$20,000,000 in wages;

11 BE IT RESOLVED that the Alaska State Legislature encourages the Gover-
12 nor to support a stable and competitive banking environment in the state by
13 working closely with Alliance Bank and the Federal Deposit Insurance Corpo-
14 ration to ensure that every reasonable approach is taken to continue the
15 operation of the bank, consistent with prudent banking practices.

16 COPIES of this resolution shall be sent to the Honorable Willis
17 Kirkpatrick, the Director of the Division of Banking, Securities and Corpo-
18 rations of the Alaska Department of Commerce and Economic Development; to
19 the Honorable L. William Seidman, Chair of the Board of Directors of the
20 Federal Deposit Insurance Corporation; and to the Honorable Alan Greenspan,
21 Chair of the Board of Governors of the Federal Reserve Board; and to the
22 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
23 the Honorable Don Young, U.S. Representative, members of the Alaska delega-
24 tion in Congress.

Alaskans for Fair Banking

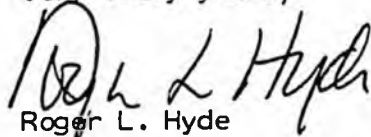
January 9, 1989

Dear Legislator:

The enclosed letter has been mailed to the governor, your fellow legislators, State Department of Banking, the FDIC, and the media.

We feel the questions asked are serious. The answers will provide assistance to you in evaluating if additional support should be given to Alliance Bank.

Very truly yours,



Roger L. Hyde
President

RLH/paw

Enclosures

Alaskans for Fair Banking

January 9, 1989

In October 1988 a group of Anchorage business people ran an advertisement in an Anchorage newspaper requesting anyone who thought they were improperly treated by Alliance Bank to respond to a blind post office box. Over 110 businesses and individuals answered the advertisement.

The results of this response was the formation of Alaskans for Fair Banking, a non-profit corporation, consumer advocacy group, with these goals:

1. Change (stop) the "negative handling" of distressed loans by Alaskan banks.
2. To block additional funding of any bank by the State, or FDIC, without public hearings (town meetings) concerning bank management and collection practices.
3. To create significant public impact to adopt and pass new banking regulations to assist distressed Alaskan borrowers with loan workouts. (homeowners and commercial borrowers)

Alaska newspapers, recently, reported that Alliance Bank has been ordered by the State of Alaska to increase their capital by \$77,000,000. It is also reported that Alliance Bank is requesting State and FDIC assistance to save the bank from failure.

Alaskans for Fair Banking requests the following questions be answered by Alliance Bank before a response for additional funding is considered.

1. What are the salaries of executive officers, including fees paid to board members? How does this remuneration compare to other Alaskan banks?
2. Are bonuses being paid to executive officers, and if so, how much? Were other personnel salaries cut at the same time?
3. Do the executive officers have permanent residences in Alaska (where do their families and pets live)?
4. Have particular banking activities or departments, such as payroll, been moved outside of Alaska?

5. What are the fees paid to the top 10 consultants to Alliance Bank? Are these consultants Alaskan companies? Are there any personal relationships between consultants and the management/directors of Alliance Bank?
6. Are there any personal relationships between executive management or directors and attorneys representing Alliance Bank?

These are questions that many Alaskans would like to have answers to. Under the "Community Reinvest Act" aren't public meetings required prior to assistance being given to Alliance?

Alaskans for Fair Banking requests that public meetings be scheduled before any consideration be given on Alliance Banks request for additional assistance.



Alaska State Legislature

Please enter into ~~the~~ record my testimony to the Labor & Commerce and Finance
committee name

committee on House Concurrent Res. No. 9, dated 1/25/89
bill/subject

I would like to testify that Denali State Bank, the state's newest and smallest bank truly supports the competitive environment referred to in HCR #9 and that I do not desire to see any more financial institutions fail in the State of Alaska. However, I believe that the Regulators of the financial industry will confirm that poor management is the leading contributor to bank failures both in and out of Alaska. Even in a time of economic hardships, well-managed banks continue to show profitability and financial strength while some of their competitors fail in the same region.

I encourage the Committee and Legislature to thoroughly investigate the accuracy of statements made in HCR #9 and to consider the far-reaching implications of adopting any resolution relating to specific financial institutions in the State of Alaska. I urge you to consider changing the emphasis from Alliance Bank to the Alaskan Banking Industry. A competitive environment exists in almost all industries- not just the highly regulated financial industry. But as in most forms of competition, there are winners and losers. The important point is that the competition survives!

Let us not support the poor decision makers with government intervention as I fear that the Resolution as presented will have just the opposite effect desired. Once the Legislature starts endorsing individual financial institutions through resolutions of this nature, the "barn door" will have opened and true competition will have been eliminated from our industry.

Support the Alaskan Banking Industry as a whole so that those banks that are well-managed benefit equally from your efforts in the Legislature.

Thank you.

Signed: Gary Roth *Gary Roth*

Testifier

DENALI STATE BANK

Representing (Optional)

119 North Cushman St Box 74568 Fairbanks, Ak 99707

Address

907-456-1400

Phone No.

09005 NL ANCHORAGE ALASKA 97 01-30 510P AST

PMS HONORABLE DAVE DONNELLY CHAIRMAN LABOR AND COMMERCE COMMITTEE

POBOX V HOUSE OF REPRESENTATIVES

JUNEAU AK 99811

GENTLEMAN,

WE HAVE STRONG DIFFERENCES WITH THE CONCLUSIONS CONTAINED IN
HOUSE CONCURRENT RESOLUTION 9 RELATING TO ALLIANCE BANK. WE,
AT KEY BANK OF ALASKA, COMMEND YOUR COMMITTEE FOR ITS
COMMITMENT TO A STRONG, VIABLE AND COMPETITIVE BANKING SYSTEM

IN ALASKA. A BANKING SYSTEM WITH THOSE CHARACTERISTICS IS
BASIC TO THE ECONOMIC FUTURE OF THE STATE. CONCLUSIONS RELATING
TO THE ROLE OF ALLIANCE BANK IN THE ECONOMIC RECOVERY OF ALASKA
CONTAINED IN HR9 ARE BASED UPON MISREPRESENTATION OF FACT.
NEITHER THE STABILITY OF THE FINANCIAL SYSTEM OR THE ECONOMY,
AS A WHOLE, REQUIRE THE ASSISTANCE ENVISIONED IN HR9.
SINCERELY,

MICHAEL J. BURNS, PRESIDENT AND CHIEF OPERATING OFFICER

HICR

12

(11)

Date Referred: February 17, 1989

FURTHER REFERRALS:

Date of Committee Action: 3/2/89

The FINANCE Committee considered:

HCR 12

HOUSE CONCURRENT RESOLUTION NO. 12

[MARINE HIGHWAY MASTER PLAN]

Relating to the Alaska marine highway system master plan.

RECOMMENDS:

- replacing with CS HCR 12 (Fin) the same title
- the 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
- zero fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published:
- zero fiscal notes(s) published:
Trsp. 2/17/89

SIGNING DO PASS:

Ronald J. Larson Larson

Lay Brown Brown

John Ulmer Ulmer

Denise Barnes Barnes

David Shultz Shultz

ROBERT PHILLIPS Phillips

Steve Rieger Rieger

SIGNING OTHER THAN DO PASS:

(Do Not Pass, No Recommendation, Amend)

Koponen no rec Koponen

Ronald J. Larson
Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "Relating to the Alaska Marine
 Highway System Master Plan"
 Sponsor: Hudson et al
 Requestor: _____

Agency Affected: DOT/PF-AMHS
 BRU: Marine Facilities Engineering
 Components: CIP Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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)

No fiscal impact is anticipated. See Position Paper.

Prepared by: George W. Davidson, System Director
 Division: Alaska Marine Highway System

Phone: 465-3950

Date: 2/15/89

Approved by Commissioner: Mark S. Hickey
 Agency: Department of Transportation/Public Facilities

Date: 2/15/89

Distribution (by preparer):

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

Original sponsors: Hudson, Cato,
Ulmer, et al.

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 12 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to the Alaska marine highway
6 system master plan.

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

8 WHEREAS the Alaska marine highway system was created to provide an
9 intrastate transportation link between coastal communities in Southeast and
10 Southwest Alaska and an interstate link between Alaska and the continental
11 highway system; and

12 WHEREAS expansion of the Alaska marine highway system has been direct-
13 ly associated with the growth and economic and social development of the
14 coastal communities served and the changing transportation needs of the
15 state as a whole; and

16 WHEREAS the first priority for the Alaska marine highway system is to
17 provide intrastate transportation to communities not linked by road to the
18 state highway system; and

19 WHEREAS the Alaska marine highway system is essential to the economic
20 viability of Southeast and much of Southwest Alaska and supports signifi-
21 cant over-the-highway freight and tourist trade and travel between central
22 Alaska and Alaska's state capital; and

23 WHEREAS five of the nine vessels of the Alaska marine highway system,
24 including the mainline ferries Matanuska, Taku, Malaspina, and Tustumena,
25 are over 25 years old and will be approaching the end of their useful
26 economic lives in 5 to 10 years; and

27 WHEREAS there is growing public dissatisfaction with ferry schedules,
28 fares, and services provided by the Alaska marine highway system; and

29 WHEREAS a new breed of fast ferries exists today that offers improved

1 services with lower capital and operating costs; and

2 WHEREAS fast ferries can be acquired for a fraction of the replacement
3 cost for the existing LeConte-class vessels and would provide greater
4 flexibility for system expansion and scheduling; and

5 WHEREAS strategically employed fast ferries can maximize the use of
6 mainline ferries and extend the useful and economic life of these expensive
7 vessels; and

8 WHEREAS the Southeast Transportation Plan, dated June 1986, recognized
9 the growing obsolescence of the fleet and recommended the purchase and
10 employment of three new fast ferries to operate on the Ketchikan to Hollis,
11 Sitka to Juneau, and Juneau to Skagway routes and recommended new roads be
12 constructed, subject to funding and further environmental impact analysis;
13 and

14 WHEREAS the concept of mainline ferry service, supplemented by fast
15 ferries, new roads, and beneficial schedule changes has been adopted by the
16 Southeast Conference and recent agreements adopted by the cities of Haines,
17 Skagway, and Juneau; and

18 WHEREAS chapter 128, SLA 1986, appropriated \$4,900,000 to acquire the
19 first of the recommended fast ferries; and

20 WHEREAS the Department of Transportation and Public Facilities has
21 expended more than \$600,000 of that appropriation for other marine highway
22 projects and has not taken any action to purchase a fast ferry; and

23 WHEREAS the federal government has advised the Department of Transpor-
24 tation and Public Facilities that federal funds will not be authorized to
25 purchase fast ferries until a marine highway system master plan has been
26 prepared and adopted by the commissioner of transportation and public
27 facilities; and

28 WHEREAS the Department of Transportation and Public Facilities advised
29 the legislature that the Alaska marine highway system master plan was in a

1 draft stage in January 1988, and should be completed in 60 to 90 days; and

2 WHEREAS the Department of Transportation and Public Facilities has
3 neither adopted the plan nor circulated the plan for legislative review;
4 and

5 WHEREAS it is in the best interest of all affected communities, tradi-
6 tional ferry users, and the state as a whole, that the master plan be
7 completed, transmitted to the legislature for review and approval, and
8 adopted and implemented on schedule by the Department of Transportation and
9 Public Facilities; and

10 WHEREAS the legislature should be provided drafts and completed plans
11 of all major transportation proposals affecting the citizens of this state
12 in a timely manner and any changes to an adopted plan should be transmitted
13 for review and approval before those changes are effected;

14 BE IT RESOLVED that the Alaska State Legislature respectfully requests
15 the Governor to direct the Department of Transportation and Public Facili-
16 ties to expeditiously complete the federally required Alaska marine highway
17 system master plan and to submit the master plan to the legislature for
18 review by April 15, 1989; and be it

19 FURTHER RESOLVED that the master plan must include

- 20 (1) community and user comments and recommendations;
21 (2) Alaska marine highway system employee recommendations;
22 (3) a written summary of the relationship between the Alaska
23 marine highway system master plan and the state transportation long-term
24 plan;
25 (4) preliminary assessments of environmental impacts;
26 (5) a condition survey of vessels and facilities;
27 (6) a marketing, advertising, and promotional plan;
28 (7) proposals for changes in short-term and long-term operating
29 budgets;

1 (8) crew schedules;

2 (9) a statement on the effect of the Alaska marine highway
3 system on Alaska hire, Alaska residency, and local purchase;

4 (10) information relating to training;

5 (11) a statement on the compatibility of the plan with tradi-
6 tional commercial users; and

7 (12) a statement of the improvements in services provided by the
8 Alaska marine highway system.

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Dept. of Transportation & Public Facilities

POSITION PAPER

BILL NO: HCR 12

TITLE: Relating To the Alaska Marine Highway
Master Plan

APPROVED: Mark S. Hickey
Commissioner
DATE: February 15, 1989

HCR 12 requests that the Alaska Marine Highway System Plan be completed and submitted to the legislature for review and approval by April 15, 1989 and that it include the following elements:

<u>Item</u>	<u>Concur</u>	<u>Disagree</u>
(1) community and user comments and recommendations;	See comment	
(2) Alaska Marine Highway System employee recommendations;	See comment	
(3) consideration of road alternatives;		See comment
(4) assessments of environmental impacts;		See comment
(5) a condition survey of vessels and facilities;	Concur	
(6) a marketing, advertising and promotional plan;	Concur	
(7) proposals for changes in short-term and long-term operating budgets;		Concur
(8) crew schedules;	Concur	
(9) a statement on the effect of Alaska hire, Alaska residency, and local purchase on the Alaska Marine Highway System;	Concur	
(10) information relating to training;	Concur	
(11) a statement on the compatibility of the plan with traditional commercial users;	Concur	
(12) a discussion of the relationship between the Alaska Marine Highway System master plan and the state transportation long-term plan;	Concur	
(13) a statement of the improvements in services provided by the Alaska Marine Highway System.	Concur	

(1) Community and User Comments and Recommendations: This information was collected in 1986 in a public involvement program conducted as part of development of the draft System Plan. The comments and recommendations received will be published with the plan. Completion of this task is included in the present AMHS capital budget, and will have no additional fiscal impact. A new effort to collect this information would prevent completion of the plan by April 15, 1989, and would cost an additional \$15,000.00. Since there have been no significant changes to the plan since the public review, it does not appear to be necessary to repeat this process.

(2) Alaska Marine Highway System Employee Recommendations: This information was also collected in 1986 as part of development of the draft System Plan. These recommendations will be included with the report on the public involvement program and its results. A new effort to collect this information at this time would seriously jeopardize completion of the plan by April 15, 1989, but would not add any significant cost.

(3) Consideration of Road Alternatives: As part of the Department's planning structure, the AMH System Plan relies on regional plans for the analysis of other transportation modes such as roads and aviation. The System Plan focuses on effective delivery and improvement of AMHS services. With this focus, The System Plan uses the work on roads and highways, to be found in the Southeast Alaska Transportation Plan, the Kenai Regional Transportation Study, etc., as its base for evaluating alternatives for making connections between communities and highways. Including analysis of road alternatives in the AMH System Plan would duplicate work already done elsewhere, and would prevent completion of the plan by April 15, 1989. Such work would increase the cost of System Plan completion by \$100,000.00. The various Southeast Alaska road options presently under consideration were all evaluated by the Southeast Alaska Transportation Plan, and have been taken into consideration in development of the AMH System Plan.

(4) Assessments of Environmental Impacts: In a similar vein, the AMH System Plan relies on the the general environmental assessment

provided by the regional plans for the geographic areas in which it operates. Incorporating any more detailed environmental assessment in the System Plan goes far beyond the scope of the planning process and would incur unjustifiable delays and expense. More detailed environmental analysis is properly conducted as part of individual projects implementing the recommendations of the Plan.

(5) Condition Survey of Vessels and Facilities: Condition surveys of vessels and facilities are an ongoing activity of the AMHS Operations and Marine Facilities Engineering branches. Surveys of shore facilities are published each year in the Shore Facility Condition Survey report. Vessel surveys are conducted by AMHS Operations maintenance personnel on a more or less continual basis and by the American Bureau of Shipping on a periodic basis. This information has been collected and used as the basis for System Plan recommendations on maintenance and in developing the long term capital improvement portion of the Plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(6) Marketing, Advertising and Promotional Plan: A marketing , advertising and promotional plan was one of the recommendations received during the public involvement program previously conducted. Such a plan will be included in the final System Plan and has been anticipated in the present budget for completion of the plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(7) proposals for changes in short-term and long-term operating budgets: The draft Plan makes recommendations for changes in short and long-term AMHS financing, both capital and operating. This task has been anticipated in the present budget for completion of the plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(8) Crew Schedules: Crew schedules are included in a number of analyses conducted in development of the draft plan. In particular, crew schedules are included in the evaluation of high speed ferries and alternative route configurations for the existing fleet. The draft Plan takes into consideration both the cost and employee

impacts of the crew schedules required to implement the Plan's recommended route and fleet structure. This task has been anticipated in the present budget for completion of the plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(9) Statement on the Effect of Alaska Hire, Alaska Residency, and Local Purchase on the Alaska Marine Highway System: A statement on the effect of Alaska hire, Alaska residency and local purchase on the Alaska Marine Highway System will be included in the final plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(10) Information Relating to Training: Information relating to training has already been included in development of the marketing portion of the Plan. Other recommendations of the Plan which require training as part of implementation will include information on the training required. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(11) Statement on the Compatibility of the Plan with Traditional Commercial Users: The impacts of the plan on traditional commercial users were explored in the public involvement program previously conducted. The comments and recommendations of commercial users have been incorporated in the plan and will be reported in the appendix detailing the public involvement program. This task has been anticipated in the present budget for completion of the plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(12) Discussion of the Relationship Between the Alaska Marine Highway System Master Plan and the State Transportation Long-Term Plan: The draft Plan discusses and explains the relationship between itself and the State's long term transportation plans in detail. This task has been anticipated in the present budget for completion of the plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(13) Statement of the Improvements in Services Provided by the

Alaska Marine Highway System: The final plan will include a statement of the improvements in services recently initiated by the System. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

Other Comments: The draft System Plan represents a flexible guide to the improvement and development of the Alaska Marine Highway System. The Plan provides the public with a consistent standard for decisions about System development, while affording Department management a vehicle for affecting the System's direction. The Plan represents today's best guess about the future and must be periodically updated in order to remain relevant. In order to keep the Plan current, computerized tools have been created to help make sure that the plan can be responsive to Alaska's economic environment.

A microcomputer model of the System's financial behavior has been built. This model allows management to estimate the short and long term cost of operating the system with almost any fleet and route configuration. Called the "System Performance Model, or SPM for short, the model was used to produce the financial projections in the present draft System Plan and will be used again in the completion of the Plan to bring those projections current. The SPM has also been used to evaluate the various route configurations identified in the legislative intent attached to Chapter 95, SLA 87, page 99, as well as the change in southern terminus from Seattle to Bellingham.

The System Performance Model or SPM consists of three major parts all running in LOTUS 123. The Financial Module models system financial behavior and estimates net cash flow requirements (both operating and capital) for each year for twenty years into the future. This is the information which is used for comparison and evaluation of alternative operating scenarios. Feeding the Financial Module's revenue projections with data is the traffic projection module, AMFOR. This part of the SPM predicts traffic for each of the major sub-components of the existing AMHS route system (Southeast Mainline, Southeast Secondary and Southwest). The Vessel Scheduling Module, or VSM, allows "what if" analyses of route structures differing from those presently existing.

Together these various parts provide management with a powerful tool. Choices about the development or improvement of the system can be tested without incurring the costs actual changes.

Alaska State Legislature



REPRESENTATIVE BILL HUDSON

P.O. BOX V
Juneau, Alaska
99811
(907)465-3744 or 4991

COMMITTEES:

Transportation
Resources
Foreign Trade

FINANCE SUBCOMMITTEES

DOT/PF
C & RA

February 17, 1989

Representative Lyman Hoffman
and
Representative Ron Larson
Co-Chairmen - House Finance Committee
Alaska State Legislature
Juneau, Alaska

Dear Representatives Hoffman and Larson:

HCR 12, relating to the Alaska Marine Highway master plan, was referred to the House Finance Committee this morning.

This resolution calls for the Alaska Department of Transportation and Public Facilities to finish the federally required plan in order that Alaska can receive federal funding for fast ferries, roads or other associated ferry system costs.

The mainline ferries on the system are quickly approaching the end of their useful economic lives, and we must begin to consider how best to upgrade the system in order to meet tourist and over-the-highway freight needs in Alaska.

I believe fast ferries can be acquired for a fraction of the replacement cost for existing LeConte-class vessels and would provide greater flexibility for system expansion and scheduling, and that strategically employed fast ferries can maximize the use of the mainline ferries and extend the useful economic lives of these expensive vessels.

Your scheduling this resolution for a hearing before the House Finance Committee as soon as possible will be very much appreciated.

If you or your staff desire further information, please call me at 3744 or 4991.

Respectfully,

A handwritten signature in cursive script that reads "Bill Hudson".
Bill Hudson



HCR

15

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 10, 1989

FURTHER REFERRALS:

Date of Committee Action: 4/14/89

The FINANCE Committee considered:

HCR 15

HOUSE CONCURRENT RESOLUTION NO. 25

[CITIZEN REVIEW BOARDS FOR FOSTER CARE]

Relating to citizen review boards for the foster care system.

RECOMMENDATIONS:

- be replaced with CS HCR 15 (Finance) the same title
- a new title
- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact Admin.
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

[Signature] HOFFMAN
[Signature] LARSON
[Signature] BROWN
[Signature] ULMER
[Signature] BARNES
[Signature] PHILLIPS
[Signature] SHULTZ

	Do Not Pass	No Rec	Amend

[Signature]
 COS Chairman

FISCAL NOTE

REQUEST:

Revision Date: 4/14/89
Title: Relating to citizen review boards for foster care system
Sponsor: Finance Committee
Requestor: Finance Committee

Agency Affected: Administration
BRU: Office of Public Advocacy

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL		0				
CONTRACTUAL		77.5				
SUPPLIES		0				
EQUIPMENT		0				
LAND & STRUCTURES		0				
GRANTS, CLAIMS		0				
MISCELLANEOUS		0				
TOTAL OPERATING	0	77.5	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	77.5	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	77.5	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)
see attached.

Prepared by: Brant McGee, Public Advocate Phone: 274-1684
Division: Office of Public Advocacy Date: 4/14/89

Approved by Commissioner: John Andrews Date: 4/14/89
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

For Bill/Resolution No CSHCR 15 (Fin)

This resolution will allow the Office of Public Advocacy to continue the Foster Care Review Board demonstration project in Anchorage which was previously funded through a private grant. This fiscal note will allow half of the children in foster care in Anchorage to receive reviews by the citizen Review Board.

Personal Services

\$ 0

Travel

0

Contractual

Non-attorney contract position. \$25.00/hr
X 40 hrs per week X 52 weeks = \$52,000.

52.0

Contract clerical support. \$10.00/hr
X 40 hrs per week X 52 week = \$20,800.

20.8

Xeroxing (reimbursable copy charges)
\$350.00 per mo. X 12 mos. = \$4,200.

4.2

Postage (reimbursable) \$500.00 per yr.

.5

TOTAL-----\$77.5

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 15 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to citizen review boards for
6 the foster care system.

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

8 WHEREAS all children need the stability, support, sense of lifelong
9 belonging and continuity that only a permanent home and family can provide;
10 and

11 WHEREAS the purpose of foster care is for the temporary care of abused
12 and neglected children and other children in need of aid before they are
13 returned to their natural homes or another permanent home; and

14 WHEREAS foster care placement has often resulted in foster care drift,
15 a term that describes a situation when children are moved from foster home
16 to foster home, obscured within the child welfare system, without a perma-
17 nent placement plan that is adhered to in a timely manner; and

18 WHEREAS the problem of foster care drift was addressed by the Congress
19 in 1980 by the enactment of the Adoption Assistance and Child Welfare Act
20 (P.L. 96-272) which provides monetary incentives to states for the develop-
21 ment of permanent case plans and regular case reviews for children in
22 foster care; and

23 WHEREAS states are increasingly using independent volunteer citizens
24 on case review boards in order to provide oversight for the problems of the
25 family, the intervention efforts of the state, and the final authority of
26 the court as a means of ensuring that the entire system is working in the
27 best interests of the child; and

28 WHEREAS citizen reviewers, acting as advocates for foster children,
29 consider the necessity and appropriateness of the current placement and the

1 progress toward alleviating the cause of the placement, determine the
2 compliance and participation in the case plan by all parties, and estimate
3 a likely date for the child's return home or placement in another permanent
4 home; and

5 WHEREAS citizen review boards enhance the ability of the courts to
6 make difficult and complex permanency planning decisions; and

7 WHEREAS citizen review boards broaden local community responsibility
8 for abused and neglected children; and

9 WHEREAS the Alaska Office of Public Advocacy received funding from the
10 National Association of Foster Care Reviewers for a demonstration citizen
11 review board in Anchorage and from the legislature for a demonstration
12 citizen review board in Ketchikan, with the objective of establishing a
13 statewide citizen review system; and

14 WHEREAS the grant funding for the Anchorage project was obtained for
15 one year only with the understanding that alternative funds would be sought
16 to continue the project; and

17 WHEREAS the establishment of an efficient and cost-effective statewide
18 citizen review system will rely upon the information developed from these
19 demonstration projects;

20 BE IT RESOLVED that the Alaska State Legislature is committed to the
21 establishment of a statewide foster care citizen review system as a neces-
22 sary and effective way to ensure that foster children do not linger un-
23 necessarily in foster care and that they are returned home or placed in
24 another permanent home as expeditiously as possible; and be it

25 FURTHER RESOLVED that the Alaska State Legislature intends to fund the
26 continuation of the citizen review demonstration projects in Anchorage and
27 Ketchikan through fiscal year 1990 so that adequate information can be
28 assembled for the possible establishment of a permanent statewide citizen
29 review system.

HOUSE CONCURRENT RESOLUTION NO. 15

Relating to citizen review boards for the foster care system.

The Division of Family and Youth Services (DFYS) within the Department of Health and Social Services has responsibility to develop, implement, and administer services for children who cannot remain in their own homes due to problems of abuse and neglect. One of the primary services needed by these children is foster care to provide a nurturing environment through a family setting. Providing quality services to children, their natural family, and their foster family is of the greatest concern not only to state agencies mandated to provide service, but is also of the greatest concern to the broader "community" of each city and village in Alaska. The quality of service provided to children is indicative of the quality of life in a community. Developing Citizen Review Boards is one way for community members to be directly and positively involved in providing and improving the quality of service available to children and their families.

DFYS is in support of HCR No. 15, and has signed an agreement with the Anchorage and Ketchikan Demonstration projects to coordinate efforts in exploring different methods for reviewing the needs of children in foster care. Each of these projects has goals to improve the care of individual children as well as goals for improving the systems which determine program and service availability to children and families.

In Anchorage the purpose of the project is to provide an early review of children in foster care by examining the efforts of the professionals regarding family preservation and reunification. The project will specifically consider the "reasonable efforts" requirements of P.L. 96-272 in its review of each child's case. The project will also provide a vehicle for substantive research regarding the strengths and limitations of the present child protection services system.

The review panel makes recommendations regarding what the Division can do to assure early reunification; what the Division could have done to prevent the initial removal of the child from the home; and what services need to be available to accomplish the recommendations. This project also reviews the work completed by the attorneys involved in the case; the guardian-ad-litem; the court; and other aspects of services which would be relevant to the child's welfare.

In addition to providing oversight and concrete recommendations for individual children, the project will also be collecting information which will be extremely useful for human service agencies in planning. By documenting what

Position Paper
House Concurrent Resolution No. 15
Page 2

services are available and what services need to be available for a child to remain safely in their home, the project will be able to provide the service community, the public, and the various governmental agencies with the data needed for planning and directing human service growth and improvements in Anchorage.

The purpose of the Ketchikan project is more closely related to the planning for the individual child. The project goal is to facilitate a permanent home for every child reviewed by the project panel. The panel will make specific recommendations with time frames for completion of each task necessary for implementing the permanent plan for an individual child. Reviews will be conducted once every six months for those children who have resided in foster care for more than six months. The purpose of the review will be to determine what efforts have been made by the Division and any other related agents or agencies to carry out a plan for the permanent placement of each child.

The Division's current review system is comprised of panels in each field office location which meet the requirements of P.L. 96-272. These projects in Anchorage and Ketchikan will demonstrate the pros and cons of external review as compared to the current internal administrative review system. The projects will provide critical information for the continued development of the case review system. Most importantly, these two projects are providing invaluable information and planning for individual children and for the service communities.

Recommended by:

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

Date:

2/7/89

Approved by:

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

Date:

March 7, 1989

ANCHORAGE FOSTER CARE REVIEW BOARDOVERVIEW

March 4, 1989

In early 1988, the Office of Public Advocacy received a \$24,200.00 grant from the National Association of Foster Care Reviewers and the Edna McConnell Clark Foundation to implement an early Foster Care Review project. Along with three other sites in the country, the Anchorage Foster Care Review Board (FCRB) was funded to demonstrate the impact of very early review of children in foster care.

Traditionally, case reviews have occurred, at the earliest, at 6 months after the child's case has been opened. In Anchorage a random selection of new Child In Need of Aid (CINA) case are reviewed one month, and again at three months, after the children have entered foster care. The focus of these reviews is on the efforts of the social worker, guardian ad litem, and Court to both prevent the foster home placement and to promote family reunification and/or an alternate permanent home for the child.

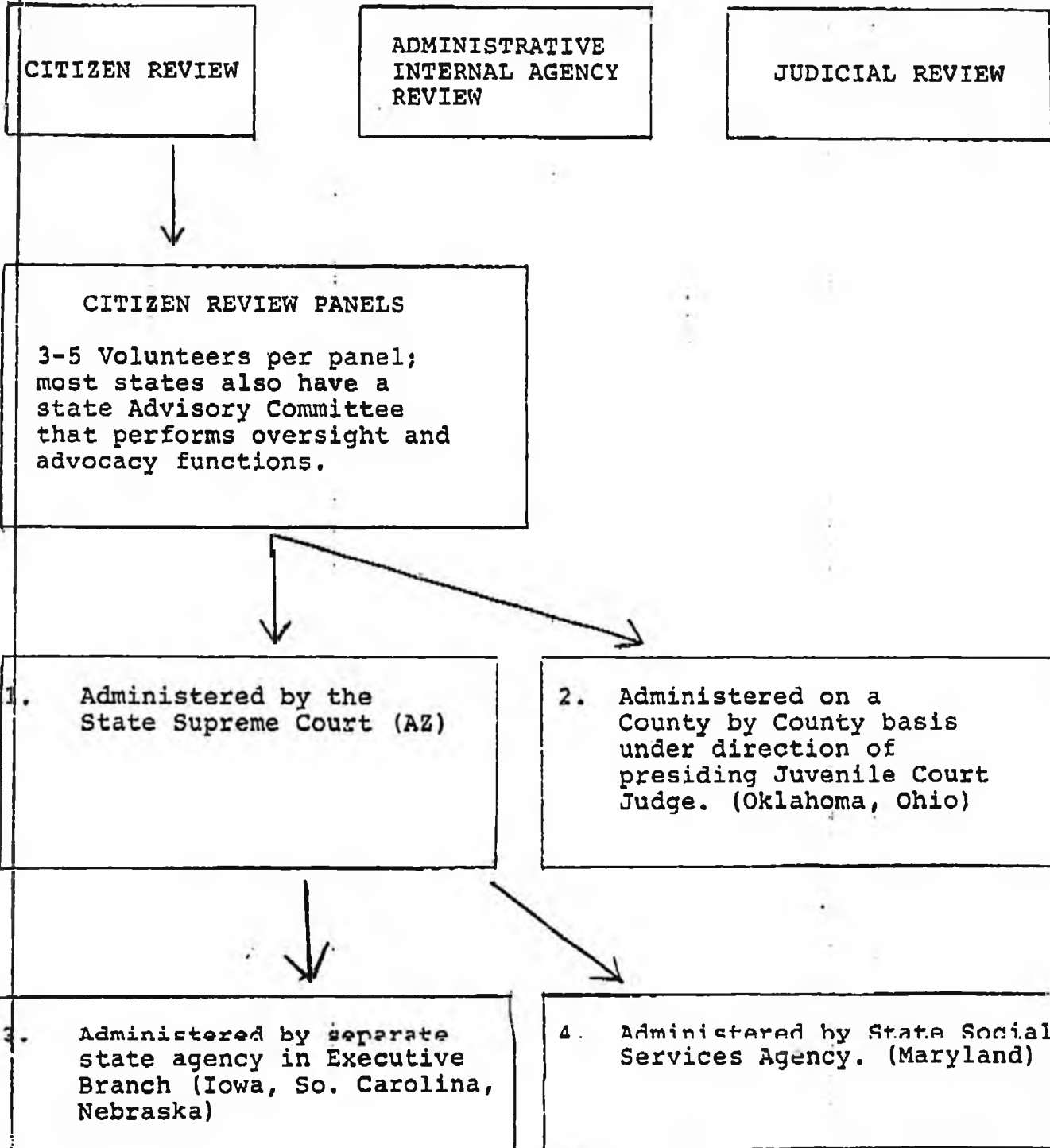
The Anchorage FCRB is guided by a Task Force consisting of staff from the Court, the Office of Public Advocacy (OPA), the Division of Family and Youth Services (DFYS), the Attorney General's Office, the Municipality of Anchorage, and the private human services and legal community. This Task Force has developed policies and procedures, assisted in the training of Board volunteers which were drawn from the Court Appointed Special Advocate (CASA) program at the Office of Public Advocacy, and continues to revise and develop the project.

Presently, the Board meets monthly to review cases. Complete case histories, written by staff following a thorough analysis of the child's Court, OPA, and DFYS files, are distributed to the Board members prior to the meeting. The Board members review approximately ten cases per month. They discuss the case in depth and formulate a report of their concerns and recommendations. This report is subsequently distributed to the parties in the case.

Since August 1988, 65 children's cases have been reviewed by the Board in Anchorage. This represents approximately one-third of all new CINA cases opened in Anchorage during this time period. In addition to making case-specific reports, the Anchorage FCRB is collecting data to identify strengths and limitations of the Anchorage child welfare system.

The grant for this demonstration project ends June 10, 1989. Neither the Clark Foundation or the National Association of Foster Care Reviewers will be providing continuation funding. Other sources of revenue have not been found for the project. HCR 15 will allow for the continuation and partial expansion of the Anchorage FCRB so that in FY 91 the project will be able to review approximately half of the children in foster care in this community.

MODELS OF FOSTER CARE REVIEW





Alaska Foster Parents Association

P. O. BOX 140651 • ANCHORAGE, ALASKA 99508



**POSITION PAPER
HCR 15
CITIZEN REVIEW BOARD
DEMONSTRATION PROJECTS**

The Alaska Foster Parent Association supports this measure only in lieu of passage of HB 19, Foster Care Review Boards.

The demonstration project in Ketchikan was funded by legislative appropriation in 1985. It has yet to hear its first review. The reason appears to be that impediments were implaced by an agency of the administration. In the meantime, an extremely valuable system of oversight has been denied to the client population receiving services from Health and Social Services.

It is our position that the greatest lesson we will learn from the pilot projects in Anchorage and Ketchikan is that we should have created a system of citizen review far earlier and that, since we have not, now is the time to do it.

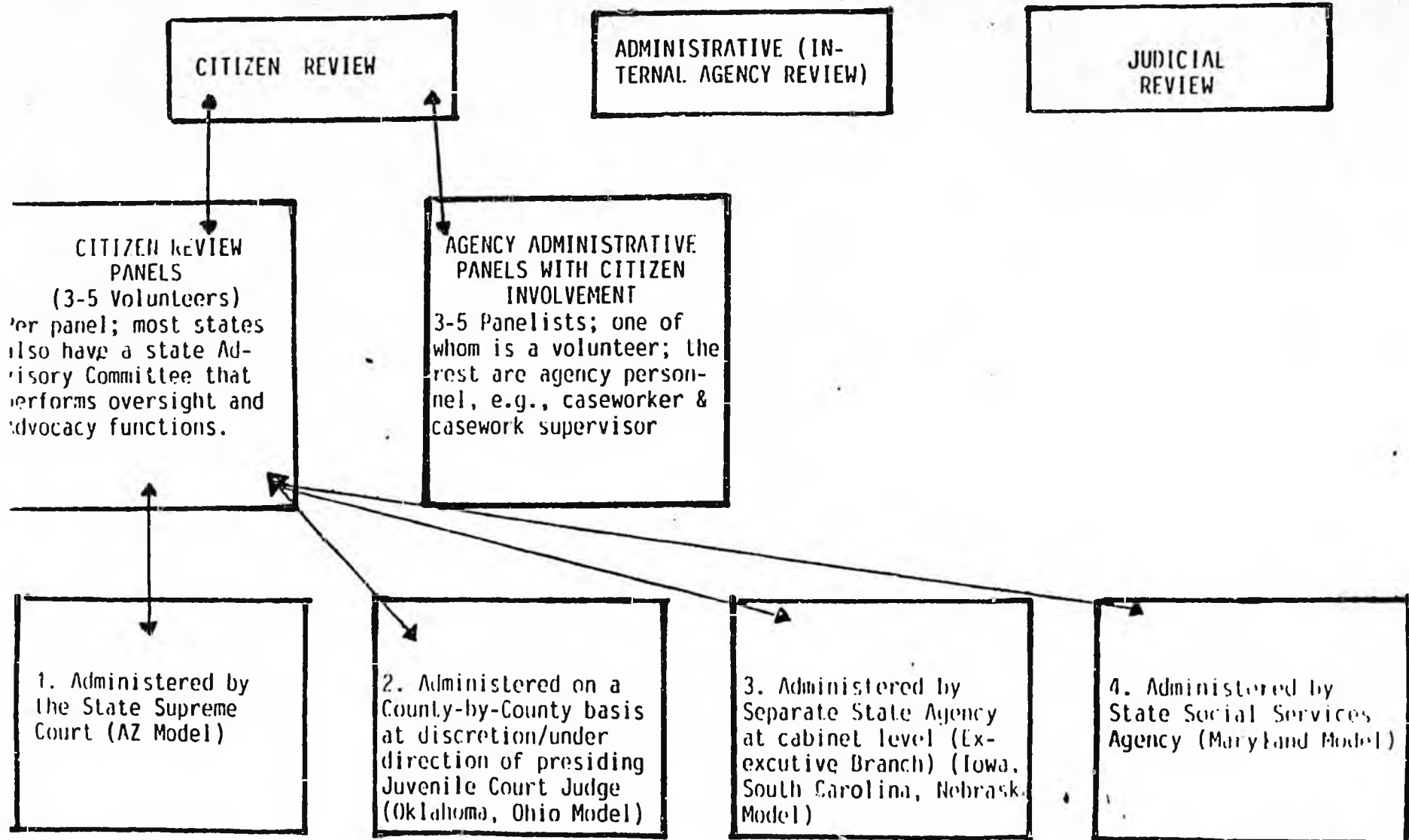
We urge the passage of HB 19. Failing that, we will support this measure to keep the pilot projects alive while we continue to work toward a state-wide system of citizen foster care review, which provides quality assurance in the activities of the state dealing with children in state custody.

Miriam Sumner
President

Frank H. Wasmer
Vice President

MODELS OF FOSTER CARE REVIEW

NOTE: These 3 basic models are not mutually exclusive. Some states use some version of all three, or two out of three.



* 2. (County-by-County Model) may also include a state advisory committee under Supreme Court that coordinates among counties.

fcrb.sta

PRELIMINARY DATA FROM ANCHORAGE FCRB

AUGUST 1988 THROUGH DECEMBER 1988

NUMBER OF CASES/FAMILIES REVIEWED: 38

NUMBER OF CHILDREN REVIEWED: 56 MALE: 35 FEMALE: 21

AGES: 20--birth to two years 27--three to twelve years
9--thirteen to eighteen years

RACE: 27--white 17--black 5--hispanic 23--native
(children who are bi-racial are counted for each race)

NUMBER OF PRIOR DEYS CONTACTS WITH FAMILY: 13 had no priors
10 had one prior 5 had two priors 7 had three priors
1 had four priors 2 had five or more priors

DEYS CASEPLAN FORM FOUND IN THE DEYS FILE: 1 case

WRITTEN NOTES FOUND IN THE DEYS FILE OF CASEPLAN AGREEMENTS: 9 cases

WRITTEN VISITATION PLAN AND SCHEDULE FOUND IN THE DEYS FILE: 3 cases

REASONABLE EFFORTS FINDING MADE BY THE COURT: 34 cases

REASONS FOR REMOVAL OF CHILD FROM PARENTAL HOME:

3 sexual abuse	19 neglect
16 physical abuse	1 child's medical needs
5 parental refusal to care	4 abandonment
19 parental substance abuse	1 parent's medical needs
1 financial inability	1 child's mental health needs
2 parent's mental health needs	3 other
6 runaway teen	

**Child may have been removed from home for more than one reason.

N=38

STATE OF ALASKA

OFFICE OF PUBLIC ADVOCACY

STEVE COWPER, GOVERNOR

900 W 5TH AVENUE
SUITE 525
ANCHORAGE, ALASKA 99501
PHONE: (907) 274-1684

N=38

FCRB RECOMMENDED SERVICES

	available	unavailable
intensive in-home therapy.....	0	11*
parent aide.....	6	
daycare.....	3	
Intermission.....	6	
public s assistance.....	5	
medical care.....	9	
counseling.....	18	
job training.....	5	
substance abuse treatment.....	16	4**
parent education.....	14	
food.....	1	
housing.....	2	
residential treatment.....	1	
homemaker.....	7	
public health nurse.....	4	
other.....	4	

Prevented
removal
2/9/76

* Intensive in-home therapy is Homebuilders model.

** Inpatient alcohol treatment for parents that allows children to live-in with parents.

N=38

SERVICES FOR THE FAMILY

	referrals made		services begun	
	prior	after	prior	after
intensive in-home therapy.....	1	0	1	0
parent aide.....	1	1	0	0
daycare.....	0	3	1	1
respite (Intermission).....	0	4	1	1
public s asst.....	4	7	9	4
medical care.....	1	0	1	1
counseling.....	2	13	3	1
substance abuse treatment.....	3	12	1	0
education.....	4	0	0	0
parent education.....	2	8	2	0
food.....	2	0	0	0
transportation.....	0	1	0	1
housing.....	0	1	0	1
residential treatment.....	0	1	0	0
public health nurse.....	3	2	4	1
homemaker.....	1	4	2	0
domestic violence counseling.....	0	2	0	1

24

65

25

12

The following materials are excerpted from:

"An Overview of Citizen Involvement in Foster Care Review"

- by -

Susan Carter, J.D.

August, 1987

National Association of Foster Care Reviewers

Phoenix, Arizona

Chapter II. PURPOSE, PHILOSOPHY AND ROLE OF FOSTER CARE REVIEW SYSTEMS

As noted in Chapter 1, the underlying goal of all case review, including citizen review, is to assure that children do not linger unnecessarily in foster care, but rather receive the support, benefits and joys of a permanent home. In the case of citizen review, this goal is accomplished through recommendations to the legislature, social service agencies and courts, based upon its reviews of the cases of children in care. This chapter examines the specific ways in which foster care review systems work to accomplish the goal of permanency.

A. ADVOCACY

"You are the eyes and ears of the court, a part of the Court's conscience. You are also the eyes and ears of society, and part of its conscience. Reviewers are one of the few institutions where the problems of the family, the efforts of the state, and the work of the judiciary meet. You are able to see what is working and what is wrong."

Honorable Robert N. Wilentz
Chief Justice, NJ Supreme Court

In citizen review systems, reviewers serve as advocates for the best interest of children. Generally speaking, reviewers carry out their role as advocates in two ways:

1. Through individual case review of children in foster care.

2. Through the making of findings and recommendations regarding foster care system problems which come to light through the case review.

In acting as advocates for children, reviewers usually follow the following guidelines in individual case reviews.

1. consider the necessity and appropriateness of the current placement;
2. determine the progress toward alleviating the cause of the placement;
3. determine the compliance and level of participation in the case plan of all appropriate interested parties;
4. project a likely date for the child's return home or for placement in another permanent home.¹

The panel usually transmits its findings and recommendations regarding these areas to the court and/or child welfare agency within a short period of time following the review. When there is disagreement between a panel and the agencies or interested parties in a case, the panel will outline the disagreement in the findings and recommendations, along with a plan of action the panel feels should be taken in order to carry out a permanent plan that is in the best interest of the child. (See further discussion in Chapter IV.)

However, the advocacy role of reviewers is not limited to making case recommendations to the judge and social

service agency. Individual panel members may be able to identify resources in the community which would be of assistance to the child and family, but of which the service provider may not be aware.²

Citizen review boards also serve as systems advocates: over time, state review boards will come to recognize general problems in the child welfare system itself. State Boards make recommendations to the courts, agencies and legislature designed to address such problems, and may bring the problems to the attention of the media. Indeed, many review systems are encouraged or mandated by law to make such recommendations. (For a further discussion, see Chapter III - C.) As long as confidentiality requirements are met and problems are reported in an aggregate manner, (see Chapter III), such actions are appropriate.

In fact, it may be that citizen review systems have their largest, most positive impact through such a systems advocacy approach. Volunteer reviewers can create a broad base of community support for foster care issues and often serve as catalysts for system reform.

B. AUTHORITY

In order to perform their role, review panel members must have the authority to perform their duties as fact finders. Care must be taken, however, not to misconstrue the authority to conduct fact-finding reviews with the authority to change case plans. In general, the findings

and recommendations of review boards are advisory only.³ Review board statutes and regulations in some states are careful to point out that their provisions "should not be construed as limiting or delaying actions by agencies or (institutions) to arrange for adoptions, foster care, termination of parental rights or other related matters on their own initiative, nor do (provisions) in an manner alter or restrict the duties and authority of such agencies... in those matters".⁴

C. DATA COLLECTION/REGISTRY

Foster care review systems often serve an important data collection and information registry function. Most statewide review board systems have collected information and generated statistics regarding the status of children in foster care. This information is generally gathered through the use of automated operational systems, in which data is automatically entered into a central computer data base at the time of the first review. Systems with such automated procedures include Arizona, Kentucky, Maryland, Nebraska, Iowa, and South Carolina.⁵ (See Appendix D for an example of a data entry sheet.)

In Nebraska, the enabling legislation establishing citizen review is unique in that it mandates the Foster Care Review Board to serve as the official statewide registry for statistical information on children in substitute care.⁶ Information is sent to the Board on each

child at the time he or she enters care. Prior to the establishment of the Board in Nebraska in 1982 there was no way of gathering reliable information on the numbers of foster children in that state.⁷

Data systems record such information as the child's name, birthday, gender, legal status, type of placement, services provided and visitation patterns. This data enable boards to track information such as numbers of initial placements, numbers of children in care, reasons children enter care, characteristics of foster children, length of stay in care, which children are more likely to be returned home or placed in alternate permanent families, and much more.⁸ The information gathered can be very useful to review systems in evaluation, advocacy and case review efforts.⁹ In Nebraska, for example, data from the registry has been used to conduct independent evaluations of the review system in 1985 and 1986. These evaluations indicated the effectiveness of the review system in moving children to adoption, and concluded that the system was quite cost-effective.¹⁰

D. ANNUAL REPORT

Many states have legislative mandates requiring that state citizen review systems provide annual reports to the governor, legislature or the supreme court.

Annual reports, particularly when coupled with data collection efforts, are effective tools in providing

documentation to illustrate the cost effectiveness of review boards. For example, Delaware's annual reports have shown a dramatic increase in government savings since the implementation of its board through a post-review decrease in the number of children in foster care.¹¹

These annual reports also serve as effective advocacy tools. Reports are issued to the media and the public, as well as to the branches of government, and generally contain the state board's recommendations for improvements in the foster care system.¹² The reports include information on review policy, procedures, budget information, and proposed recommendations and legislative changes.

Arizona's is an example of a complex and comprehensive annual report. Arizona incorporates into its report information on the justice system, social service system, educational system, foster care review board system, and several appendices.

E. ADVANTAGES OF CITIZEN REVIEW

Citizen review boards have several advantages not only for the children in foster care, but for the court system, social services system and taxpayers.

By engaging in interdisciplinary cooperative efforts, citizen review systems can make tremendous advances in the delivery of foster care services including the following:

1. enabling changes in the legislature regarding foster care statutes;
2. reducing the number of children in placement, thereby saving tremendous amounts of government dollars;
3. serving an investigative function to aid in appropriate case planning;
4. encouraging and aiding in the recruitment of foster homes;
5. increasing the awareness of the community to the plight of children in care;
6. serving a "check and balance" function to assure that all aspects of the child welfare system are functioning correctly and appropriately;
7. increasing cooperation and communication between various agencies serving children;
8. freeing case workers who might otherwise be conducting reviews to do casework and actually provide services to families;
9. developing new policies, procedures and resources for children in care.

Chapter II. Footnotes

1. see e.g. Arizona Supreme Court Foster Care Review Board, Training Manual (rev. March 1986) p.18.
2. observations of the author based upon attendance at citizen review panel meetings in Arizona and New Jersey in 1986 and 1987.
3. ibid., Arizona Training Manual, at p.3.
4. section 20-7-2397 (1986); South Carolina Children's Code.
5. based upon survey of author.
6. "And How Are The Children?", State of Nebraska Foster Care Review Board, First Annual Report (Dec. 1983) p.21.
7. ibid, p.i.
8. see e.g., data entry sheet, Appendix D.
9. e.g., ibid, Nebraska Annual Report.
10. Coyne, Ann, Ph.D., and Medlin, Nadine, An Evaluation of the Nebraska State Foster Care Review Board published in "Children, What Has Changed", Third Annual Report of the Nebraska State Foster Care Review Board (Dec. 1985) at p.75.
11. see State of Delaware Foster Care Review Board Fifth Annual Report, July 1985.
12. see e.g., Arizona Foster Care Review Board 1987 Report and Recommendations (Jan. 87).

CHAPTER IV. REVIEW BOARD PROCESS

A. PRE-REVIEW

1. Types of cases reviewed

In nearly all review systems, the cases selected for review are those of abused and neglected children who have been placed in foster or substitute care. Some systems also review the cases of children who have been placed in foster care because of delinquency or incorrigibility. (See Appendix B).

However, state laws and regulations do vary as to the definition of "foster care" for the purpose of determining the types of cases to be reviewed. For example, in some citizen systems, such as Kentucky, the cases of all children who have been adjudicated dependent by the juvenile court, whether or not they are in foster care, are reviewed. Under other systems, only the cases of children who have been placed out-of-home are reviewed.¹

The systems also vary in whether or not reviews are conducted of voluntary foster care placements. Montana's guidelines cover voluntary placements as do New Jersey's.² Arizona's legislation, however, provides only for the review of cases of children involuntarily placed in foster care following a determination of dependency by the Juvenile Court.³ Georgia's and Iowa's guidelines also exclude review of children voluntarily placed in foster care through agreement between the parents and the Department.

Exclusion of voluntary placements would appear to unduly

eliminate many cases from the review process in some states. For instance, in New Jersey, voluntary placements account for 80% of the children in foster care.⁴

Ideally, foster care case reviews are conducted for each child in foster care or adjudicated dependent. Unfortunately, financial or statutory limitations in some states prevent Board reviews of all cases in which children are placed in care.

In Nebraska, for example, due to funding constraints, the Board reviews approximately fifty percent of all placements, using a random selection process, even though the Nebraska statute mandates review of all cases of children in foster care.⁵

In all of the above states, once a child's case is selected, his case continues to be reviewed at the required intervals as long as placement continues. (See Appendix B for a chart summarizing review procedures in various states.)

2. Frequency of Review

Regular and sensitive case review is crucial to the well-being of each child harbored within the U.S. foster care system. Children operate under a different perception of time than adults; a two-year old child in foster care for six months has lived a fourth of his life without a permanent family.

The necessity for frequent review is recognized by P.L. 96-272, which provides that states, to be eligible for continued federal matching funds to pay for foster placements, must establish a system for external review of each child's

status at least every six months.⁶ Accordingly, most systems require board reviews at six-month intervals.

Initial reviews are required for children in foster care after five or six months in substitute placement, with subsequent reviews every six months as long as the child remains in placement, in South Carolina, Montana, Michigan, Maryland, Georgia, Tennessee, and Arizona.⁷

In Mississippi, an internal administrative review is conducted six months after the child initially enters foster care, with the first review by the Foster Care Review Board conducted one year after placement. Although a judicial review is to be held at 18 months in Mississippi, many Judges assign that review to a Foster Care Review Board. Subsequent reviews are held annually.⁸

Only a handful of systems currently conduct initial reviews prior to six months in placement. In New Jersey, the initial review board hearing takes place 45 days after the child is placed outside the home. This review is followed by an internal placement conference six months later. The placement conference is conducted by the agency and may be attended by a member of the review board. At seven months, the review boards examine the results of the placement conference at a paper review conducted without interested party participation. At twelve months, a second full review by the board is conducted. Agency and full external reviews continue to alternate as long as the child is in care.⁹ However, if the citizen board is in disagreement with the recommendations of the agency it can order a full case review

at any time.

In Oklahoma, initial reviews are conducted after 45 days in placement.¹⁰ In Kentucky, the initial board review is conducted within thirty days after placement, with subsequent reviews every six months thereafter.¹¹ In South Carolina initial reviews for publicly placed children are conducted after four months in placement.

3. Parties

In some states, including Nebraska and Kentucky, citizen reviews are conducted of case files, sometimes with input from the caseworker or casework supervisor. In most states, however, interested parties do participate in the reviews.

The state systems have differing requirements in regards to the parties to the review procedure. These requirements are usually delineated by statute, although in some states, the designation of interested parties is left to the review board. Nearly all systems leave room for the exercise of board discretion in individual cases. For example, the Arizona Rules of Procedure state that:

"a review board may agree to hear any person who formally requests to be heard at the child's case review, as long as the person has some connection with or knowledge of the child or family situation."¹²

The birth parents are interested parties to the review hearing. This requirement is reflected in P.L. 96-272, which requires notice and opportunity to participate to the birth parents in any review procedure adopted in accordance with the Act. It is highly preferable to include the parents in any review proceeding because of the serious liberty rights affected¹³ and to ensure that they understand and have the means to comply with any case plan requirements for reunification.¹⁴

Most states consider the child to be a crucial interested party; however, the extent to which the child is included in the actual review process is generally left up to the discretion of the review board. Some systems only require notice to the child if he or she has reached an age considered mature enough to understand the proceedings. In South Carolina, for example, children ten years of age or older are encouraged to attend reviews.¹⁵ Iowa requires notice to children 14 years of age or older.¹⁶ Delaware law requires notice to the child "where appropriate." In Kansas, training materials note that boards may want to interview the child separately from other parties.¹⁷ Mississippi provides that all children age six or older must be invited in language they can understand, and allowed to attend "unless the case record documents that attendance at the conference would cause the child extreme anxiety".¹⁸

In Arizona, notice is required to twelve years of age and older. However, caregivers and caseworkers often bring younger children and even infants to review. Board members report that it is a positive and enlightening experience to actually see the children being reviewed.¹⁹

In addition to attendance by the birth parents, (unless parental rights have been severed), virtually all systems require some type of attendance or input by the Social Welfare Agency responsible for the child's care. In many instances the caseworkers are required to present either a written report to the board or to present the circumstances of the case at the review.

Occasionally, the agency will be reluctant to participate in panel meetings, particularly during the early stages of a citizen review system. In New Jersey, for example, some offices of the DYFS in the past discouraged caseworker attendance, although the trend is towards increased attendance.²⁰ In some of the larger, more populated New Jersey counties DYFS has assigned a staff person to attend every review as a liaison to the agency. This person also is usually a member of the administrative review panel.

Foster parents and caregivers are often involved because of their involvement in the day-to-day care for the child (as well as to ease any tensions between them and the natural parents). Foster parents frequently provide first-hand information about the child's daily behavior, reaction to visitation by parents, and need for any additional casework services. Caregivers are a vital part of the treatment team;

their input is invaluable in the development and implementation of the foster care case plan.

Other interested parties often included in review hearings are attorneys for the parents and child, Court Appointed Special Advocates or Guardian ad Litem, representatives of the service provider if the child is in institutional care, relatives of the child, teachers, and others with special knowledge of the child's situation.

Arizona has begun a program to seek written input from teachers, counselors, and principals at the foster child's school about the child's progress prior to the review. This program, which was implemented first on a pilot basis in two counties, has proved so successful that it is now being implemented statewide.²¹

4. Notice

Once the appropriate parties to a review proceeding are determined, notice of the review is sent to those parties. Most states properly require written notice to the interested parties to ensure their participation in the review process. Some panels (e.g., Arizona) will include a statement in their findings and recommendations of the date and adequacy of the notice given to interested parties. The policies for timeliness of notice to parties varies among the review programs.

Michigan requires written notice to parties ten working days prior to the hearing, and specifies that at a minimum, the notice should include the child's name, the date, time and location of the review; a brief statement of the purpose of

the review; and a statement regarding the recipient's rights and objectives to attend and participate.²²

Notice in Georgia must be completed at least two weeks prior to the hearing, and is required to include an advisement to the birth parents and the child of their right to bring a representative.²³

Delaware law requires written notice of a review thirty days prior to the scheduled review, to be sent to the placement agency, the child "where appropriate", the parents, foster parents, child's attorney, and an person or agency interested in or having knowledge about the child.²⁴

In some instances, responsibility for sending the notice to other parties rests with the Department after it is notified of a hearing date; in other cases all notices are handled by board staff. Often the Department will be notified in advance of other parties.

For example, in Arizona the Department receives notice thirty days prior to the hearing; other parties are notified two weeks in advance.²⁵

Several states require that notice to the child is to be written so that the child can understand it. (See Appendix G giving a sample notice to a child.)

Some review programs place the date of the next review on their advisory findings and recommendations, which allows all the parties that review them a form of notification of the next review several months in advance.

B. AT THE REVIEW

1. Presentation of Case

There are three basic models for the presentation of cases at panel hearings:

1. a review of case reports and other written materials;²⁶
2. a review of case reports and written materials within the child's caseworker or placement agency;²⁷
3. a full review hearing with some or all interested parties and other witnesses present.²⁸

All states follow one of these basic models, with the full review procedure being the most common.

The model of review procedure followed may vary among different review panels within a particular state, depending upon the perceptions and philosophies of the board members regarding the importance of attendance by interested parties.⁴

Where hearings are conducted, they are generally informal and non-adversarial in nature. The formal rules of evidence do not apply and attempts are made to avoid legal terminology that might be intimidating to lay participants. It is generally felt that a relaxed atmosphere encourages information and generates additional information useful to the review.²⁹

Even though the meetings are relatively informal, minutes are kept by a staff person or panel member and the meetings are sometimes tape-recorded.³⁰

In a few states, panel members have an opportunity to review written materials prior to the actual review hearing. For example, in Arizona, review board staff members mail case packets to be reviewed several days in advance. These packets contain copies of the initial permanence plan, a progress

report, and the board's latest recommendations.³¹ Board members in New Jersey receive a packet of written materials, from the Division of Youth and Family Services, including the placement plan, one week prior to the review hearing.³²

Board Members in Michigan receive a complete package ten working days prior to the review hearing, containing the initial social study and case record face sheet, the two most recent quarterly reports, a copy of the applicable court orders, the child's placement record, and any other information the case worker thinks is appropriate.³³

Provision of information in advance is preferable, both in allowing for better preparation, and in terms of avoiding delays by allowing panel members time to request additional information deemed necessary. While reviewers generally do not have subpoena powers equivalent to those of a court, many review board statutes provide a mechanism for a panel to petition the court for an order that materials be made available to them.³⁴

There are times, however, when information on a particular child's case is not available until the review hearing. Largely for this reason, most reviews begin with an oral or written summary of the case for panel members, usually presented by the caseworker or placement agency and sometimes by review board staff, or the panel chairperson. In a number of states one member of the panel is designated as a presenter to outline the case prior to the review. In at least one state, Kansas, the presenter and a co-presenter receive detailed packets of information, including medical and psychological evaluations,