

LEGISLATIVE FINANCE-HOUSE / SENATE FINANCE COMM. FILES 8879

HB 210 cont. - HB 218 490

**BUDGET**

	<b>FY91</b>	<b>FY92</b>	<b>FY93</b>	<b>FY94</b>	<b>FY95</b>	<b>FY96</b>
<b>100 Personal Services</b>						
Instream Flow Monitoring						
2 Hydrol III (EBK, AWA)	101.2	106.3	111.6	117.2	123.0	129.2
1 Hydrologist II (JBC)	50.6	53.1	55.8	58.6	61.5	64.6
1 Hydrologist VI	7.0	7.4	7.7	8.1	8.5	9.0
Student Interns	20.0	20.0	20.0	20.0	20.0	20.0
Regulations Writer, Rg 18A	50.6	25.3				
Ongoing STORET Maintenance						
1 Programmer, 1 mth/yr		4.5	4.7	5.0	5.2	5.5
<b>Total Personal Services</b>	<b>229.4</b>	<b>216.6</b>	<b>199.8</b>	<b>208.9</b>	<b>218.2</b>	<b>228.3</b>
<b>200 Field Travel</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>
Travel for Public Meetings	10.0	10.0				
Educational Training	20.0	20.0	20.0	20.0	20.0	20.0
<b>Total Travel</b>	<b>80.0</b>	<b>80.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>	<b>70.0</b>
<b>300 LAS Modification</b>						
1 Project Mgr, 1/3 time	17.0					
1 Programmer, 1/3 time	41.6					
3 Drafting Techs, PFT	102.0					
2 Data Entry Clks, PFT	56.0					
Expenses						
Cartographic Material	2.0					
Mapping Equipment	0.6					
USGS Maps (1200@ \$2)	2.4					
Lab Work	30.0	30.0	30.0	30.0	30.0	30.0
Newspaper Advertising						
20 papers at \$300		6.0				
Duplicating and Mailing		4.0				
U.S. Geological Survey	50.0	50.0	50.0	50.0	50.0	50.0
Helicopter	10.0	10.0	10.0	10.0	10.0	10.0
<b>Total Contract Svcs</b>	<b>387.7</b>	<b>155.8</b>	<b>142.5</b>	<b>138.4</b>	<b>134.3</b>	<b>135.3</b>
<b>400 Total Supplies</b>	<b>12.0</b>	<b>11.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>
<b>500 Equipment</b>						
Stream Gages						
Datapods at \$5.0	100.0	100.0	100.0	50.0		
Field Structures	50.0	50.0	50.0	50.0	50.0	50.0
<b>Total Equipment</b>	<b>150.0</b>	<b>150.0</b>	<b>150.0</b>	<b>100.0</b>	<b>50.0</b>	<b>50.0</b>
<b>Total Costs</b>	<b>\$859.1</b>	<b>\$613.4</b>	<b>\$577.3</b>	<b>\$532.3</b>	<b>\$487.5</b>	<b>\$498.6</b>

## BUDGET DETAIL

### 100 Personnel

Hydrologists II and III to be located in the three major regions of Alaska (southeastern, southcentral, and northern), to conduct all instream flow tasks necessary to develop a regional network of streamflow gaging stations, collect data, and make necessary analyses to support instream flow reservations of the region.

The southcentral region instream flow hydrologist, with Section Chief supervision, will also coordinate the regions into a statewide streamflow gaging network with identification of index stations to be used to evaluate ungaged streams in the regions.

Student interns will be used as assistants in field, office, and laboratories.

One computer programmer will be used for one month per year for ongoing maintenance of the STORET system.

This bill will require regulations to be adopted by DNR within 18 months of the effective date of the bill. The purpose of the regulations is to develop regional minimum instream flow withdrawals throughout the state of Alaska to protect habitat in anadromous fish streams. Regulations will be adopted under the Administrative Procedures Act. It will be necessary to review existing hydrologic and biologic information, procedures to calculate mean annual and mean monthly flows, and methods used to determine instream flow withdrawals. The regulations would establish an estimated 12 regions within the state. Meetings would be required to evaluate proposals with the public, Department of Fish and Game, and other agencies. Public hearings will be held in all of the proposed regions in accordance with the Administrative Procedures Act. Contractual funds will be required for newspaper advertisements, public notice, and duplicating and mailing the regulations.

### 200 Travel

The installation of up to 20 gages per year requires extensive field travel and the measurement of streamflow and gaging station data collection require regular travel to field sites (approximately four visits per year per site). Travel will be by airplane, helicopter, foot, boat or snowmachine depending on season and conditions.

Instream flow education courses are provided by the National Instream Flow Group at Colorado State University. The instream flow hydrologists for Alaska should enroll in short courses as time and funding allow.

### 300 Contractual Services

LAS modification will be contracted to the appropriate consultant or agency. This one-time expense is needed to evaluate the STORET system within LAS and make all necessary modifications. The contractor will also enter into this system all river miles recorded on maps.

**400 Supplies**

Supplies are needed for office, laboratory and field tasks.

**500 Equipment**

Stream-gaging equipment will be digital recording electronic devices such as "Datapod" and "Polycorder" which make digital recordings from sensors on the streambed. The digital data is read directly into the computer, to be stored or manipulated into a variety of calculations to provide mean annual flow, extreme flows and other streamflow characteristics needed for instream flow analysis.

Flow meters, wading rods, tag lines, sample bottles, and computer equipment for digital reading also will be needed, as well as the structures necessary to house and protect field installation equipment.

The DGGS cost per flow gaging site is approximately \$5,000. This can be compared to the USGS stream gaging station cost of \$8,000 to \$25,000 per site. Digital recording, computer technology, and reduced overhead are major factors for the low DGGS cost per site.

Position Title Hydrologist III		No. of Positions 1	Range/Step 18/A	Burg. Unit GGU
Time Status PFT	Staff Months 12	Location Eagle River		Election District 15I
<b>Justification</b>				
The Hydrologist III position will be in charge of the statewide instream flow data collection and data management project to ensure adequate statewide program of streamflow analysis for all instream flow reservations and conflicts with other streamflow use applications. A statewide gaging network will be designed, operated, and maintained. Also, a computer program to store and retrieve flow data will be developed and operated. Coordination of the instream flow statewide project with other agencies, particularly ADFG, will be an important duty of the position.				
<b>Type of Expense</b>		<b>Amount</b>		
1	2	3		
Salary	37.4			
Benefits	13.2			
Premium Pay				
Other				
<b>Total Personal Services</b>		50.6		
<b>Travel</b>		15.0		
Contractual		8.0		
Commodities		0.5		
Equipment				
Other				
<b>Total Cost</b>		74.1		
<b>Funding Source for Total Cost</b>				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	74.1		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency Natural Resources  
 BRU Geological Management  
 Component Geological Management

Page 8 of 10  
 Revised Date 2/9/90

**FY 91**

No. 1  
 CSHB 210(RES)  
 HOUSE 2/14/90

Position Title <b>Hydrologist III</b>		No. of Positions <b>1</b>	Range/Step <b>18/A</b>	Barg. Unit <b>GGU</b>
Time Status <b>PFT</b>	Staff Months <b>12</b>	Location <b>Juneau</b>		Election District <b>4C</b>
<b>Justification</b>				
The Hydrologist III position is needed to conduct field, laboratory, and office work to provide streamflow data and analyses needed to support the instream flow reservations as described in HB 210. Index stations to be used for regional evaluations will be designed, installed, and operated to provide data for ungaged streamflow determinations. The position will work with DLWM water managers and ADFG biologists to provide useful, accurate streamflow data for managing the water and fish resources of Alaska.				
<b>Type of Expenditure</b>		<b>Amount</b>		
<b>1</b>	<b>2</b>	<b>3</b>		
Salary	37.4			
Benefits	13.2			
Premium Pay				
Other				
<b>Total Personal Services</b>		<b>50.6</b>		
Travel		<b>15.0</b>		
Contractual		<b>8.0</b>		
Commodities		<b>0.5</b>		
Equipment				
Other				
<b>Total Cost</b>		<b>74.1</b>		
<b>Funding Source for Total Cost</b>				
Federal Receipts	1002			
G. E. Match	1003			
General Fund	1004	<b>74.1</b>		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency Natural Resources  
 BRU Geological Management  
 Component Geological Management

Page 9 of 10  
 Revised Date 2/9/90

**FY 91**

No. 1  
 CSHR 210 (RES)  
 HOUSE 2/14/90

Position Title Hydrologist II		No. of Positions 1	Range/Step 16/A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Fairbanks		Election District 19-21K
Type of Expenditure		Amount		
1	2	3		
Salary	37.4			
Benefits	13.2			
Premium Pay				
Other				
Total Personal Services		50.6		
Travel		15.0		
Contractual		8.0		
Commodities		0.5		
Equipment				
Other				
Total Cost		74.1		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	74.1		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Justification**

The Hydrologist II position will provide technical water resources data for streams in the northern region needed to support instream flow reservations in the district. Data are needed from the streams to determine reasonably accurate mean annual flow as well as measuring flows at locations where other uses for the stream water are requested. Regional characteristics and patterns of streamflow will be determined and index stations established in order to evaluate appropriate percentage of streamflow for the instream flow reservations.

**Request For  
New Position**

Agency Natural Resources  
 BRU Geological Management  
 Component Geological Management

**FY 91**

Page 10 of 10  
 Revised Date 2/9/90

No. 1  
 CSHB 210 (RES)  
 HOUSE 2/14/90

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# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 5, 1989

FURTHER REFERRALS:

Date of Committee Action: 4/18/89

The FINANCE Committee considered:

HB 216

HOUSE BILL NO. 216

[U OF AK OPTIONAL RETIREMENT PROGRAM]

"An Act establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges; and providing for an effective date."

**RECOMMENDATIONS:**

- be replaced with CS HB 216 (Finance)  the same title
- have 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):  
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_
- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) \_\_\_\_\_
- zero fn/analysis 4/5/89 Univ. & Admin.

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not  
Pass      No Rec      Amend

<u>[Signature]</u> HOFFMAN			
<u>[Signature]</u> LARSON			
<u>[Signature]</u> SWACK-			
<u>[Signature]</u> BROWN			
<u>[Signature]</u> KOPONEN			
<u>[Signature]</u> ULMER			
<u>[Signature]</u> BARNES			
<u>[Signature]</u> PHILLIPS			
<u>[Signature]</u> RIEGER			
<u>[Signature]</u> WALLIS			

[Signature]  
Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Administration  
 Title: "An act establishing an optional university retirement program." BRU: Retirement and Benefits  
 Sponsor: Koponen Components: Retirement and Benefits  
 Requestor: \_\_\_\_\_

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	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
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)

See attached financial implication statement.

Prepared By: Sally Smith *Sally Smith* Phone: 465-4470  
 Division: Retirement and Benefits Date: 3/29/89

Approved by Commissioner: John M. Andrews *John M. Andrews* Date: 3/29/89  
 Agency: Department of Administration

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

RECEIVED  
 MAR 31 1989  
 LEGISLATIVE FINANCE

Adopted

100216

House Bill 216  
Analysis of Fiscal Implications to the Retirement Funds  
Prepared by Division of Retirement & Benefits  
Department of Administration  
March 23, 1989

Analysis: This bill would allow the University of Alaska to establish an additional retirement system for its faculty and administrator positions. Participation in this system would be optional and provide an alternative to participating in the appropriate Public Employees' (PERS) or Teachers' (TRS) Retirement System. The election will be irrevocable.

There would not be an adverse impact on the actuarial soundness of either the PERS or the TRS funds. The increase in the unfunded liability and the decrease in the funding ratio in each would be negligible.

FISCAL NOTE

REQUEST:

Revision Date: 3/28/89 Agency Affected: University of Alaska  
 Title: "An Act establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges; and providing for an effective date." BRU: All  
 Components: \_\_\_\_\_  
 REQUESTOR: WESS Committee  
 SPONSOR: Koponen, Boyer, Ulmer, Ellis, Collin Gruenberg, and Hudson

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-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

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

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) The cost of the alternative optional university retirement program is projected at zero. It is the university's intent to establish rates for the optional retirement program at levels which will result in no additional cost. The optional retirement program will, however, increase the university's competitiveness in recruiting faculty and top administrators.

Prepared by: Jim Lynch Phone: 474-6573  
 Division: Controller and Associate Vice President Date: 3/28/89  
 Approved by Commissioner: Brian Rogers Date: 3/28/89  
 Agency: Vice President for Finance

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

RECEIVED  
 MAR 29 1989  
 LEGISLATIVE FINANCE

Adopted

Original sponsors: Koponen, Boyer,  
Ulmer, et al.

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 216 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an optional university retire-  
7 ment program for certain employees of the University  
8 of Alaska and certain community colleges; and provid-  
9 ing for an effective date."

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

11 \* Section 1. AS 14.25.040(a) is amended to read:

12 (a) Unless a teacher or member has elected to participate in the  
13 optional university retirement program under AS 14.40.661 - 14.40.799,  
14 a [A] teacher or member contracting for service with a participating  
15 employer is subject to this chapter.

16 \* Sec. 2. AS 14.25.115(a) is amended to read:

17 (a) A teacher in membership service on or after July 1, 1977,  
18 who is appointed to retirement on or after July 1, 1978, may elect to  
19 apply unused sick leave credit in computing the total number of years  
20 of credited service under AS 14.25.110(d) except for sick leave earned  
21 while participating in the optional university retirement program  
22 under AS 14.40.661 - 14.40.799. To obtain service credit for unused  
23 sick leave, a teacher must apply to the administrator no later than  
24 one year after appointment to retirement. Unused sick leave shall be  
25 credited on a day-for-day basis in accordance with the table for  
26 service after July 1, 1969, contained in AS 14.25.220(43). Teacher  
27 contributions may not be required for credited unused sick leave.

28 \* Sec. 3. AS 14.25.220(40) is amended to read:

29 (40) "teacher" or "member" means a person eligible to

1 participate in the system and who is covered by the system, limited to

2 (A) a certificated full-time or part-time elementary  
3 or secondary teacher, a certificated school nurse, or a certif-  
4 icated person in a position requiring a teaching certificate as a  
5 condition of employment in a public school of the state;

6 (B) the commissioner of education and all supervisory  
7 positions in the Department of Education;

8 (C) a full-time or part-time teacher of the University  
9 of Alaska or a person occupying a full-time administrative posi-  
10 tion at the University of Alaska which requires academic stand-  
11 ing; the approval of the administrator must be obtained before an  
12 administrative position qualifies for membership in the system;  
13 however, a teacher or administrative person at the university who  
14 is participating in the optional university retirement program  
15 under AS 14.40.661 - 14.40.799 is not a member under this system;

16 (D) a state legislator who elects membership under  
17 AS 14.25.040(b);

18 \* Sec. 4. AS 14.40 is amended by adding new sections to read:

19 ARTICLE 5. OPTIONAL UNIVERSITY RETIREMENT PROGRAM.

20 Sec. 14.40.661. AUTHORITY OF BOARD. (a) The board may estab-  
21 lish an optional university retirement program for eligible employees  
22 in which retirement and death benefits are provided through the pur-  
23 chase of annuity contracts, either fixed, variable, or a combination  
24 of fixed and variable. Participation in the program is in place of  
25 participation in a state retirement system.

26 (b) The board shall

27 (1) provide for the administration of the program, includ-  
28 ing procedures for resolving complaints from participating employees;

29 (2) designate the company or companies to which payment of

1 the contributions required under AS 14.40.691 may be made, after  
2 considering the

3 (A) nature and extent of the rights and benefits that  
4 the contracts will provide to employees who elect to participate  
5 and to their beneficiaries;

6 (B) relation of the contractual rights and benefits to  
7 the contributions to be made under AS 14.40.661 - 14.40.799;

8 (C) suitability of the contractual rights and benefits  
9 to the needs and interests of employees electing to participate  
10 and to the interest of the university in the employment and  
11 retention of employees;

12 (D) ability of the designated company or companies to  
13 provide rights and benefits under the contracts; and

14 (E) efficacy of the contracts in the recruitment and  
15 retention of faculty and administrators;

16 (3) take other actions required to ensure that the program  
17 qualifies as a qualified trust under 26 U.S.C. 401(a) (Internal Reve-  
18 nue Code).

19 Sec. 14.40.671. PARTICIPATION. (a) An employee in a partici-  
20 pating position may elect to participate in the optional university  
21 retirement program or to participate in the appropriate state retire-  
22 ment system. Eligibility to participate in the program begins on an  
23 employee's appointment to a participating position.

24 (b) An election to participate in the program is irrevocable.  
25 The election shall be made in writing on a form provided by the board  
26 and approved for the state by the commissioner of administration. The  
27 form must be filed with the board no later than 30 days after the date  
28 on which the employee first becomes eligible to participate in the  
29 program. A copy of the form shall be delivered to the appropriate

1 state retirement system. The election becomes irrevocable on the date  
2 it is received by the board.

3 (c) The election to participate in the program constitutes a  
4 waiver of all rights and benefits under the state retirement systems  
5 earned on or after the effective date of the election while the em-  
6 ployee is participating in the program.

7 (d) Except as provided in (e) of this section, if a nonvested  
8 member of a state retirement system elects to participate in the  
9 program, the employee may choose to transfer the amount in the em-  
10 ployee's contribution account to the program. If the employee chooses  
11 to transfer the account, the appropriate state retirement system shall  
12 pay to the university on behalf of the employee an amount equal to the  
13 balance in the account. The payment must be made within 45 days after  
14 the election is received by the state retirement system. The finan-  
15 cial officer of the university shall immediately pay the amount re-  
16 ceived to the designated company or companies for the benefit of the  
17 employee. An employee who transfers assets under this subsection may  
18 not reclaim the corresponding service in the state retirement system  
19 if the employee is reemployed under the state retirement system.

20 (e) An employee whose rights to transfer assets out of a state  
21 retirement system are subject to a qualified domestic relations order  
22 is entitled to transfer assets from the state retirement system to the  
23 program only if the requirements for receiving a refund under AS 14.-  
24 25.150(b) or AS 39.35.200(c), as appropriate, are met.

25 (f) If a vested member of a state retirement system elects to  
26 participate in the program, the employee ceases to be an active member  
27 of the retirement system on the effective date of the participation in  
28 the program. The employee retains all benefits accrued in the state  
29 retirement system.

1 (g) An employee who does not elect to participate in the program  
2 under this section becomes or remains a member of the appropriate  
3 state retirement system.

4 Sec. 14.40.681. RETIREMENT SYSTEM MEMBERSHIP. An eligible  
5 employee electing to participate in the program may not participate in  
6 a state retirement system during the time the employee is employed in  
7 a participating position. If the employee is later employed in a  
8 position covered by a state retirement system that is not a partic-  
9 ipating position, the employee may not continue to participate in the  
10 program and shall begin to participate in the state retirement system.

11 Sec. 14.40.691. CONTRIBUTIONS. (a) The university shall con-  
12 tribute on behalf of each employee participating in the program an  
13 amount established by the board.

14 (b) An employee participating in the program shall contribute to  
15 the program an amount established by the board.

16 (c) The board may specify that contributions required by this  
17 section are made by a reduction in salary under 26 U.S.C. 414(h)(2)  
18 (Internal Revenue Code).

19 (d) The financial officer of the university shall pay the con-  
20 tributions authorized or required by this section to the designated  
21 company or companies for the benefit of each participant.

22 Sec. 14.40.701. BENEFITS. Payment of benefits to participants  
23 of the program is the responsibility of the company or companies  
24 designated by the board and is not the responsibility of the board,  
25 the university, or the state. The benefits are payable to partici-  
26 pants or their beneficiaries in accordance with the terms of the  
27 annuity contract or contracts. However, retirement benefits must be  
28 paid in the form of a lifetime income. Except for death benefits, a  
29 single-sum cash payment is not permitted under this section.

1           Sec. 14.40.799. DEFINITIONS. In AS 14.40.661 - 14.40.799,

2           (1) "appropriate state retirement system" means the state  
3 retirement system that includes the employee's position;

4           (2) "board" means the Board of Regents of the University of  
5 Alaska;

6           (3) "contribution account" means the member contribution  
7 account under AS 14.25 or the employee contribution account under  
8 AS 39.35, whichever is appropriate;

9           (4) "employee" means an employee of the University of  
10 Alaska or a community college under AS 14.40;

11           (5) "participating position" means a position that is a  
12 permanent position that is at least a .5 full-time appointment as

13                   (A) a faculty appointment; or

14                   (B) an administrator and the position has been des-  
15 igned by the board for inclusion in the program;

16           (6) "program" means the optional university retirement  
17 program;

18           (7) "state retirement system" means the teachers' retire-  
19 ment system under AS 14.25 or the public employees' retirement system  
20 under AS 39.35.

21 \* Sec. 5. AS 39.35.120 is amended to read:

22           Sec. 39.35.120. COMMENCEMENT OF PARTICIPATION. (a) An employee  
23 of the state shall be included in this system upon commencement of  
24 employment with the state, or on January 1, 1961, whichever is later.  
25 Unless an employee has elected to participate in the optional univer-  
26 sity retirement program under AS 14.40.661 - 14.40.799, an [AN] em-  
27 ployee of a political subdivision or public organization that becomes  
28 an employer shall be included in the system on the effective date of  
29 the employer's participation or the date of the employee's

1 commencement of employment with the employer, whichever is later.

2 (b) Inclusion in the system is a condition of employment for an  
3 employee except as otherwise provided for an elected official and for  
4 an employee of the university who has elected to participate in the  
5 optional university retirement program under AS 14.40.661 - 14.40.799.

6 \* Sec. 6. AS 39.35.680(21) is amended to read:

7 (21) "member" or "employee"

8 (A) means a person eligible to participate in the  
9 system and who is covered by the system;

10 (B) includes

11 (i) active member;

12 (ii) inactive member;

13 (iii) vested member;

14 (iv) deferred vested member;

15 (v) non-vested member;

16 (vi) disabled member;

17 (vii) retired member;

18 (C) does not include

19 (i) former members;

20 (ii) persons compensated on a contractual or fee  
21 basis;

22 (iii) casual or emergency workers or nonpermanent  
23 employees as defined in AS 39.25.200;

24 (iv) persons covered by the Alaska Teachers'  
25 Retirement System or the optional university retirement  
26 program;

27 (v) employees of the division of marine transpor-  
28 tation engaged in operating the state ferry system who are  
29 covered by a union or group retirement system to which the

1 state makes contributions;

2 (vi) justices of the supreme court or judges of  
3 the court of appeals or of the superior or district courts  
4 of Alaska;

5 (vii) the administrative director of courts ap-  
6 pointed under art. IV, sec. 16 of the state constitution  
7 unless the director becomes a member under AS 39.35.158; and

8 (viii) members of the elected public officers'  
9 retirement system (former AS 39.37);

10 (D) may include employees of the division of marine  
11 transportation excluded under (C)(v) of this paragraph provided  
12 that

13 (i) the State of Alaska formally agrees to their  
14 inclusion through the process of collective bargaining; and

15 (ii) no collective bargaining agreement has the  
16 effect of obligating contributions made by the state under  
17 AS 39.30.150 in the event the state resumes participation in  
18 the federal social security system;

19 \* Sec. 7. Section 7, ch. 26, SLA 1986, is amended to read:

20 Sec. 7. INDEBTEDNESS ON REEMPLOYMENT. If a participant in the  
21 retirement incentive program is reemployed as a member of the Public  
22 Employees' Retirement System under AS 39.35, the optional university  
23 retirement program under AS 14.40.661 - 14.40.799, or the Teachers'  
24 Retirement System under AS 14.25 after appointment to retirement under  
25 the program, the participant loses the incentive credit received under  
26 sec. 5 (c) of this Act and is indebted to the system. The amount of  
27 the indebtedness is equal to 110 percent of the amount the participant  
28 received as a result of participation in the program for which the  
29 participant was not otherwise entitled, including the cost of health

1 insurance. The participant is entitled to a credit to be applied  
2 against the reemployment indebtedness in the amount the participant  
3 has paid under sec. 5 (d) of this Act. Interest accrues on the  
4 indebtedness at the rate established by regulation from the date of  
5 reemployment until the member is appointed to retirement and accepts  
6 an actuarial adjustment to the member's future benefits or until the  
7 amount is paid in full.

8 \* Sec. 8. If an Act is enacted by the First Session of the Sixteenth  
9 Alaska State Legislature that authorizes establishment of a retirement  
10 incentive program for employees of the University of Alaska and if the  
11 retirement incentive program includes a provision imposing an indebtedness  
12 if a participant in the retirement incentive program is reemployed, after  
13 retirement under the program, as a member of AS 39.35 (public employees'  
14 retirement system) or AS 14.25 (teachers' retirement system), positions  
15 that become part of the optional university retirement program under  
16 AS 14.40.661 - 14.40.799, enacted by sec. 4 of this Act, shall be treated,  
17 for purposes of the retirement incentive program, as being positions under  
18 AS 14.25 or AS 39.35, as appropriate.

19 \* Sec. 9. (a) Notwithstanding AS 14.40.671, added by sec. 4 of this  
20 Act, an employee of the University of Alaska holding a permanent faculty  
21 appointment that is at least a .5 full-time appointment on the date the  
22 Board of Regents of the university establishes an optional university  
23 retirement program may elect to participate in the program by filing an  
24 election form with the board within 120 days after the date the program is  
25 established.

26 (b) Notwithstanding AS 14.40.671, added by sec. 4 of this Act, an  
27 employee of the University of Alaska holding, on the date the Board of  
28 Regents establishes an optional university retirement program, an adminis-  
29 trative appointment that has been designated by the Board of Regents for

1 inclusion in the optional university retirement program may elect to par-  
2 ticipate in the program by filing an election form with the board within  
3 120 days after the date the program is established or the date the position  
4 is designated as a participating position, whichever comes later.

5 \* Sec. 10. This Act takes effect July 1, 1989.  
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*adopted*  
*4/18/89*

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 216 (HESS)

Page 8, after line 18:

Insert new bill sections to read:

"\* Sec. 7. Section 7, ch. 26, SLA 1986 is amended to read:

Sec. 7. INDEBTEDNESS ON REEMPLOYMENT. If a participant in the retirement incentive program is reemployed as a member of the Public Employees' Retirement System under AS 39.35, the optional university retirement program under AS 14.40.661 - 14.40.799, or the Teachers' Retirement System under AS 14.25 after appointment to retirement under the program, the participant loses the incentive credit received under sec. 5 (c) of this Act and is indebted to the system. The amount of the indebtedness is equal to 110 percent of the amount the participant received as a result of participation in the program for which the participant was not otherwise entitled, including the cost of health insurance. The participant is entitled to a credit to be applied against the reemployment indebtedness in the amount the participant has paid under sec. 5 (d) of this Act. Interest accrues on the indebtedness at the rate established by regulation from the date of reemployment until the member is appointed to retirement and accepts an actuarial adjustment to the member's future benefits or until the amount is paid in full.

\* Sec. 8. If an Act is enacted by the First Session of the Sixteenth Alaska State Legislature that authorizes establishment of a retirement

incentive program for employees of the University of Alaska and if the retirement incentive program includes a provision imposing an indebtedness if a participant in the retirement incentive program is reemployed, after retirement under the program, as a member of AS 39.35 (Public Employees' Retirement System) or AS 14.25 (Teachers' Retirement System), positions that become part of the optional university retirement program under AS 14.-40.661 - 14.40.799, enacted by sec. 4 of this Act, shall be treated, for purposes of the retirement incentive program, as being positions under AS 14.25 or AS 39.35, as appropriate."

Renumber the following bill sections accordingly.



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

## ANCHORAGE REGIONAL OFFICE

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## FAIRBANKS REGIONAL OFFICE

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FAIRBANKS, ALASKA 99701  
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March 27, 1989

**To:** Representative Johnny Ellis, Chair  
Members, House HESS Committee

**Re:** House Bill No. 216: "An Act establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges; and providing for an effective date."

NEA-Alaska supports the basic concepts and purposes of HB 216 and encourages favorable consideration by the Committee.

This legislation would be valuable to the University as it seeks to recruit and attract faculty in that it gives faculty the option to have greater mobility within higher education vis a vis their retirement programs and planning.

Presently a person is not vested in the Teachers' Retirement System until after eight years of membership service. In the event a faculty person does not receive tenure within the University system they have no vested retirement benefit.

The relatively modest and low pay scales of the University of Alaska combined with the fact of no raises in recent years makes recruitment and retention of faculty more difficult each year.

The implementation of HB 216 would provide faculty with the option to utilize other retirement systems such as the TIAA/CREFF which is generally available to them in other institutions of higher education through-out the country. Therefore, service at the University of Alaska would not be a deterrent to their retirement planning.

Thank you for your consideration of our position.

Respectfully submitted,

*B. Manners*

Bob Manners  
Executive Secretary

*Judy Salo*

Judy Salo  
President

cc: Representative Niilo Koponen

Alaska State Legislature  
Representative Niilo Koponen

Pouch V  
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House District 21

119 N. Cushman, Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172

SPONSOR STATEMENT FOR HB 216

House Bill 216 provides for an effective means for the University of Alaska to compete in the national academic market to attract and retain qualified professionals, with no additional cost to the State.

House Bill 216 would allow the Board of Regents to adopt an optional defined contribution retirement plan for its faculty and a small number of administrative officers. A choice of retirement plans is currently available to faculty and administrative officers in publicly supported institutions in thirty-six states and the District of Columbia, and in over 1,000 private colleges and universities.

In a defined contribution retirement plan the retirement benefits provided by the plan are fully and immediately vested in individual participants. Faculty and administrative officers would not then be constrained by pension considerations from moving within institutions of higher education within the country. Because an optional defined contribution plan eliminates the concern for future funding liability the University's pension obligation is discharged concurrently with the termination of employment.

# Uncertainty Is Rampant as Colleges Begin to Brace for Faculty Shortage Expected to Begin in 1990's

Some institutions stockpile professors, while many worry about the supply of high-quality candidates

By CAROLYN J. MOONEY

At a gathering of deans from across the country, an administrator from the University of Rhode Island was describing his futile attempts to persuade a top student to consider an academic career.

With private industry offering jobs with starting salaries of \$34,000, higher education never stood a chance, Richard J. Gelles, the university's dean of arts and sciences, told the group.

"Without a doubt, this student had the potential to become a world-class economist," he said. "I kept whispering in her ear, 'Things will change. You'll want something more in your life.'"

Such whispers may become louder and more frequent in the coming years, as colleges and universities brace for a faculty shortage that is expected to occur as a large proportion of the professoriate nears retirement age. By most estimates, more than one third of the nation's faculty members are older than 50, and many are expected to retire over the next 10 to 15 years. Most were hired during the 1950's and 1960's, when American higher education expanded rapidly to meet the needs of the baby-boom generation.

The expected wave of retirements will come at a time when many institutions are concerned about a decline in the number of American doctoral-degree recipients, a drop in many disciplines in the proportion of recipients planning academic careers, heavy pressure to increase the number of minority faculty members, and waning faculty morale compounded by tight budgets.

### Hiring Before Openings Occur

Colleges and universities that can afford to do so are stockpiling young faculty members—hiring them before openings actually occur—while others are using a variety of creative ploys to lure the strongest candidates. But even after years of little momentum in the faculty job market, some observers of hiring trends are questioning whether there will be enough high-quality candidates to fill the vacancies.

"It's a daunting challenge," says Calvin C. Moore, associate vice-president for academic affairs at the University of California system, whose nine campuses expect to hire more than 10,000 new faculty members over the next 17 years. "It's going to be an increasingly competitive environment."

Mr. Moore and his counterparts elsewhere say that higher-education institutions need to make a major effort to publicize the advantages of an academic career. At the same time, many will be scrutinizing the academic culture to try to determine why potential faculty members are turning away.

Mooney, it appears, is not the only issue. As more and more institutions are facing the prospect of a widespread faculty shortage has implications that go far beyond the economic principles

of supply and demand. Already it is causing many of those involved in faculty recruiting to re-examine a broad range of issues—from personnel benefits to tenure and promotion criteria to the public's perception of academic life.

Among the concerns:

■ The quality of future faculty members may not be as high, since all but the most elite institutions will be forced to compete more fiercely for a shrinking pool of American scholars. Some report that they are already seeing weaker and shallower applicant pools.

■ The hard-to-hire disciplines that must compete most intensely with private indus-

try for job candidates—such as business, engineering, mathematics, and the sciences—simply won't have enough full-time faculty members to fill their needs if current trends continue. Some departments may be forced to pay significantly higher salaries and rely even more heavily on adjunct professors and foreign scholars.

■ Not enough minority scholars are in the graduate-school pipeline to meet the ambitious affirmative-action goals outlined by many institutions, and there is little indication that the situation is improving. Consequently, some universities may decide to hire their own minority graduate students as faculty members—something considered taboo by many in the past—or prepare for lengthy searches.

■ Besides making salaries more competitive, institutions will have to do more to address quality-of-life issues such as affordable housing, day care, and jobs for spouses, which have become increasingly important to young faculty members. Those that do so will have an enormous advantage in recruiting.

■ Colleges and universities are not making a sufficient effort to promote the advantages of academe, or to encourage potential scholars to seek academic careers early on.

### An Early Warning

One of the earliest and strongest warnings about a future faculty shortage was issued in *American Professors: A National Resource Imperiled*, a book published in 1986 by Howard R. Bowen and Jack H. Schuster. It concluded that half a million new faculty members would be needed over the next 25 years—most of the nation's approximately 700,000-member professoriate. It also cited studies projecting that the mean age of the professoriate would continue to rise between 1980 and 2000—from 48 to 55 for tenured professors, and from 45 to 49 for all faculty members.

For many institutions, though, the heightened interest in faculty planning has been building only recently—for several reasons. First, planning has been complicated by the fact that colleges and universities don't yet know what will happen when the mandatory-retirement age for professors is eliminated, as expected, in 1994. At that time, professors can no longer be required to retire at age 70. A few states have already dropped the cap.

Until recently, the impending end of the mandatory-retirement age raised concerns that colleges would face not a shortage of faculty members but a surplus of elderly scholars who would stay on after they were no longer productive, delaying promotion opportunities for younger professors. Those fears led to a proliferation of early-retirement plans at many institutions.

Another complicating factor is uncer-



U. of Rhode Island's Richard J. Gelles: "You can't do a doctorate at age 27; you have to do it at age 12."



U. of California's Calvin C. Moore: "It's a daunting challenge. It's going to be an increasingly competitive environment."

CONT'D

tainly over future enrollment. Institutions don't yet know whether enrollment will drop over the next few years, reflecting a decline in the traditional college-age population, or grow because of rising participation rates by that group and by older and part-time students, the case during the current academic year.

And many colleges simply cannot afford to hire more faculty members to protect themselves against a shortage that has not yet hit.

Yet another unknown is the elasticity of the job market. After years of hearing about Ph.D. recipients who worked as janitors because they couldn't get academic jobs, many institutions are concerned that it will take time to spread the message that the situation is improving. So far, the faculty job market hasn't opened up dramatically, and when it does the improvement is expected to come only gradually.

Meanwhile, although the number of doctorates earned at American universities appears to be rising slightly after a decade of stability, the proportion of degrees earned by U.S. citizens has been declining—from 85.6 per cent in 1962 to 72.3 per cent in 1986, according to the National Research Council. The proportion of foreign students receiving doctoral degrees is especially high in some fields, such as mathematics, computer science, and engineering, in which only half or fewer of the doctoral degrees earned in 1986 went to U.S. citizens.

"People are only now realizing the possibility of a shortage," says G. Gregory Lozier, executive director of the office of planning and analysis at the Pennsylvania State University. A year ago, Mr. Lozier helped conduct a study of 24 research universities, which concluded that certain academic disciplines could face acute faculty shortages in the future.

Another study, completed a year ago by the Consortium on Financing Higher Education, found that most institutions had done little planning on the issue. It concluded that making retirement more attractive to all faculty members by offering fringe benefits and perquisites would help institutions either way: In the event of a shortage, retired faculty members could teach part time; in case of a glut, professors could be better eased into retirement if they could keep strong ties to their institutions.

Some new studies that higher-education officials hope will improve planning are now in the works. The

U.S. Department of Education and the National Endowment for the Humanities are collecting information for a national comprehensive faculty survey. With the help of higher education's largest pension companies, the Teachers Insurance and Annuity Association and the College Retirement Equities Fund, Mr. Lozier and several colleagues are expanding their earlier survey on the age distribution and retirement patterns of faculty members. And the Association of American Universities has commissioned a national research project to examine the condition of doctoral education in the United States.

More and more institutions, meanwhile, are doing their own analyses and looking at ways to address a potential faculty shortage.

Some, particularly two-year colleges, expect to rely more heavily on part-time instructors, while others anticipate hiring more foreigners.

Another potential pool of schol-

ars—people who received doctoral degrees in the 1970's but never got into the crowded academic pipeline—is not expected to be a significant source of future professors, say most of those interviewed on the subject. Many members of this "lost generation" of scholars, they say, have not remained active enough in their disciplines to be strong candidates at four-year institutions, but some might be absorbed by two-year colleges.

#### Offers to Two-Career Couples

At the State University of New York at Binghamton, where enrollment jumped from 1,500 to 7,500 during the 1960's, officials are trying to be as creative as possible when it comes to recruiting. The decade of

rapid growth led to a flurry of faculty hiring at that time. As a result, a university survey found that 42 per cent of Binghamton's 511 faculty members—and 61 per cent of tenured professors—were older than 50 in the fall of 1987.

Sidonie A. Smith, dean of Binghamton's college of arts and sciences, says a tight state budget has made advanced planning difficult. However, she says the university tries to be creative in other ways, such as negotiating with two-career couples, and, in one recent case, with a homosexual scholar and the scholar's companion. The candidate ended up going elsewhere.

"We've just tried to be as aggressive as we can," Ms. Smith says. "I would have loved to think carefully

about planning in departments where the supply of faculty is becoming critical, but now I just don't have the [financial] flexibility."

Other institutions are also bracing:

■ Rensselaer Polytechnic Institute expects to replace up to 160 of its 394 faculty members by 1994, and add an additional 20 professors.

■ At Michigan State University, nearly 40 per cent of all faculty members—and nearly half of those in the humanities—will be 65 years old by the turn of the century.

■ The University of Rhode Island expects nearly a fourth of its 322 tenure-track faculty members to retire by the year 2000. However, some departments, like English—where nearly a third of the faculty members will be retiring in the next five years—will be hit much harder, officials there say. Administrators are permitting some departments to hire

promising scholars—especially minority scholars—before positions actually open up.

■ Purdue University also expects 25 per cent of its faculty members to retire by 2000, with the crunch coming between 1992 and 1996, says Varro E. Tyler, vice-president for academic affairs. Like many institutions, Purdue is concerned about finding enough minority-group members. "We prefer not to hire our own Ph.D.'s, but we will if we have to," Mr. Tyler says.

#### Hard-to-Hire Disciplines

They may. Nationwide, only 820 blacks earned doctoral degrees in 1986, according to the research council. The proportion fell from 4.2 per cent of all doctorates in 1976 to 3.6 per cent in 1986. The problem is especially acute in hard-to-hire disciplines: Of the 804 doctorates in math-

ematics that were awarded by American institutions in 1987-88, for example, only four went to blacks, according to the American Mathematical Society's annual survey.

To increase the flow of minority-group members into the academic pipeline, some institutions are taking part in state and federal programs aimed at giving minority youngsters an early taste of campus life. In what may prove to be the ultimate recruiting tool, for example, minority high-school students attend special state-financed summer programs in the sciences at Binghamton and other New York institutions.

Some historically black colleges, which expect that larger institutions may come knocking on their doors for scholars more often than they already do, have taken the "grow your own" approach. Benedict College and Johnson C. Smith University pay

(CONT'D)

for professors already on the faculty to earn doctoral degrees. In return, they agree to return to teach for a certain period.

So far, however, efforts like those haven't been enough.

Says Mr. Gelles of the University of Rhode Island: "There's a lot of networking and stealing going on. We're in the first stages of building up minority enrollment at the undergraduate level . . . and we're hoping everyone else will do the same, with a net increase.

"You can't clone a doctorate at age 27; you have to do it at age 12."

#### Negative Messages to Students

Indeed, the need to inspire potential scholars of all races at an early age is rapidly becoming clear.

Says Mr. Schuster, the co-author of the 1986 book on faculty members and a professor of education and pub-

lic policy at the Claremont Graduate School: "The real challenge is, are we doing what we should to encourage high-quality undergraduates to be thinking about academic careers?" That is difficult to accomplish, he adds, when "the evidence suggests that there are a lot of faculty members who are disturbed about their circumstances."

Professors who are bitter about earning less than they might elsewhere or who feel under heavy pressure or think their jobs aren't respected send negative messages to undergraduates, agrees Jules B. LaPidus, president of the Council of Graduate Schools in the United States. "It's more than a public-relations problem," he says. "You really have to change the culture."

One young faculty member at a comprehensive university, who decided against going to a more elite

institution because it expected tenure candidates to publish two books, puts it this way: "We have the anxiety of job pressure to get tenure as well as financial anxiety. That kind of dual anxiety makes you want to say, Forget academe."

"I don't think anybody expects to live as you would in the corporate world, but money should not be such a source of anxiety for people who have gone to school as long as we have," the faculty member adds.

Most administrators agree that faculty salaries must continue to increase. Faculty members of all ranks earned an average of \$37,000 in academic 1987-88, while assistant professors earned an average of \$29,200, according to an annual survey conducted by the American Association of Professors.

They also agree that institutions must do more to help young faculty

members find affordable housing and day care, and to make graduate school less of a financial burden. The University of California system, for example, thinks its new "stop-the-clock" policy, which allows new parents to stop the tenure clock for up to a year, will be helpful.

Research institutions will need to help their young professors find better ways to balance research and teaching. A few observers have suggested that some may even revise their tenure criteria to stress quality rather than quantity by limiting the scholarship to be considered during tenure review.

Less publicized are the rewards of academic life—the chance, as Provost David Giltitz of the University of Rhode Island puts it, "to follow your own marching orders."

"A lot of it has to happen on a one-on-one basis," Mr. Giltitz says. "Professors have to identify really bright undergraduates before they get sidetracked and infect them with the enthusiasm of academic life."

Involving undergraduates in research and letting them know just what faculty members' jobs involve can help, says Mr. LaPidus of the graduate-schools council. "For the most part, people just don't know what scholars do," he says. "They have the opportunity to pursue an interest as far as it can be pursued, but that message isn't being put across fast enough."

David W. Breneman, president of Kalamazoo College, now tries to deliver that message when he lectures Kalamazoo's Phi Beta Kappa members. "I began to realize that we weren't as a college promoting graduate school," he says.

#### More Long-Term Planning

Despite their concerns about a faculty shortage, some administrators say it could also spawn positive change.

A shortage, they say, could give colleges and universities a chance to reshape overly specialized academic departments and hire more faculty members on an interdisciplinary basis. And predictions about a shortage are already forcing two-year and four-year institutions to do more long-term planning.

Some institutions are exploiting unlikely strengths more aggressively than ever. Mohave Community College, concerned about recruiting faculty members from its sparsely populated surroundings, is hoping that its location near the Grand Canyon will be a major attraction.

"We push the quality of life, the recreational opportunities," says Roland J. Chapdelaine, the college's vice-president. The college, which expects to lose a fourth of its faculty to retirement over the next 10 years, also has become more aggressive about recruiting professionals to teach on a part-time basis and training them, he says. But he acknowledges that two-year colleges must retain a balance between part-time and full-time instructors.

Ms. Smith, the Binghamton dean, suggests that a faculty shortage might mean that academic departments could become less important in the future. "Much of the interesting work is being done at the intersections of disciplines," she says. "Each appointment may have to serve two or three areas intellectually. Is that going to have an impact on the way scholarship is organized?"

She isn't sure. This much she knows, however: "The shortage hasn't hit yet. But I've spent a lot of time thinking about it."

"I think we're all worried."

## For Washington Policymakers, a Host of Problems

The nation's pressing health problems are now on the political agenda of President Bush and the 101st Congress. What is likely to be accomplished this year?

### The Bush Administration

A starting point for Bush's people is the budget that President Reagan delivered on Jan. 9 for the fiscal year that starts in October.

Reagan proposed cutting \$5.6 billion from projected Medicare outlays—what outlays would be if continued at current levels—by reducing payments to hospitals and doctors. He proposed cutting \$1.4 billion from projected Medicaid grants to the states for care of some 22 million poor people. The cuts, said Reagan Administration budget officials, would not affect care. But Dr. Otis Bowen, Reagan secretary of Health and Human Services, called it "unrealistic" to expect the states to absorb the Medicaid reductions.

Bush's responses are not known and are in fact still incomplete. He may go along with the Medicare cuts as part of his proposed "flexible freeze," and also try to steer more Medicare patients into "managed care" organizations that limit choice of doctors and otherwise seek to control costs.

He is expected to reject any cuts in Medicaid. And, according to campaign and transition-period plans, he could recommend something like a \$200 million fund to expand coverage for pregnant women and young children, as well as another \$200 million, perhaps, this year or next, to begin letting low-income adults "buy in" to Medicaid, adding their own modest contributions.

As part of his campaign promise of "access to health care for all Americans," he might recommend tax benefits to encourage people to buy long-term care insurance, though most such insurance plans now go only part of the way toward financing the years of care that some of the aged ultimately need.

### The Congress

There will be (read all this as reasonable prediction, not certainty) much talk this year of two subjects: expanding health coverage for the uninsured, probably by mandating more employer coverage, and finding ways to pay for long-term care of the aged.

Legislative action is at least possible on health coverage, but highly unlikely on the huge expense of long-term care.

However, Congress' first priority will not be health care, say many Congressional sources, but "deficit reduc-

tion, deficit reduction, deficit reduction." Any increased expenditures may depend on deficit reduction and on some signal, however muted, from the Bush lips on new taxes.

Congress will inevitably do some squeezing of Medicare payments to doctors and hospitals, though probably not to the Reagan budget's extent. Any Medicaid cuts are probably "dead on arrival," in the unobtrusive words of Chairman Leon Panetta (D-Calif.) of the House Budget Committee.

Rep. Fortney (Pete) Stark (D-Calif.), chairman of the House Ways and Means health subcommittee, wants to tie payments for hospital building or equipment to hospital occupancy, now only 60 to 75 percent in many hospitals. "Why should we waste money keeping inefficient or underutilized hospitals open?" he repeatedly asks.

A cut is likely, as in the Reagan budget, in payment to hospitals for "education"—meaning salaries—of the interns and residents who give most of the

*Runaway Medicare costs are likely to result in a Congress that will continue cutting hospital payments "until they see blood on the floor."*

Ron Kovener  
Healthcare Financial Management Association

care in major medical centers. These hospitals have been making too much money, it's said. If applied with a meat axe, such cuts could mean fewer doctors at patients' bedsides. But such are runaway Medicare bills, predicted Ron Kovener, vice president of the Healthcare Financial Management Association, that Congress will continue cutting hospital payments "until they see blood on the floor."

Doctors' fees will get much discussion. A Physician Payment Review Commission is required to suggest reforms to Congress early this year. Key members like Stark and Rep. Henry Waxman, still another California Democrat who heads another House health subcommittee, as well as Rep. Dan Rostenkowski (D-Ill.), House Ways and Means chairman, have called physician payment reform a priority.

But serious reform may not come easily, since there is no agreed method on the horizon, except for cuts—or

further cuts—in some heavily used services that many observers consider overpriced, including heart surgery, cataract surgery, radiology, anesthesiology, EKGs and colonoscopy, the exploration of the colon to look for cancer.

Stark also will be pushing for a law to limit doctors' investments in profit-making medical equipment or other endeavors where they give the care. This is a complex issue. Every doctor who collects a fee has a conflict of interest, for the more he or she does, the more the profit. But doctors' investments have been on the increase, there are stories of cases of resulting overuse, and Stark wants to get a vote on a bill.

Sen. Edward Kennedy (D-Mass.), chairman of the Senate Labor and Human Resources Committee, Waxman and Stark are backing "mandated benefits" proposals to require employers to cover uninsured workers, just as Massachusetts has started to do on Gov. Michael Dukakis' initiative. Several members have talked about tax benefits to encourage employers to cover workers. Another heavy hitter on health issues, Senate Finance Committee Chairman Lloyd Bentsen (D-Tex.), wants to use the tax code to encourage more health insurance for care of children.

Any extensive congressional action to expand coverage of the uninsured could carry a huge price tag, if the government as well as employers share the financial burden. Watch Bush's lips.

Congress meanwhile may have to deal with a growing backlash by unhappy seniors against the new Medicare expansion to cover "catastrophic" hospital, doctor and drug bills, all to be phased in over the next four years. The cause of what Republican Senator Robert Dole (Kan.) has called a "near revolt" of the elderly—an exaggeration, so far—is the fact that those over 65 must bear nearly all of the cost. They will do so partly in annual premiums and partly in an income-based income tax surcharge that together will reach a \$1,561 maximum for the most affluent by 1993.

About 60 percent of the aged will pay only an extra \$122 a year by 1993. But all those covered will also be required to pay considerable "deductibles" before the new insurance pays the rest of the bills, and some members are calling for delay or reconsideration of the 1988 legislation.

The 30-million-member American Association of Retired Persons supported the bill, though reluctantly swallowing the charges on the elderly. A new poll this month indicated that two-thirds of those over 65 favor the law as it. Bentsen vows that there will be no change.

—Victor Cohen

HB

217

# HOUSE COMMITTEE REPORT

(11)

Date Referred: March 24, 1989

FURTHER REFERRALS:

Date of Committee Action: 4/10/89

The FINANCE Committee considered:

HB 217

HOUSE BILL NO. 217

[PREPARATION & MAINTENANCE OF JURY LIST]

"An Act relating to preparation and maintenance of the jury list."

### RECOMMENDATIONS:

- be replaced with CSHB 217 (Jud.)  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 \_\_\_\_\_
- zero fiscal note Rev.
- zero with analysis \_\_\_\_\_

- fiscal note(s) \_\_\_\_\_
- zero fiscal note(s) 3/24 Courts
- zero fn/analysis \_\_\_\_\_

### SIGNING DO PASS:

### SIGNING:

(Check approp. column)

Do Not  
Pass  
No Rec  
Amend

[Signature] HOFFMAN

[Signature] LARSON

[Signature] KOPONEN

[Signature] ULMER

[Signature] BARNES

[Signature] WALLIS

[Signature] SHULTZ

[Signature] RIEGER

[Signature] BROWN

	Do Not Pass	No Rec	Amend

[Signature]  
Chairman's Signature  
[Signature]

FISCAL NOTE

REQUEST

Revision Date: \_\_\_\_\_  
Title: An Act relating to preparation and maintenance of the jury list  
Sponsor: Donley et al.  
Requestor: House Judiciary

Agency Affected: Revenue  
BRU: Permanent Fund Dividend Division  
Components: Permanent Fund Dividend Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
<b>OPERATING</b>						
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-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: See attached.

Prepared By: Eryn Jones  
Division: Permanent Fund Dividend Division

Phone: 465-2323  
Date: March 21, 1989

Approved by Commissioner: [Signature]  
Agency: Revenue

Date: 3/21/89

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

Adopted

Permanent Fund Dividend Division  
Fiscal Note Analysis  
SB 217  
03/21/89

The Permanent Fund Dividend Division will be able to provide a magnetic tape of all persons who filed a Permanent Fund Dividend application, listing the following information:

First Name  
Middle Initial  
Last Name  
Mailing Address  
Birth date

The division will not be able to provide residence address or year and months of residency, as this information is not available from the Permanent Fund Dividend system. After discussing the bill with Jan Strandberg of the Court System, I would suggest the following amendments:

1. Section 1, page 1, line 17: Delete [SHOWED]; add shows:

The Court System needs the most current address available as of January 15. Given that the Permanent Fund Dividend Division receives 60,000 address changes between April 1 and December 31 of each year, this change would appear important.

2. Section 1, page 2, line 3: Delete [RESIDENCE ADDRESS AND];

Section 1, page 2, line 4-5: Delete [FOR EACH] and [AND THE NUMBER OF YEARS AND MONTHS THE PERSON HAS BEEN A RESIDENT OF THE STATE].

The court system does not need this information, and the Permanent Fund Dividend system cannot provide it.

3. Section 2, page 2, lines 14-16: Delete [THE ADMINISTRATIVE DIRECTOR SHALL PROVIDE A LIST OF PERSONS VOLUNTEERING FOR JURY DUTY TO THE DEPARTMENT OF REVENUE FOR INCLUSION ON THE JURY LIST UNDER (b) OF THIS SECTION.].

This would be unnecessary, as the Court System will be creating the jury list from potentially three sources. The Department of Revenue will provide the Permanent Fund Dividend list as indicated in Section 1.

# FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Alaska Court System  
 Title: An act relating to selection and maintenance of the jury list BRU: Trial Courts  
 Sponsor: Donley, Gruenberg, Goll, Spohnholz... Components:  
 Requestor: Judiciary

**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						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

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

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

**FUNDING:** (Thousands of Dollars)

General Funds	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

**POSITIONS:**

Full-time						
Part-time						
Temporary						

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

No fiscal impact.

Prepared by: *Jan Strandberg*  
 Jan Strandberg, General Counsel

Phone: 264-8228

Division: Alaska Court System

Date: 03/17/89

Approved by: *Arthur H. Snowden, II*  
 Arthur H. Snowden, II, Administrative Director

Date: 03/17/89

Agency: Alaska Court System

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

**RECEIVED**  
 MAR 23 1989

Adopted

Original sponsors: Donley, Gruenberg,  
Goll, et al.

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE  
2 CS FOR HOUSE BILL NO. 217 (Judiciary)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to preparation and maintenance of  
7 the jury list."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 09.20.050(b) is amended to read:  
10 (b) The jury list shall be based on [A LIST OF ALL PERSONS WHO  
11 PURCHASED A RESIDENT TRAPPING, HUNTING OR FISHING LICENSE DURING THE  
12 PRECEDING CALENDAR YEAR WHICH SHOWED AN ALASKAN ADDRESS (TO BE PRE-  
13 PARED BY THE DEPARTMENT OF FISH AND GAME),] a list prepared by the  
14 Department of Revenue of all persons who filed an application for a  
15 distribution of Alaska permanent fund income under AS 43.23 [AS 43.-  
16 23.010 - 43.23.100] during the preceding calendar year that shows  
17 [WHICH SHOWED] an Alaskan address [(TO BE PREPARED BY THE DEPARTMENT  
18 OF REVENUE), A LIST OF ALL PERSONS WHO HAVE REGISTERED TO VOTE IN THIS  
19 STATE (TO BE PREPARED BY THE DIRECTOR OF ELECTIONS)], and of all  
20 persons who volunteer for jury duty under (d) of this section. If [,  
21 IF] considered necessary by the administrative director of the Alaska  
22 Court System, the jury list shall incorporate [COURTS,] a list pre-  
23 pared by the Department of Public Safety of all persons who hold a  
24 valid Alaska driver's [DRIVERS'] license [(TO BE PREPARED BY THE  
25 DEPARTMENT OF PUBLIC SAFETY)]. The departments [AND THE DIRECTOR OF  
26 ELECTIONS] shall submit their respective lists to the Alaska Court  
27 System [DEPARTMENT OF ADMINISTRATION] not later than January 15 of  
28 each year. To the extent that it is available, the [LISTS SUBMITTED  
29 BY THE] departments [AND THE DIRECTOR OF ELECTIONS] shall include on

1        the lists they submit [CONTAIN] the following information for each  
2        person [ON THE LIST FOR THE PRECEDING CALENDAR YEAR]: first name,  
3        middle initial, and last name; [RESIDENCE ADDRESS AS WELL AS] mailing  
4        address, including the zip code [FOR EACH]; and birth date [; AND THE  
5        NUMBER OF YEARS AND MONTHS THE PERSON HAS BEEN A RESIDENT OF THE  
6        STATE]. The lists [SUBMITTED BY THE DEPARTMENTS AND THE DIRECTOR OF  
7        ELECTIONS] shall be recorded on magnetic tape compatible with Alaska  
8        Court System [DEPARTMENT OF ADMINISTRATION] data processing equipment.

9        \* Sec. 2. AS 09.20.050 is amended by adding a new subsection to read:

10            (d) A person who is qualified as a juror under AS 09.20.010 and  
11            is not disqualified from serving as a juror by AS 09.20.020 may volun-  
12            teer for jury duty by contacting the administrative director of the  
13            Alaska Court System and providing the information the administrative  
14            director may require.

15        \* Sec. 3. AS 18.50.230 is amended by adding a new subsection to read:

16            (e) To assist the Alaska Court System to remove the names of  
17            deceased persons from jury lists under AS 09.20.050(c), the state  
18            registrar of vital statistics shall forward to the administrative  
19            director of the Alaska Court System the names of persons for whom  
20            certificates of death were issued and reported to the registrar.

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE  
SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907) 276-3550

1st NATIONAL CENTER  
100 CUSHMAN ST  
SUITE 400  
FAIRBANKS, ALASKA 99701-4679

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465 3600

**DEPARTMENT OF LAW**

OFFICE OF THE ATTORNEY GENERAL

March 14, 1989

The Honorable Dave Donley  
Alaska State Representative  
P. O. Box V  
Juneau, AK 99811-3100

Dear Representative Donley:

Your March 8, 1989 communication to B.J. Jordan respecting jury lists has been referred to me for response.

You have proposed two bills. The first, HB 34, would require a two-year durational residency for persons to apply for a permanent fund dividend. The second would eliminate fish and game license and voter registration lists as sources for jury lists, retaining only permanent fund dividend and driver's license lists, but also adding a list of persons who have volunteered for jury duty.

You have asked whether the use of lists for permanent fund dividends volunteers and driver's licenses as the proposed jury list is adequate to create a fair cross-section of Alaskans as jurors. Our view is that it is. The permanent fund dividend applicant pool on its own is without doubt the most comprehensive list of Alaskan residents. It likely would continue to be even with passage of HB 34.

As you are aware, the two-year residency requirement for permanent fund dividend applicants may raise an independent basis for objection to the jury list. We note that one-year residency requirements for jury service (usually a prerequisite for voting) have been upheld repeatedly. See e.g. United States v. Blair, 493 F.Supp. 398 (D. Md. 1980), Wilkins v. Maryland, 402 F.Supp. 76 (D. Md. 1975), United States v. Arnett, 342 F.Supp 1255 (D. Mass. 1970). However, we believe that a two-year restriction on a jury list would be much more difficult to defend. However, since your bill would use two alternative data sources, driver's license and volunteer lists, that are not tied to durational residency we believe that it passes constitutional muster.

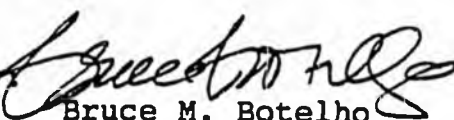
The Honorable Dave Donley  
Alaska State Representative

March 14, 1989  
Page 2

Should you have any further questions, please do not  
hesitate to contact me.

Sincerely yours,

DOUGLAS B. BAILY  
ATTORNEY GENERAL

BY   
Bruce M. Botelho  
Assistant Attorney General

BMB:tg

cc: Arthur Peterson



**Alaska Court System**  
State of Alaska

OFFICE OF ADMINISTRATIVE DIRECTOR

**JANALEE R. STRANDBERG**  
Staff Counsel

March 17, 1989

303 K Street  
Anchorage, AK 99501  
(907) 264-8228

Representative Peter Goll, Co-chair  
Representative Max Gruenberg, Co-chair  
House Judiciary Committee  
P. O. Box V  
Juneau, Alaska 99811

Re: HB 217 - An Act relating to the preparation of maintenance of the jury list.

Dear Representatives Goll and Gruenberg:

The court system would like to offer these comments on HB 217. We support this bill which provides the mechanism for the technical services staff of the court system to construct and maintain the jury lists from a list of permanent fund dividend applicants. Technical services has found that the Fish and Game lists are very inaccurate and cause more work than justifies the information gleaned from them.

Section three, which requires vital statistics to transmit a list of death certificates to the court system, allows us to purge the jury lists of the names of those persons who have died.

If you have any questions or comments about this bill, I would be happy to discuss them with you.

Very truly yours,

*Jan Strandberg*  
Jan Strandberg  
Staff Counsel

JS:bh

cc: Representative Mike Davis  
Representative Cliff Davidson  
Representative Johnny Ellis  
Representative Terry Martin  
Representative Mike Miller

H

B

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8

# HOUSE COMMITTEE REPORT

②

(11)

Date Referred: January 17, 1990

FURTHER REFERRALS:

Date of Committee Action: 2/14/90

The FINANCE Committee considered:

SSHB 218

SS FOR HOUSE BILL NO. 218

AHFC LOANS FOR CONGREGATE HOUSING

"An Act extending the authority of the Alaska Housing Finance Corporation to assist in the development of congregate housing; and providing for an effective date."

**RECOMMENDATIONS:**

- [  ] be replaced with CSSS HB 218 (FIN) [  ] 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 \_\_\_\_\_
- [  ] zero fiscal note \_\_\_\_\_
- [  ] zero with analysis \_\_\_\_\_

- [  ] fiscal note(s) \_\_\_\_\_
- [  ] zero fiscal note(s) \_\_\_\_\_
- [  ] zero fn/analysis 1/11/90 / REVENUE

**SIGNING DO PASS:**

**SIGNING:**  
(Check approp. column)

Do Not Pass    No Rec    Amend

\_\_\_\_\_  
Hoffman

\_\_\_\_\_  
Larson

\_\_\_\_\_  
Swackhammer

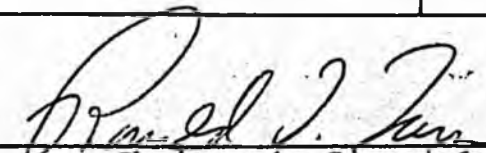
\_\_\_\_\_  
Brown

\_\_\_\_\_  
Koponen

\_\_\_\_\_  
Barnes

\_\_\_\_\_  
Shultz

Name	Do Not Pass	No Rec	Amend
ROD E. JACOBS Phillips	/		
Steve Rieger Rieger	/		
Kay Wallis Wallis	/		

  
 Ronald J. Larson  
 Chairman's Signature  
 Hoffman

CC

No. 1

STATE OF ALASKA  
1990 LEGISLATIVE SESSION

B111 Version: CSSSHB 218(SA)  
Publish Date: HOUSE 1/17/90

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: Extending authority of AHFC to  
assist in development of congregate housing  
Sponsor: \_\_\_\_\_  
Requestor: \_\_\_\_\_

Agency Affected: \_\_\_\_\_  
BRU: Alaska Housing Finance Corporation  
Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Thomas Behan Phone: 561-1900  
Division: Alaska Housing Finance Corporation Date: January 11, 1990

Approved by Commissioner: Hugh Malone Date: \_\_\_\_\_  
Agency: Department of Revenue

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

Adopted

### Fiscal Analysis

The fiscal impact of implementing this legislation is undeterminable at this time since the projected demand for congregate housing is unknown. Currently, AHFC finances residential mortgage loans through the issuance of taxable and tax-exempt bonds. (A separate fund initially created and funded by the Legislature finances mobile home loans.) Current AHFC staff does not have the expertise to finance/underwrite multi-family housing loans or work within federal government multi-family loan programs. To implement this legislation, additional staff would be needed with the required expertise. The expertise of financing multi-family congregate housing may already be available elsewhere in other state agencies.

Original sponsor(s): REP. ULMER, Hudson

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 218 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending the authority of the Alaska Housing  
7 Finance Corporation to assist in the development of  
8 congregate housing, and directing the Alaska State  
9 Housing Authority to develop a pilot program for  
10 congregate housing; and providing for an effective  
11 date."

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

13 \* Section 1. AS 18.56.090 is amended to read:

14 Sec. 18.56.090. GENERAL POWERS. In addition to other powers  
15 granted in this chapter, the corporation may, for the purpose of  
16 providing housing for persons of lower and moderate income or persons  
17 located in remote, underdeveloped, or blighted areas of the state and  
18 for its other corporate purposes,

19 (1) [REPEALED

20 (2)] make or participate in the making of mortgage loans to  
21 sponsors, developers, builders, and purchasers of residential housing,  
22 if the corporation determines that mortgage loans are not otherwise  
23 available, wholly or in part, from private lenders upon reasonably  
24 equivalent terms and conditions;

25 (2) [(3)] purchase or participate in the purchase of mort-  
26 gage loans made to sponsors, developers, builders, owners, and pur-  
27 chasers of residential housing, if the corporation

28 (A) has given approval before the initial making of  
29 the loan and has determined that mortgage loans were, at the time

1 the approval was given, not otherwise available, wholly or in  
2 part, from private lenders upon reasonably equivalent terms and  
3 conditions; [,] or

4 (B) has determined that the purchase or participation  
5 will result in additional residential housing, taking into ac-  
6 count without limitation such factors as reinvestment of the  
7 proceeds of the sale in additional mortgage loans, increased  
8 availability of mortgage loans insured by the federal government,  
9 its agencies, or departments, the reduction, if any, of interest  
10 payments to be made with respect to mortgage loans, or such other  
11 factors as will tend to increase or improve the supply of res-  
12 idential housing within the state;

13 (3) [(4)] make partial rental payments and mortgage inter-  
14 est payments under a contract with any housing owner if the payments  
15 will be applied to decrease rental or mortgage interest charges of  
16 persons of lower and moderate income or owners or purchasers of res-  
17 idential housing in remote, underdeveloped or blighted areas of the  
18 state;

19 (4) [(5)] make loans from the housing development fund;

20 (5) [(6)] collect and pay reasonable fees and charges in  
21 connection with making, purchasing, and servicing its mortgages,  
22 loans, notes, bonds, certificates, commitments, and other evidences of  
23 indebtedness;

24 (6) [(7)] acquire real property, or any interest in real  
25 property, in its own name, by purchase, transfer, or foreclosure, when  
26 the acquisition is necessary or appropriate to protect any loan in  
27 which the corporation has an interest; sell, transfer, and convey the  
28 property to a buyer; and, if the sale, transfer, or conveyance cannot  
29 be effected with reasonable promptness or at a reasonable price, rent

1 or lease the property to a tenant pending the sale, transfer, or  
2 conveyance;

3 (7) [(8)] sell, at public or private sale, to any pur-  
4 chaser, including the Federal National Mortgage Association, all or  
5 any part of a mortgage or other instrument or document securing a  
6 construction, land development, mortgage, or temporary loan of any  
7 type permitted by this chapter;

8 (8) [(9)] purchase, in order to meet the requirements of  
9 the sale of its mortgages to the Federal National Mortgage Associa-  
10 tion, stock of the Federal National Mortgage Association;

11 (9) [(10)] procure insurance against any loss in connection  
12 with its operation;

13 (10) [(11)] consent to the modification of the rate of  
14 interest, time of payment of any installment of principal or interest,  
15 or any other terms, of the mortgage loan, mortgage loan commitment,  
16 construction loan, temporary loan, contract, or agreement of any kind  
17 to which the corporation is a party;

18 (11) [(12)] borrow money as provided in this chapter to  
19 carry out and effectuate its corporate purposes; and issue its obliga-  
20 tions as evidence of borrowing;

21 (12) [(13)] include in any borrowing the amounts necessary  
22 to pay financing charges, interest on the obligations for a period not  
23 exceeding one year after the date on which the corporation estimates  
24 funds will otherwise be available to pay the interest, consultant,  
25 advisory, and legal fees, and other expenses that are necessary or  
26 incident to this borrowing;

27 (13) [(14)] under AS 18.56.088, adopt and publish regu-  
28 lations respecting its lending programs and other regulations that are  
29 necessary to effectuate its purposes;

1           (14) [(15)] provide technical and advisory services to  
2 sponsors, builders, and developers of residential housing and to resi-  
3 dents of it;

4           (15) [(16)] promote research and development in scientific  
5 methods of constructing low-cost and energy-efficient residential  
6 housing of high durability;

7           (16) [(17)] make and execute agreements, contracts, and  
8 other instruments necessary or convenient in the exercise of the  
9 powers and functions of the corporation under this chapter, including  
10 contracts with any person, firm, corporation, governmental agency, or  
11 other entity;

12           (17) [(18)] receive, administer, and comply with the con-  
13 ditions and requirements respecting any appropriation or gift, grant,  
14 or donation of property or money;

15           (18) [(19)] sue and be sued in its own name;

16           (19) [(20)] adopt an official seal;

17           (20) [(21)] adopt bylaws for the regulation of its affairs  
18 and the conduct of its business, and adopt regulations and policies in  
19 connection with the performance of its functions and duties;

20           (21) [(22)] employ fiscal consultants, engineers, attorneys,  
21 real estate counselors, appraisers, and other consultants and em-  
22 ployees that may be required in the judgment of the corporation, and  
23 fix and pay their compensation from funds available to the corpo-  
24 ration;

25           (22) [(23)] do all acts and things necessary, convenient, or  
26 desirable to carry out the powers expressly granted or necessarily  
27 implied in this chapter;

28           (23) [(24)] invest or reinvest, subject to its contracts  
29 with noteholders and bondholders, any money or funds held by the

1 corporation in any obligations or other securities or investments in  
2 which banks or trust companies in the state may legally invest funds  
3 held in reserves or sinking funds or any funds not required for imme-  
4 diate disbursement, and in certificates of deposit or time deposits  
5 secured by obligations of, or guaranteed by, the state or the United  
6 States;

7 (24) [(25) REPEALED

8 (26) REPEALED

9 (27) REPEALED

10 (28)] purchase a mortgage loan made to refinance an existing  
11 mortgage loan, without regard to whether the corporation holds the  
12 existing mortgage loan, as long as the interest rate and fees charged  
13 to the borrower are sufficient to fully reimburse the corporation for  
14 all costs incurred by the corporation in purchasing the mortgage loan  
15 and as long as the borrower will be in compliance with AS 18.56.-  
16 096(a)(6) after purchase of the mortgage loan by the corporation;

17 (25) participate in the making of mortgage loans to bor-  
18 rowers for congregate housing under AS 18.56.100(b)(1) as the pur-  
19 chaser of those loans.

20 \* Sec. 2. AS 18.56.100(b) is amended to read:

21 (b) Consistent with AS 18.56.090, the corporation may make  
22 temporary and permanent loans from the housing development fund, at an  
23 interest rate or rates determined by the corporation, and with the  
24 security for repayment that is necessary and practicable, to purchase,  
25 make, or participate in the making of mortgage loans

26 (1) to borrowers who are individuals, nonprofit corpora-  
27 tions, or agencies of the state or a municipal government, for loans  
28 to develop, build, repair, remodel, or rehabilitate residential hous-  
29 ing that is to be used and occupied as congregate housing; or

1           (2) that are not federally insured or guaranteed for res-  
2           idential housing, if the corporation determines that the loans are not  
3           otherwise available, wholly or in part, from private lenders upon  
4           reasonably equivalent terms and conditions.

5 \* Sec. 3. AS 18.56.100 is amended by adding new subsections to read:

6           (1) The corporation may reduce the interest rate on a loan  
7           entered into under (b)(1) of this section if money is available to do  
8           so. If a project developed by a borrower with a reduced interest  
9           subsidy made under this subsection ceases to be used for congregate  
10          housing, the corporation shall adjust the interest rate payable on the  
11          unpaid balance of the loan to the prevailing rate of interest charged  
12          by the corporation on loans made for other residential purposes, but  
13          may not reduce the interest rate payable below the subsidized rate.

14          (m) The corporation shall adopt regulations to implement (b)(1)  
15          and (1) of this section that

16               (1) determine borrower eligibility, including regulations  
17               to determine that the borrower has the ability to repay the loan;

18               (2) define procedures for the application, review, and  
19               approval of authorized loans;

20               (3) establish loan guidelines, loan terms, and acceptable  
21               security for loans; and

22               (4) identify characteristics of housing projects eligible  
23               for loans.

24          (n) In (b)(1), (1), and (m) of this section "congregate housing"  
25          means a multi-family group-living building that contains individual  
26          residence areas and common facilities and services for congregate  
27          living.

28 \* Sec. 4. AS 18.56.100(1) is repealed and reenacted to read:

29          (1) The corporation may reduce the interest rate on a loan

1 entered into under (b)(1) of this section only from amounts appropri-  
2 ated to the housing development fund specifically to reduce the inter-  
3 est payable by borrowers who develop housing under (b)(1) of this  
4 section. If a project developed by a borrower with a reduced interest  
5 subsidy made under this subsection ceases to be used for congregate  
6 housing, the corporation shall adjust the interest rate payable on the  
7 unpaid balance of the loan to the prevailing rate of interest charged  
8 by the corporation on loans made for other residential purposes, but  
9 may not reduce the interest rate payable below the subsidized rate.

10 \* Sec. 5. AS 18.56.105 is amended to read:

11 Sec. 18.56.105. ALLOCATION OF LENDING ACTIVITIES. The corpo-  
12 ration shall designate regions within the state that, [WHICH] in the  
13 aggregate, encompass the entire state. In participating in the making  
14 or purchasing of loans under AS 18.56.090(1) and (2) [AS 18.56.090(2)  
15 AND (3)] or under AS 18.56.100, the corporation shall make its money  
16 available through the private financial institutions in the state  
17 within each region designated by the corporation under this section.  
18 The corporation shall allocate its money among the regions on the  
19 basis of recent and future anticipated lending activity as well as the  
20 potential need for the loans in each region and may reallocate its  
21 money among the regions as it considers appropriate to reflect changes  
22 in lending activity or need in the regions.

23 \* Sec. 6. AS 18.56.110(g) is amended to read:

24 (g) Notwithstanding AS 18.56.090(11) [AS 18.56.090(12)] and (a)  
25 of this section, the corporation may not issue bonds in any 12-month  
26 period beginning after June 30, 1983, in an amount that exceeds the  
27 amount of bonds authorized to be issued during the preceding period,  
28 unless a different amount is authorized by the legislature. This  
29 subsection does not apply to the issuance by the corporation of

1 refunding bonds or to the issuance by the corporation of bonds the  
2 proceeds of which are intended to be used to refinance mortgage loans  
3 held by the corporation.

4 \* Sec. 7. PILOT PROJECTS AUTHORIZED. (a) The Alaska State Housing  
5 Authority shall develop and implement pilot projects to develop, construct,  
6 repair, remodel, and rehabilitate residential housing that is to be used  
7 and occupied as congregate housing.

8 (b) The Alaska State Housing Authority and the Alaska Housing Finance  
9 Corporation shall report to the legislature not later than February 15,  
10 1992, concerning pilot projects developed under this section.

11 (c) In this section, "congregate housing" has the meaning given in  
12 AS 18.56.100(n), enacted in sec. 3 of this Act.

13 \* Sec. 8. Section 7 of this Act is repealed June 30, 1993.

14 \* Sec. 9. Section 4 of this Act takes effect February 16, 1992.

15 \* Sec. 10. Except for sec. 4 of this Act, this Act takes effect July 1,  
16 1990.

# Alaska State Legislature

## HOUSE OF REPRESENTATIVES



### REPRESENTATIVE FRAN ULMER

#### MEMORANDUM

February 2, 1990

TO: Rep. Ron Larson, Co-Chair  
Rep. Lyman Hoffman, Co-Chair  
House Finance Committee

FROM: Rep. Fran Ulmer

RE: CSSSHB 218, relating to congregate housing

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CSSSHB 218 extends the authority of the Alaska Housing Finance Corporation to make mortgage loans to borrowers for the construction, repair, remodel or rehabilitation of residential housing for use as congregate housing. The bill authorizes an interest rate 1% less than the interest rate payable on the corporation's bonds for development of the project. The purpose of this legislation is to address a growing problem within Alaska: the need for housing which combines both privacy and independence with the provision of some services for special needs population groups.

Congregate housing is apartment-style living with various facilities and services that otherwise would not be available in totally independent living. These services may include dining facilities, weekly housekeeping and laundry, transportation, social/recreational activities, health care programs, and other services. It is intermediate between the fully independent lifestyle of a single family home or apartment and the dependent or skilled-care attention provided, for example, in a nursing home.

HB 218 was originally limited to congregate housing for senior citizens. Seniors typically emphasize their desire for the degree of privacy which congregate housing provides, as opposed to other types of housing for seniors. Senior citizens interested in congregate housing are usually 75 to 85 years old, between the "young retirees" (65 - 74 years old) and the "frail elderly" (85+ years old). Based on detailed 1985 Department of Labor population

District 4B — Juneau

P.O. Box V • Juneau, Alaska 99811-3100 • (907) 465-4947

figures, this age group represents about 24 percent of Alaska seniors statewide. The potential market today in various census areas may be as follows:

<u>Census Area</u>	<u>Est. Seniors 75-85 yrs old</u>
Anchorage -----	1,630 seniors
Fairbanks -----	530
Kenai Peninsula -----	400
Matanuska-Susitna -----	360
Juneau -----	300
Ketchikan -----	190

HB 218 has received strong support from senior citizen organizations in Alaska. However, a number of other special needs groups expressed their interest in congregate housing as well. For example, battered women finding temporary, short-term housing at a shelter such as AWARE need transitional housing for up to one year while they stabilize their families and continue receiving counseling and other services needed by victims of domestic violence. In the same manner, congregate housing is appropriate for recently released offenders who may need special job training services or out-patient therapies to facilitate their integration into the mainstream of independent living. As a result of the expressed interest of these other groups, the sponsor substitute for HB 218 was broadened to make loans for congregate housing under the bill available to all groups.

The primary sponsors of congregate housing have traditionally been nonprofit organizations, especially churches which have targeted the low-to-moderate-income elderly. With the growth in the size and wealth of the nation's elderly population, private developers have entered the market in the 1980's. However, market conditions appear to work against project feasibility in Alaska without some form of public support and without available financing. The relatively small pool of potential residents, higher labor and material costs, the absence of affordable financing, and the lack of economies of scale in smaller-sized housing projects make it difficult to create congregate housing which will fall within the financial constraints of even middle income persons.

It is appropriate for the state to participate in these types of housing projects through a reduced interest rate from the Alaska Housing Finance Corporation. At this time, AHFC is uncertain whether it has the statutory authority in its market stabilization program [AS 18.56.210(a)(5); 2 ch 147 SLA 1986] to provide developer financing for these projects. HB 218 clearly establishes that authority. It is possible that some of the vacated condominium

projects in the state would be appropriate for conversion into congregate housing. This bill provides an incentive for both the private developer and the non-profit organization to create this type of housing.

As a result of recent discussions with the Alaska State Housing Authority and the Alaska Housing Finance Corporation, I am proposing a Finance Committee substitute which would provide additional flexibility in the administration of this program. Although the need for congregate housing is clear, we don't know what the size of the need may be. The first year may result in 20 projects, or it may result in two. In addition, it is unclear what form potential projects may take. An applicant may propose a large scale project with 30 units, or may wish to retrofit a duplex or single-family home.

Because of these uncertainties and the variety of populations and needs which the legislation attempts to service, it is desirable to structure the first two years of the bill as a pilot program. During that period, I propose that the Alaska State Housing Authority should be granted broad authority to create and administer a program for the development of congregate housing under the guidelines set out in HB 218. During that period, ASHA shall, through its processing of loan applications, assess the need for congregate housing in the state and the type of projects which best suit those needs. At the end of two years, ASHA shall report to the legislature the results of the pilot project and make recommendations regarding the ongoing implementation of programs designed to encourage the construction and/or rehabilitation of congregate housing.

My intention has been, and continues to be, to utilize the Alaska Housing Finance Corporation for the long term financing of congregate housing projects and to provide an incentive to the private sector to develop these projects. My purpose in recommending a pilot project approach is to ensure that the state does not spend a long period of time trying to design the regulations and standards for the program prior to implementation. A pilot project will allow ASHA to formulate its procedures in response to real applicants and real projects and, out of that experience, gradually design a permanent, on-going program which will meet the specific needs of Alaska populations. It will also allow the legislature to review the projects undertaken and make a more informed judgment about the best structure of the program for the long term.



ALASKA STATE LEGISLATIVE COMMITTEE

CHAIRMAN  
Mr. R. W. "Bob" Pavitt  
130 Seward Street, #205  
Juneau, AK 99801  
(907) 586-2066

VICE CHAIRMAN  
Mrs. Marie C. MacKenzie  
1620 Crescent  
Anchorage, AK 99508  
(907) 562-4895

SECRETARY  
Miss Ann L. Walsn  
924 Kellum #201  
Fairbanks, AK 99701  
(907) 456-6737

**SENIOR CITIZEN HOUSING**  
**POSITION PAPER**

**BACKGROUND/PROBLEM**

Since 1980, Alaska's senior population has grown by 66% to more than 19,000 residents according to the Department of Labor. It is one of the fastest growing age groups in the state. If Alaska's population continues to grow older as projected, the senior population could double soon after the year 2000. Many seniors who formerly would have retired Outside are now remaining in Alaska.

Affordable, secure, accessible housing facilities with attendant supportive services are meager at best, and totally unavailable in most rural and urban Alaska communities. Thus, the strong desire of older Alaskans to remain independent as long as possible in their own homes must give way to some other housing solution when they can no longer maintain a private residence.

It is socially and economically advantageous to all Alaskans to effectively address senior citizen housing needs.

**PROPOSED SOLUTION**

Mechanisms must be established to enable and encourage seniors and their families, profit or non-profit organizations and government agencies to work cooperatively in meeting the needs. Development of alternative approaches, home equity conversions and provision of methods for realistic financing are but a few of the topics which must be addressed. Appropriate lands on which to locate necessary facilities need to be made available.

Physical housing, as such, is not the only aspect to be addressed in meeting senior needs. Greater support must be provided for adult family care, weatherization, day care, respite care, case management, and other services which make it possible for a senior to stay in his or her own home as long as possible.

In summary, necessary lands, financing methods, mechanisms for cooperative action and supportive services must be made available if we are to solve senior citizen housing problems in Alaska.

**PROPOSED LEGISLATION**

SB 150 would create a senior housing office in the Department of Community and Regional Affairs, and a revolving loan fund for all types of senior housing.

HB 218 would expand the Alaska Housing Finance Corporation's authority to include loans to build congregate housing for seniors, and to cooperatively establish a pilot program of such housing.

These bills currently in the Alaska Legislature would constitute a start in addressing senior housing problems, and the AARP ALASKA STATE LEGISLATIVE COMMITTEE supports passage of this legislation.



520 East 34th St.  
Anchorage, AK 99503  
(907) 561-1900  
P.O. Box 101020  
Anchorage, AK 99510

February 6, 1989

The Honorable Fran Ulmer  
Alaska State Legislature  
House of Representatives  
P.O. Box V  
Juneau, AK 99811-3100

By FAX

Dear Representative Ulmer:

I am pleased to offer our support for CSSSHB 218, relating to congregate housing. We believe that this legislation represents a workable approach to meeting the housing needs of Alaska's seniors and other populations with special needs.

It has been a pleasure to provide technical assistance to you in the development of this bill, and we look forward to the Corporation's participation in this alternative housing approach.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. C. Behan', written over a horizontal line.

Thomas C. Behan  
Chief Executive Officer/Executive Director

**LEGISLATIVE PRIORITIES  
OF  
THE PIONEERS OF ALASKA**

1. During this session of the Legislature the Pioneers are most interested in protecting the Senior programs presently in place. We prefer the \$250.00 monthly bonus program remain as it is, however, rather than see it suffer major setbacks, the Grand Igloo supports an annuity program as introduced by Senator Kerttula.
2. The Pioneers support a requirement of 65 years of age as a minimum for admission to the Pioneer Home system, and removal of the word 'destitute' as is presently used in giving priority for admission.
3. The Pioneers support full state funding to cover property tax exemptions for Seniors.
4. The Pioneers support in-Home Support Care and Senior Housing. Re: HB 218; SB 150.
5. The Pioneers support Health Care legislation. Re: HB 47.
6. Also, it has been noted, from a recent news article that Sen Uehling has prefiled legislation that would give Medicare eligible Senior an option to choose to receive health care under Medicaid at home rather than in a Long Term Care facility. The Pioneers certainly support this concept.

The Pioneers have taken no position regarding a State Income Tax or the Governor's proposal on an Education Endowment.

The Pioneer's registered lobbyist is Bill Ray, 165 Behrends Ave, Juneau, AK, 99801, Tel: (907) 586-1225

Bob Huffman, Chm.  
Legislative Committee  
Pioneers of Alaska



February 6, 1990

The Honorable Fran Ulmer  
Alaska House of Representatives  
P.O. Box V (MS3100)  
Juneau, AK 99811

Re: HB 218

Dear Representative Ulmer:

Please be advised that the Alaska State Housing Authority supports HB 218. The Authority is always willing to take on new and innovative programs designed to assist Alaskans in general, as well as Alaskans with special needs.

We look forward to working with you and the Legislature in developing a comprehensive program for congregate housing in Alaska.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

Ray Price  
Executive Director

cc:c:sp50\rp11\rpfa.1

# ALASKA NETWORK ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT

130 Seward, No. 301 • Juneau, Alaska 99801 • (907) 586-3650

Abused Women's Aid in Crisis (AWAIC);  
Advocates for Victims of Violence (AVV);  
Aiding Women in Abuse and Rape Emergencies (AWARE);  
Alaska Women's Resource Center (AWRC); Arctic Women in Crisis (AWIC);  
Bering Sea Women's Group (BSWG); Emmonak Women's Shelter;  
Kodiak Women's Resource & Crisis Center (KWRC);  
Maniilaq Regional Women's Crisis Program; MEN, Inc.;  
Safe & Fear-Free Environment (SAFE); Sitkans Against Family Violence (SAFV);  
Southwestern Alaska Council for the  
Prevention of Child Sexual Assault (SWACPSA);  
South Peninsula Women's Services (SPWS);  
Standing Together Against Rape (STAR); Tundra Women's Coalition (TWC);  
Valley Women's Resource Center (VWRC);  
Women in Crisis Counseling & Assistance (WICCA);  
Women in Safe Homes (WISH); Women's Resource & Crisis Center (WRCC)

The Alaska Network on Domestic Violence and Sexual Assault is a non-profit membership organization composed of 23 programs throughout Alaska which serve victims of domestic violence and sexual assault and their families.

The Network supports the sponsor substitute for HB 218. Network programs have been actively engaged in efforts to provide transitional housing for domestic violence victims who wish to leave a violent relationship.

These women can face formidable problems in establishing independent living situations. Financial resources are usually meager, while financial costs of setting up separate housing, child care, and transportation are very high, and centrally located housing may not be affordable or even available. In addition, there is a very real problem of continuing threats and assaults by partners. Police statistics show that women are often assaulted after having left their partners: in Fairbanks, for instance, in the space of a year and a half, three women were killed by their partners within four months of having left them.

Currently only two communities are able to offer transitional housing to battered women: Barrow, where apartments are being provided through the Borough, and Fairbanks, where WICCA purchased and renovated an 8 plex. In both communities, this housing has been full since it was opened. The Fairbanks 8 plex was purchased and renovated through a combination of HUD funding, bank loans, state jobs bill funding and corporate donations. Families in transitional housing are able to live in safe, affordable housing and also receive a range of services from WICCA and AWIC, including ongoing counseling and support, help in building independent living skills, and assistance with job skills.

A number of other programs are actively pursuing funding for transitional housing projects, including Anchorage, Kenai, Juneau, Ketchikan, Nome and Bethel. AHFC financing would be of great help to them in finding affordable ways to finance these efforts. The Network urges your support for this bill.

H

B

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# SENATE FINANCE COMMITTEE REPORT

DATE: 4/17/90

FURTHER: \_\_\_\_\_

DATE TURNED INTO OFFICE: 5/1/90

The Finance Committee considered

CS SSB 218 (Finance)

Extending the authority of the AK Housing Finance Corp. to assist in the development of congregate housing, and directing the AK State Housing Authority to develop a pilot program for congregate housing; efd.

and recommended:

- replace with 5 CS CS SSB 218 (FIN)  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title
- attached amendment(s)  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

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

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) DCLED 56.3 4/12/90

zero fiscal note(s) DOR - Indeterminate 3/20/89

appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING DO/PASS:

OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
[Signature]  
[Signature]

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

1. [Signature] Do Pass 2. [Signature] (NO PASS)

Co-Chairs: Signatures and Recommendations

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Congregate Housing  
Sponsor: Rep. Ulmer  
Requestor: Senate State Affairs

Agency Affected: Commerce & Economic Dev.  
BRU: Alaska State Housing Authority  
Components: \_\_\_\_\_

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	56.3	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>56.3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

GENERAL FUND	56.3	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>56.3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

FULL-TIME	1	0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary) This request is for the coordinator (Range 19A) of the model congregate housing project which is scheduled to last just one year. Specific job duties include: gathering data on congregate housing; formulation of pilot project; soliciting proposals for pilot project; selecting the project site; closing the project out; preparing an evaluation of the pilot program; and completing the final report to the Legislature.

Prepared by: Mark Romick Phone: 562-2813  
Division: Alaska State Housing Authority Date: 4/12/90

Approved by Commissioner: Larry Mercuri Date: 4/12/90  
Agency: Department of Commerce & Economic Development

**Distribution (by preparer):**

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

Changes in SCS C55SHB218(F12)  
have no fiscal impact.  
This fiscal note is  
appropriate. 5/1/90 JRL

Adopted

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Revenue  
 Title: An Act extending the authority of AHFC to assist in development of Senior Citizen's housing  
 Sponsor: Ulmer/Hudson  
 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	-	-	-	-	-	-

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

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

See attached

Changes in SCS CSSSHE 218(S) have no fiscal impact. This fiscal note is appropriate. Projections of no fiscal impact would continue through 1996.

Prepared by: Thomas Behan  
 Division: AHFC

Phone: 561-1900  
 Date: March 16, 1989

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

Date: 3/20/89

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

Changes in SCS CSSSHE 218(S) have no fiscal impact. This fiscal note is appropriate. 5/1/90

Lack of fiscal impact would continue beyond 1996.

Adopted

Fiscal Note  
HB 218

The fiscal impact of implementing this legislation is undeterminable at this time since the projected demand for congregato senior citizen housing is unknown. Currently, AHFC finances residential mortgage loans through the issuance of taxable and tax-exempt bonds. (A separate fund initially created and funded by the Legislature finances mobile home loans.) Current AHFC staff does not have the expertise to finance/underwrite multi-family housing loans or work within federal government multi-family loan programs. To implement this legislation, additional staff would be needed with the required expertise. The expertise of financing multi-family senior citizen's housing may already be available elsewhere in other state agencies.

Original sponsor(s): REP. ULMER, Hudson

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 218 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending the authority of the Alaska Housing  
7 Finance Corporation to assist in the development of  
8 congregate housing, and directing the Alaska State  
9 Housing Authority to develop a pilot program for  
10 congregate housing; and providing for an effective  
11 date."

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

13 \* Section 1. AS 18.56.090 is amended to read:

14 Sec. 18.56.090. GENERAL POWERS. In addition to other powers  
15 granted in this chapter, the corporation may, for the purpose of  
16 providing housing for persons of lower and moderate income or persons  
17 located in remote, underdeveloped, or blighted areas of the state and  
18 for its other corporate purposes,

19 (1) [REPEALED

20 (2)] make or participate in the making of mortgage loans to  
21 sponsors, developers, builders, and purchasers of residential housing,  
22 if the corporation determines that mortgage loans are not otherwise  
23 available, wholly or in part, from private lenders upon reasonably  
24 equivalent terms and conditions;

25 (2) [(3)] purchase or participate in the purchase of mort-  
26 gage loans made to sponsors, developers, builders, owners, and pur-  
27 chasers of residential housing, if the corporation

28 (A) has given approval before the initial making of  
29 the loan and has determined that mortgage loans were, at the time

1 the approval was given, not otherwise available, wholly or in  
2 part, from private lenders upon reasonably equivalent terms and  
3 conditions; [,] or

4 (B) has determined that the purchase or participation  
5 will result in additional residential housing, taking into ac-  
6 count without limitation such factors as reinvestment of the  
7 proceeds of the sale in additional mortgage loans, increased  
8 availability of mortgage loans insured by the federal government,  
9 its agencies, or departments, the reduction, if any, of interest  
10 payments to be made with respect to mortgage loans, or such other  
11 factors as will tend to increase or improve the supply of res-  
12 idential housing within the state;

13 (3) [(4)] make partial rental payments and mortgage inter-  
14 est payments under a contract with any housing owner if the payments  
15 will be applied to decrease rental or mortgage interest charges of  
16 persons of lower and moderate income or owners or purchasers of res-  
17 idential housing in remote, underdeveloped or blighted areas of the  
18 state;

19 (4) [(5)] make loans from the housing development fund;

20 (5) [(6)] collect and pay reasonable fees and charges in  
21 connection with making, purchasing, and servicing its mortgages,  
22 loans, notes, bonds, certificates, commitments, and other evidences of  
23 indebtedness;

24 (6) [(7)] acquire real property, or any interest in real  
25 property, in its own name, by purchase, transfer, or foreclosure, when  
26 the acquisition is necessary or appropriate to protect any loan in  
27 which the corporation has an interest; sell, transfer, and convey the  
28 property to a buyer; and, if the sale, transfer, or conveyance cannot  
29 be effected with reasonable promptness or at a reasonable price, rent

1 or lease the property to a tenant pending the sale, transfer, or  
2 conveyance;

3 (7) [(8)] sell, at public or private sale, to any pur-  
4 chaser, including the Federal National Mortgage Association, all or  
5 any part of a mortgage or other instrument or document securing a  
6 construction, land development, mortgage, or temporary loan of any  
7 type permitted by this chapter;

8 (8) [(9)] purchase, in order to meet the requirements of  
9 the sale of its mortgages to the Federal National Mortgage Associa-  
10 tion, stock of the Federal National Mortgage Association;

11 (9) [(10)] procure insurance against any loss in connection  
12 with its operation;

13 (10) [(11)] consent to the modification of the rate of  
14 interest, time of payment of any installment of principal or interest,  
15 or any other terms, of the mortgage loan, mortgage loan commitment,  
16 construction loan, temporary loan, contract, or agreement of any kind  
17 to which the corporation is a party;

18 (11) [(12)] borrow money as provided in this chapter to  
19 carry out and effectuate its corporate purposes; and issue its obliga-  
20 tions as evidence of borrowing;

21 (12) [(13)] include in any borrowing the amounts necessary  
22 to pay financing charges, interest on the obligations for a period not  
23 exceeding one year after the date on which the corporation estimates  
24 funds will otherwise be available to pay the interest, consultant,  
25 advisory, and legal fees, and other expenses that are necessary or  
26 incident to this borrowing;

27 (13) [(14)] under AS 18.56.088, adopt and publish regu-  
28 lations respecting its lending programs and other regulations that are  
29 necessary to effectuate its purposes;

1           (14) [(15)] provide technical and advisory services to  
2 sponsors, builders, and developers of residential housing and to resi-  
3 dents of it;

4           (15) [(16)] promote research and development in scientific  
5 methods of constructing low-cost and energy-efficient residential  
6 housing of high durability;

7           (16) [(17)] make and execute agreements, contracts, and  
8 other instruments necessary or convenient in the exercise of the  
9 powers and functions of the corporation under this chapter, including  
10 contracts with any person, firm, corporation, governmental agency, or  
11 other entity;

12           (17) [(18)] receive, administer, and comply with the con-  
13 ditions and requirements respecting any appropriation or gift, grant,  
14 or donation of property or money;

15           (18) [(19)] sue and be sued in its own name;

16           (19) [(20)] adopt an official seal;

17           (20) [(21)] adopt bylaws for the regulation of its affairs  
18 and the conduct of its business, and adopt regulations and policies in  
19 connection with the performance of its functions and duties;

20           (21) [(22)] employ fiscal consultants, engineers, attorneys,  
21 real estate counselors, appraisers, and other consultants and em-  
22 ployees that may be required in the judgment of the corporation, and  
23 fix and pay their compensation from funds available to the corpo-  
24 ration;

25           (22) [(23)] do all acts and things necessary, convenient, or  
26 desirable to carry out the powers expressly granted or necessarily  
27 implied in this chapter;

28           (23) [(24)] invest or reinvest, subject to its contracts  
29 with noteholders and bondholders, any money or funds held by the

1 corporation in any obligations or other securities or investments in  
2 which banks or trust companies in the state may legally invest funds  
3 held in reserves or sinking funds or any funds not required for imme-  
4 diate disbursement, and in certificates of deposit or time deposits  
5 secured by obligations of, or guaranteed by, the state or the United  
6 States;

7 (24) [(25) REPEALED

8 (26) REPEALED

9 (27) REPEALED

10 (28)] purchase a mortgage loan made to refinance an existing  
11 mortgage loan, without regard to whether the corporation holds the  
12 existing mortgage loan, as long as the interest rate and fees charged  
13 to the borrower are sufficient to fully reimburse the corporation for  
14 all costs incurred by the corporation in purchasing the mortgage loan  
15 and as long as the borrower will be in compliance with AS 18.56.-  
16 096(a)(6) after purchase of the mortgage loan by the corporation;

17 (25) participate in the making of mortgage loans to bor-  
18 rowers for congregate housing und. AS 18.56.100(b)(1) as the pur-  
19 chaser of those loans; loans made for congregate housing under this  
20 paragraph must reflect application of prudent underwriting standards  
21 and lending practices that include, but are not limited to, appropri-  
22 ate loan-to-value ratios and the ability of a borrower to repay the  
23 loan.

24 \* Sec. 2. AS 18.56.100(b) is amended to read:

25 (b) Consistent with AS 18.56.090, the corporation may make  
26 temporary and permanent loans from the housing development fund, at an  
27 interest rate or rates determined by the corporation, and with the  
28 security for repayment that is necessary and practicable, to purchase,  
29 make, or participate in the making of mortgage loans

1           (1) to borrowers who are individuals, nonprofit corpora-  
2 tions, or agencies of the state or a municipal government, for perma-  
3 nent loans to develop, build, repair, remodel, or rehabilitate res-  
4 idential housing that is to be used and occupied as congregate hous-  
5 ing; or

6           (2) that are not federally insured or guaranteed for res-  
7 idential housing, if the corporation determines that the loans are not  
8 otherwise available, wholly or in part, from private lenders upon  
9 reasonably equivalent terms and conditions.

\* Sec. 3. AS 18.56.100 is amended by adding new subsections to read:

(1) The rate of interest on a loan entered into under (b)(1) of this section must equal the cost of funds of the bond issue the proceeds of which are used to provide the loan plus one-half of one percentage point.

(m) The corporation shall adopt regulations to implement (b)(1) and (1) of this section that

(1) determine borrower eligibility, including regulations to determine that the borrower has the ability to repay the loan;

(2) define procedures for the application, review, and approval of authorized loans;

(3) establish loan guidelines, loan terms, and acceptable security for loans; and

(4) identify characteristics of housing projects eligible for loans.

(n) In (b)(1), (1), and (m) of this section "congregate housing" means a multi-family housing development with fully independent living units and services integrated in the buildings that may include, but are not limited to, housekeeping, meal service, and resident training or development programs.

1 \* Sec. 4. AS 18.56.100(1) is repealed and reenacted to read:

2 (1) The corporation may reduce the interest rate on a loan  
3 entered into under (b)(1) of this section only from amounts appropri-  
4 ated to the housing development fund specifically to reduce the inter-  
5 est payable by borrowers who develop housing under (b)(1) of this  
6 section. If a project developed by a borrower with a reduced interest  
7 subsidy made under this subsection ceases to be used for congregate  
8 housing, the corporation shall adjust the interest rate payable on the  
9 unpaid balance of the loan to the prevailing rate of interest charged  
10 by the corporation on loans made for other residential purposes, but  
11 may not reduce the interest rate payable below the subsidized rate.

12 \* Sec. 5. AS 18.56.105 is amended to read:

13 Sec. 18.56.105. ALLOCATION OF LENDING ACTIVITIES. The corpo-  
14 ration shall designate regions within the state that, [WHICH] in the  
15 aggregate, encompass the entire state. In participating in the making  
16 or purchasing of loans under AS 18.56.090(1) and (2) [AS 18.56.090(2)  
17 AND (3)] or under AS 18.56.100, the corporation shall make its money  
18 available through the private financial institutions in the state  
19 within each region designated by the corporation under this section.  
20 The corporation shall allocate its money among the regions on the  
21 basis of recent and future anticipated lending activity as well as the  
22 potential need for the loans in each region and may reallocate its  
23 money among the regions as it considers appropriate to reflect changes  
24 in lending activity or need in the regions.

25 \* Sec. 6. AS 18.56.110(g) is amended to read:

26 (g) Notwithstanding AS 18.56.090(11) [AS 18.56.090(12)] and (a)  
27 of this section, the corporation may not issue bonds in any 12-month  
28 period beginning after June 30, 1983, in an amount that exceeds the  
29 amount of bonds authorized to be issued during the preceding period,

1 unless a different amount is authorized by the legislature. This  
2 subsection does not apply to the issuance by the corporation of re-  
3 funding bonds or to the issuance by the corporation of bonds the  
4 proceeds of which are intended to be used to refinance mortgage loans  
5 held by the corporation.

6 \* Sec. 7. PILOT PROGRAM AUTHORIZED. (a) The Alaska State Housing  
7 Authority shall administer a pilot program to develop congregate housing in  
8 the state. The authority's congregate housing administration activities  
9 must include

10 (1) determination of borrower qualifications;  
11 (2) provision of temporary loans;  
12 (3) management of construction loans; and  
13 (4) assistance in determining appropriate, available sources of  
14 permanent loans in cooperation with the Alaska Housing Finance Corporation.

15 (b) The Alaska State Housing Authority and the Alaska Housing Finance  
16 Corporation shall report to the legislature not later than February 15,  
17 1992, concerning congregate housing projects during the pilot program  
18 authorized by (a) of this section. The report must include

19 (1) a review of persons, organizations, and communities who  
20 expressed a need for congregate housing;

21 (2) a listing of borrowers who have requested loans for congre-  
22 gate housing;

23 (3) a review of mechanisms used to develop specific congregate  
24 projects, especially lending mechanisms that have required participation of  
25 multiple sources;

26 (4) an analysis of the problems encountered by borrowers in  
27 obtaining loans for purchasing, constructing, or rehabilitating congregate  
28 housing; and

29 (5) recommendations for additional legislative action related to

1 congregate housing programs or the provision of loans for their develop-  
2 ment.

3 (c) In this section, "congregate housing" has the meaning given in  
4 AS 18.56.100(n), enacted in sec. 3 of this Act.

5 \* Sec. 8. Section 7 of this Act is repealed June 30, 1993.

6 \* Sec. 9. Section 4 of this Act takes effect February 16, 1992.

7 \* Sec. 10. Except for sec. 4 of this Act, this Act takes effect July 1,  
8 1990.

# Alaska State Legislature

## HOUSE OF REPRESENTATIVES



APR 25

### REPRESENTATIVE FRAN ULMER

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

April 24, 1990

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

FROM: Rep. Fran Ulmer

RE: CSHB 218 relating to congregate housing

Congregate housing is a form of housing in which individual living units are combined with group living facilities and/or resident services. It may take a variety of forms, from the single-family home shared by several residents, to an apartment-style complex of many individual units.

The hallmark of congregate living is in the provision of congregate facilities and services. Congregate housing for senior citizens typically includes meal service and housekeeping, among other services. Congregate housing for released offenders typically includes job training and treatment services such as alcohol counseling. Congregate housing is a cost effective form of housing for population groups who have special needs.

In addition to special needs populations, congregate housing has received strong support from the mainstream of professionals in the housing industry. Congregate housing has become a popular type of housing for middle class families in Europe during the last decade, and is gaining recognition in this country as well. By providing the mechanism for securing long term financing for congregate housing through AHFC, the state will assist the industry in developing this type of housing in Alaska.

CSHB 218 is supported by: Alaska Realtors' Association  
 Pioneers of Alaska  
 American Association of Retired Persons  
 Older Alaskans Commission  
 Network on Domestic Violence  
 Alaska Housing Finance Corporation  
 Alaska State Housing Authority

District 4B — Juneau

P.O. Box V • Juneau, Alaska 99811-3100 • (907) 465-4947

HB 218 -- CONGREGATE HOUSING

**AHFC:** Authorized to make mortgage loans for congregate housing; will operate as the secondary mortgage market only. AHFC will approve only those loans which fall within prudent lending guidelines.

**ASHA:** Will conduct a 2 year "pilot program" to determine who the borrowers are and how projects may be financed. ASHA may provide loan origination services for borrowers upon request; will also provide technical assistance to help find appropriate funding sources (federal, municipal, and other) or combination of sources. ASHA will review project applications for credit worthiness and will coordinate with AHFC on criteria used to determine credit worthiness of projects and borrowers.

**PRIVATE SECTOR:** Commercial lenders may also provide loan origination services and obtain long term financing from AHFC.

**BORROWERS:** Individuals, developers, corporations, non-profit organizations, government entities, or combinations of these.

**PROJECTS:** May be anything from the retro-fitting of a single family home for congregate use to the construction of a multi-unit facility.

**FINANCING:** Financing will depend on the needs and abilities of the borrowers. Some private individuals may pool their existing assets to provide security for a standard mortgage loan. Some projects may be appropriate for funding through tax-exempt bonds. Other projects may be suitable for "layered" financing which combines federal loans, grants and/or other funds with an AHFC mortgage.

**SUPPORTED BY:** Alaska Realtors Association  
Pioneers of Alaska  
American Association of Retired Persons  
Older Alaskans Commission  
Network on Domestic Violence  
Alaska Housing Finance Corporation  
Alaska State Housing Authority

**CONSISTENT WITH THE RECOMMENDATIONS OF:**

The Housing Policy Development Committee of the  
Alaska Housing Market Council  
Housing Finance Task Force Concerning the Future  
of the Alaska Housing Finance Corporation

## "LAYERED" FINANCING FOR CONGREGATE HOUSING

"Layered" financing means the combination of a variety funding sources which may include funding from federal and local government, as well as the private sector.

Examples of federal programs available:

- a) "312" Program - HUD housing rehabilitation program; often used in combination with other funding sources.
- b) Community Development Block Grant - federal funds distributed to both state and local governments; used extensively in combination with other funding sources.
- c) HUD Permanent Housing for the Disabled - federal grant funds for purchase/rehabilitation or construction of housing for the disabled.
- d) McKinney Act - provides grants for housing for the homeless.
- e) Section 8 Certificates - federal program which assists tenants with rent; if tenant has no income, certificate pays total cost of rent.
- f) Section 8 Vouchers - federal program which assists tenants with rent; with vouchers, tenant is responsible for utilities.
- g) Single Room Occupancy Program - HUD program which provides vouchers to the homeless for rent costs.

### PROJECT EXAMPLES OF "LAYERED" FINANCING:

#### Washington Inner City Self Help

Tenants grouped together to purchase the Champlain Court building in the Adams-Morgan district of Washington, D.C.

The purchase price was \$675,000; three funding sources were used.

- 1) First Right Purchase Assistance Program - funded with money from the federal Community Development Block Grant program; short-term loan covering costs associated with purchase and rehabilitation.
- 2) Washington's Home Purchase Assistance Program - funded in part by the city Community Development Block Grant program and, in part, by the city's general fund.
- 3) Tenant Assistance Program - funded entirely by the city's general fund revenue; provides an operating subsidy to assist tenants with rent.

LAYERED FINANCING

Page 2

AFFORDABLE CITY HOMES

This group built a 63 unit, multi-family development called Etzel Place in St. Louis, Missouri. Funding came from five sources:

- 1) The National Equity Fund - a Chicago-based limited partnership of corporations that invest in low-income housing, in exchange for the federal income tax credits they receive.
- 2) Construction loan provided by Boatmen's National Bank of St. Louis; committed to lend \$1.4 million at a flat 10% rate.
- 3/4) 30 year mortgage financed by Aetna Life and Casualty and the Missouri Housing Development Commission.
- 5) City of St. Louis provided \$1.3 million to complete financing through its Housing Implementation Program.

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Congregate Housing

Agency Affected: Commerce & Economic Dev.  
BRU: Alaska State Housing Authority

Sponsor: Rep. Ulmer  
Requestor: Senate State Affairs

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

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	56.3	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>56.3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

GENERAL FUND	56.3	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>56.3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**POSITIONS:**

FULL-TIME	1	0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary) This request is for the coordinator (Range 19A) of the model congregate housing project which is scheduled to last just one year. Specific job duties include: gathering data on congregate housing; formulation of pilot project; soliciting proposals for pilot project; selecting the project site; closing the project out; preparing an evaluation of the pilot program; and completing the final report to the Legislature.

Prepared by: Mark Romick Phone: 562-2813  
Division: Alaska State Housing Authority Date: 4/12/90

Approved by Commissioner: Larry Mercurieff Date: 4/12/90  
Agency: Department of Commerce & Economic Development

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

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Revenue  
 Title: An Act extending the authority of  
AHFC to assist in development of Senior BRU: AHFC  
Citizen's Housing  
 Sponsor: Ulmer/Hudson 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	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	-	-	-	-	-

CAPITAL	-	-	-	-	-	-
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REVENUE	-	-	-	-	-	-
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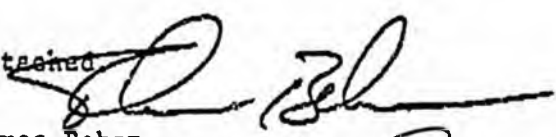
**FUNDING: (Thousands of Dollars)**

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

**POSITIONS:**

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

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

See attached 

Prepared by: Thomas Behan  
 Division: AHFC

Phone: 561-1900  
 Date: March 16, 1989

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

Date: 3/20/89

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

Fiscal Note  
HB 218

The fiscal impact of implementing this legislation is undeterminable at this time since the projected demand for congregate senior citizen housing is unknown. Currently, AHFC finances residential mortgage loans through the issuance of taxable and tax-exempt bonds. (A separate fund initially created and funded by the Legislature finances mobile home loans.) Current AHFC staff does not have the expertise to finance/underwrite multi-family housing loans or work within federal government multi-family loan programs. To implement this legislation, additional staff would be needed with the required expertise. The expertise of financing multi-family senior citizen's housing may already be available elsewhere in other state agencies.



ALASKA ASSOCIATION OF REALTORS, INC.<sup>®</sup>  
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503  
Telephone 907-563-7133

April 3, 1990

Representative Fran Ulmer  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, AK 99811

Re: Memorandum for Record

Dear Representative Ulmer:

This letter is to inform you that at the meeting of the Board of Directors of the Alaska Association of Realtors<sup>®</sup> held on March 30, 1990, it was voted unanimously to support the concept of HB 218. Our lobbyist, Joe Hayes, has been informed of this decision. We hope that our support will insure successful passage of this bill.

Sincerely,

A handwritten signature in cursive script that reads 'Jim McCourt'.

Jim McCourt  
President

cc: Joe Hayes  
Rick Hunter





February 6, 1990

The Honorable Fran Ulmer  
Alaska House of Representatives  
P.O. Box V (MS3100)  
Juneau, AK 99811

Re: HB 218

Dear Representative Ulmer:

Please be advised that the Alaska State Housing Authority supports HB 218. The Authority is always willing to take on new and innovative programs designed to assist Alaskans in general, as well as Alaskans with special needs.

We look forward to working with you and the Legislature in developing a comprehensive program for congregate housing in Alaska.

Sincerely,

ALASKA STATE HOUSING AUTHORITY

Ray Price  
Executive Director

cc:c:wp56\rp\1\rpfa.1



520 East 34th St.  
Anchorage, AK 99503  
(907) 561-1900

P.O. Box 101020  
Anchorage, AK 99510

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February 6, 1989

The Honorable Fran Ulmer  
Alaska State Legislature  
House of Representatives  
P.O. Box V  
Juneau, AK 99811-3100

By FAX

Dear Representative Ulmer:

I am pleased to offer our support for CSSSMB 218, relating to congregate housing. We believe that this legislation represents a workable approach to meeting the housing needs of Alaska's seniors and other populations with special needs.

It has been a pleasure to provide technical assistance to you in the development of this bill, and we look forward to the Corporation's participation in this alternative housing approach.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. C. Behan', written over a horizontal line.

Thomas C. Behan  
Chief Executive Officer/Executive Director

  
Older Alaskans Commission

Box C  
Juneau, Alaska 99811-0209  
907/465-3250

POSITION PAPER ON  
CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL 218

The Older Alaskans Commission supports the passage of CSSSHB 218 (Finance).

HB 218 allows Alaska Housing Finance Corporation to issue bonds and make mortgage loans for various types of congregate housing. The bill states that the borrowers for congregate loans may be individuals, nonprofit corporations, or governmental entities. There are no income level limits on the persons who may ultimately rent or buy units within the congregate housing.

The loans may be made to build, repair or renovate residential congregate housing. Congregate housing is defined to mean multi-family group-living' buildings which have both separate living areas and shared facilities. The congregate housing may include provision for the delivery of "services" to promote the congregate living (such as a cafeteria, laundromat).

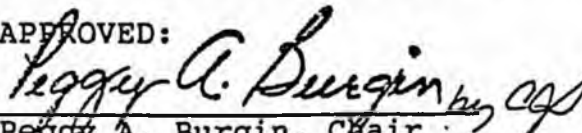
Although the bill would allow subsidized interest rates on the loans if a separate funding source for such a subsidy should become available, the basic intent is for the loans to be made at rates reflecting the actual cost to AHFC.

The Older Alaskans Commission feels that this bill will make available the type of financing needed to encourage private developers--or local citizens' groups--to develop and build much-needed congregate housing for senior citizens.

The 1989 Senior Housing Report issued by the Commission shows that seniors of all income levels desire the option of living, with other seniors, in specially designed and adapted housing that would enhance each resident's mobility, independent functional ability, and security. Promoting such housing should be a priority of the State of Alaska, in order to reduce the long term need for more nursing home or institutional care for seniors.

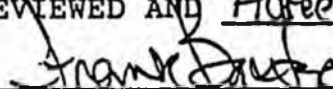
The Commission urges your passage of CSSSHB 218.

APPROVED:

  
Peggy A. Burgin, Chair  
Older Alaskans Commission

Dated: March 1, 1990

REVIEWED AND Agree :

  
Frank S. Baxter, Commissioner  
Department of Administration

Dated: 3/1/90