

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

2000

247

03/18/99 09:07:10 LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
MESSAGE FROM: LIOCJEN IN ANCHORAGE

LTN1120
JNU

RE TCN: 90381 SCHEDULED FOR:03/18/99 09:00 TO 11:00
SPONSOR: SENATE FINANCE PURPOSE: PUBLIC HEARING

MESSAGE TEXT: WE HAVE A DAVID LIEBERSBACK TO TESTIFY
ON SB101, FROM DIV. OF EMERGENCY SERVICE

03/15/99
09:01:28

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
PARTICIPANT LIST (TESTIFIERS ONLY)
TCN:90380 SCHEDULED FOR:03/15/99 09:00 TO 11:00
PUBLIC HEARING SENATE FINANCE

LTN1150
BY:JNU
FOR:ALL

LOCATION: ANCHORAGE

SB 101	MR	DAVID	LIEBERSBACH	EMERGEMCU SCVE	TESTIFY
SB 101	MS	MARY	GILSON (ANS ?)	DEPT OF LAW	TESTIFY

SENATE FINANCE COMMITTEE

SIGN-IN

SB 101-DEFINITION OF DISASTER

NAME: JACK FARGNOLI Sub./Bill No: SB 101
Co./Dept./Title: Y2K Project Office - Y2K Coord. Phone: 465-5007
Address: P.O. Box 1100290, Juneau, AK Zip: 99811-0290
Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond to Questions

SENATE FINANCE COMMITTEE

SIGN-IN

SB 101-DEFINITION OF DISASTER

NAME: GEORGE UTERMÖHLE Subject/Bill No: _____

Co./Dept./Title: LAA - LEGAL SERVICE Phone: 465-2450

Address: JUNEAU Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SB

103

SFIN

FILE



OFFICIAL BUSINESS

Alaska State Legislature
Senate
Office of the Secretary

STATE CAPITOL, ROOM 213
JUNEAU, ALASKA 99801-1182
(907) 465-3701
FAX: 465-2832
EMAIL: senate_secretary@Legis.state.ak.us

FOR YOUR IMMEDIATE ATTENTION

DATE: May 7, 1999
TO: Finance Committee
Jerry Lee Soltani, Finance Secretary
FROM: Office of the Senate Secretary

The Chair of the Committee noted above has waived referral on the following bill(s):

SENATE BILL NO. 103 - RETRIEVE

Please give the bill file(s) to the page for forwarding to the next Committee of referral.

Thank you.

SCAL NOT No. 1

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Bill Version: SB103
(S) Publish Date: 4-27-99

Revision Date/Time (Note if correction) _____ Dept. Affected Education
 Title An Act relating to a curriculum for BRU Teaching and Learning Support
 Native language education _____ Component _____
 Sponsor Senators Lincoln. Ellis _____
 Requester Senate HESS _____ Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

* While there is no fiscal impact for the department, related to Senate Bill 103, there may be some fiscal impact on school districts required to establish a local Native language curriculum advisory board.

Prepared by Barbara Thompson Phone 465-8727
 Division Teaching and Learning Support Date/Time 4/26/99 3:00 PM
 Approved by Commissioner: Richard S. Cross Date 4/23/99
 Agency Department of Education

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SCAL NOT No. 1

STATE OF ALASKA
1999 LEGISLATIVE SESSION

Bill Version: SB103
(S) Publish Date: 4-27-99

Revision Date/Time (Note if correction) _____ Dept. Affected Education
 Title An Act relating to a curriculum for BRU Teaching and Learning Support
Native lanugage education Component _____
 Sponsor Senators Lincoln, Ellis
 Requester Senate HESS Component Serial No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

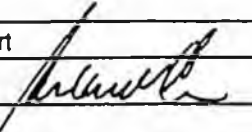
Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

* While there is no fiscal impact for the department, related to Senate Bill 103, there may be some fiscal impact on school districts required to establish a local Native language curriculum advisory board.

Prepared by Barbara Thompson Phone 465-8727
 Division Teaching and Learning Support Date/Time 4/26/99 3:00 PM
 Approved by Commissioner: Richard S. Cross  Date 4/23/99
 Agency Department of Education

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Bill History/Action Display



BILL: SB 103 SHORT TITLE: NATIVE LANGUAGE EDUCATION

BILL VERSION:

SPONSOR(S): SENATOR(S) LINCOLN, Ellis

CURRENT STATUS: (S) FIN

STATUS DATE: 4/27/99

TITLE: "An Act relating to a curriculum for Native language education; and providing for an effective date."

Full Text Bill/Resolution has Zero Fiscal Note(s).

Committee Action With Bill History

Jrn-Date	Jrn-Page	Action
3/13/99	<u>510</u>	(S) READ THE FIRST TIME - REFERRAL(S)
3/13/99	<u>510</u>	(S) HES, FIN
4/27/99	<u>1132</u>	(S) HES RPT 3DP 2NR
4/27/99	<u>1132</u>	(S) DP: MILLER, PEARCE, ELTON; NR: WILKEN,
4/27/99	<u>1132</u>	(S) PETE KELLY
4/27/99	<u>1132</u>	(S) ZERO FISCAL NOTE (DOE)
4/27/99	<u>1132</u>	(S) REFERRED TO FINANCE

Similar Subject Match or Exact Subject Match

EDUCATION

NATIVES

SCHOOL DISTRICTS

Bill Root:

[Return to BASIS Main Menu\(21st Legislature\)](#)

BASIS Last Updated 4/28/99 5:45 PM

SB

105

SFIN

FILE

SB 105

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

CS FOR SENATE BILL NO. 105()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS TAYLOR, Green

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the facilities constituting a school for purposes of public
2 school funding; and providing for an effective date."

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

4 * Section 1. AS 14.17.905 is amended to read:

5 **Sec. 14.17.905. Facilities constituting a school.** For purposes of this chapter,
6 the determination of the number of schools in a district is subject to the following:

7 (1) a community with an ADM of at least 10, but not more than 100,
8 shall be counted as one school;

9 (2) a community with an ADM of at least 101, but not more than 450
10 [750], shall be counted as

11 (A) one elementary school; which includes those students in
12 grades kindergarten through six [6]; and

13 (B) one secondary school, which includes students in grades
14 seven [7] through 12;

1 (3) in a community with an ADM of greater than 450 [750], each
2 facility that is administered as a separate school shall be counted as one school, except
3 that each alternative school with an ADM of less than 200 shall be counted as a part
4 of the school in the district with the highest ADM.

5 * Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section
6 to read:

7 **FUNDING BASED ON DEFINITION OF FACILITY CONSTITUTING A SCHOOL.**

8 In addition to other amounts that the school district may receive under AS 14.17, if a school
9 district, on June 30, 1999, consisted of three separate schools located in one community, and
10 the district, in fiscal year 2000, has an ADM of at least 101, but not more than 750, then the
11 district is eligible to receive additional public school funding equal to a percentage of the
12 difference between the amount the district would be eligible to receive under AS 14.17.410
13 if each school in the district were counted as a separate school as described under
14 AS 14.17.905(3) and the amount the district is eligible to receive under AS 14.17.410 as a
15 district counted as having one elementary school and one secondary school under
16 AS 14.17.905(2) as follows:

- 17 (1) in fiscal year 2000, 75 percent of the difference;
18 (2) in fiscal year 2001, 50 percent of the difference;
19 (3) in fiscal year 2002, 25 percent of the difference.

20 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section
21 to read:

22 **RETROACTIVITY.** Section 2 of this Act is retroactive to July 1, 1999.

23 * Sec. 4. Section 1 of this Act takes effect July 1, 2002.

SENATE FINANCE COMMITTEE
2000 COMMITTEE ACTION

Bill Number	SB 105
Amendment	
Motion	Adopt 1-LS06 INT CS
<u>Motion by</u>	SW
<u>Objection</u>	
<u>Objection by</u>	No objection
<u>Removed</u>	
<u>Second Objection by</u>	
<u>Committee Member</u>	<u>Vote</u>
Senator Gary Wilken	
Senator Pete Kelly	
Senator Lyda Green	
Senator Randy Phillips	
Senator Dave Donley	
Senator Loren Leman	
Senator Al Adams	
Co-Chair Sean Parnell	
Co-Chair John Torgerson	
<u>Tally</u>	
Yea	0
Nay	0
Absent	0
<u>MOTION</u>	Moved CCT

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CS SB 105(FIN)

Revision Date/Time <u>3-8-2000</u>	Dept. Affected <u>Education</u>	
Title <u>An Act determining the facilities</u>	BRU	<u>K-12 Support</u>
<u>constituting a school for purposes of public school ...</u>	Component	<u>Foundation Program</u>
Sponsor <u>Senator Taylor</u>		
Requester <u>Senate Finance</u>	Component Serial No.	<u>141</u>

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	394.8	197.4	1,009.8	1,009.8	1,009.8	1,009.8
Miscellaneous						
TOTAL OPERATING	394.8	197.4	1,009.8	1,009.8	1,009.8	1,009.8

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
1002 Federal Receipts						
1003 GF Match	394.8	197.4	1,009.8	1,009.8	1,009.8	1,009.8
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	394.8	197.4	1,009.8	1,009.8	1,009.8	1,009.8

Estimate of any current year (FY00) cost: 592.2

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This fiscal note updates the analysis for CS SB 105(FIN). Section 1 amends AS 14.17.905 facilities constituting a school and allows communities with an ADM greater than 450 to adjust the ADM for each facility in the community. This section has an effective date of July 1, 2002 and is estimated to cost \$1,009,800. Section 2 provides a three year transition for school districts that had 3 schools on June 30, 1999 but the funding was based on two schools because the enrollment for the community was less than 750 students. No adjustments have been made for enrollment in the out years.

Prepared by	<u>Eddy Jeans, School Finance Manager</u>	Phone	<u>465-8679</u>
Division	<u>Education Support Services</u>	Date/Time	<u>3/9/00 2:51 PM</u>
Approved by Commissioner:	<u>Richard S. Cross, Commissioner</u>	Date	<u>3/13/2000</u>
Agency	<u>Department of Education & Early Development</u>		

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School District	Section 1	Section 2		Change in FY2002
	Change in FY2003	Change in FY2000	Change in FY2001	
Alaska Gateway				
Aleutian Region				
Aleutians East				
Anchorage				
Annette Island		136,728	91,152	45,576
Bering Strait				
Bristol Bay				
Chatham				
Chugach				
Copper River				
Cordova				
Craig				
Delta/Greely	408,298			
Denali				
Dillingham				
Fairbanks				
Galena				
Haines				
Hoonah				
Hydaburg				
Iditarod				
Juneau				
Kake				
Kashunamiut				
Kenai Peninsula				
Ketchikan				
Klawock				
Kodiak Island				
Kuspuk				
Lake & Peninsula				
Lower Kuskokwim				
Lower Yukon				
Mat-Su				
Nenana				
Nome				
North Slope				
Northwest Arctic				
Pelican				
Petersburg	351,925	259,331	172,887	86,444
Pribilof				
Sitka				
Skagway				
Southeast Island				
Southwest Region				
St. Mary's				
Tanana				
Unalaska				
Valdez				
Wrangell	249,584	196,094	130,729	65,365
Yakutat				
Yukon Flats				
Yukon/Koyukuk				
Yup'it				
ACS				
Mt. Edgecumbe				
Other				
TOTALS:	\$1,009,807	\$592,153	\$394,768	\$197,385

Senate Finance Committee
Senator John Torgerson (Co-Chair)
Senator Sean Parnell (Co-Chair)
Alaska State Legislature
State Capitol
Juneau, AK 99801

March 2, 2000

Re: Bill No. SB 105

Dear Senators:

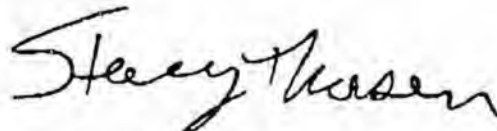
My name is Stacey Thorsen and I am a member of the Petersburg School Board. I am speaking in support of SB 105. Last year, the Petersburg School District's enrollment dropped below 750 students and funding that we had based our budget on was no longer available to us. This was a substantial amount of money and our district had to make major cuts such as ending our high school track program and slashing all aid time down to the bare minimum. The district was forced to use several small special funds and we were looking seriously at ending our elementary marine safety swim program as well. This caused great concern throughout our community as we are a community who's lives revolve around the water. Along with those concerns and overall concerns for our youth's education, our city counsel was willing to appropriate the shortfall and we were able to balance our budget and continue the swim program.

We are now working on our FY "01" budget and have set our expenditures to match exactly to the penny that of last year's expenditures. We no longer have those few special funds to draw from and have cut 2 teacher positions, reduced special ed., bilingual and speech aid time, reduced our elementary and middle school P.E. programs and we will not be able to update our math curriculum this year. These are all reductions in addition to the ones made the year before.

I understand that our situation is unique and we seemed to have fallen through the cracks somehow. Our district is feeling the pinch of this oversight and it is our students who will feel the effects of reduced aid time and an out dated math curriculum as we move on to take the benchmark and exit exams.

I am asking for support for SB 105 on behalf of my children, district and community. We are willing to work to stream line our budget but our main goal is to do what is best for kids and it is a definite challenge to do this under the current state funding formula.

Sincerely,



Stacey Thorsen
Petersburg School Board

P O BOX 784 • PETERSBURG, ALASKA • 99833
PHONE 907-772-3031

Elizabeth Bacom
PO Box 683
Petersburg, Alaska 99833
907-772-3090

March 6, 2000

Senate Finance Committee
Senator John Torgerson
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Senator Torgerson,

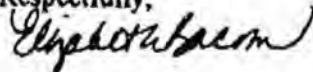
On Friday, March 3, I gave testimony to your committee regarding SB 105. I have followed this bill since its introduction by Senator Robin Taylor last year, and although it was held over in your committee last spring, I am hopeful it will proceed through your committee quickly and be passed this session.

As I said in my testimony, many programs that have been held in high regard by parents, students and educators are at risk of being reduced or eliminated. Our district has reduced custodial hours, eliminated high school track, reduced office staff time, reduced aide time, and completely eliminated professional development for teachers. We are postponing curriculum development in the math content area; special ed aide time in the elementary and high school has been decreased. The elementary and middle school physical education program will be cut by nearly 50%. To accommodate the declining enrollment and still maintain acceptable pupil - teacher ratios, we have planned combination elementary classes (K-1, 2-3, and 4-5). This is not the ideal fix for many parents, but certainly preferable to larger class sizes. We are having difficulty maintaining parity in the salary schedule of our teachers. It is becoming increasingly difficult to find and retain quality educators - the competition from outside industry is fierce. And yet, in spite of the decrease in revenues to our school district, we are continuing the process of aligning our curriculum with state standards to enable our students to successfully pass the exit exam.

Senate Bill 36 was an important first step in providing fair and equitable funding for Alaskan schools. There were even built in clauses that prevented sudden negative fiscal impacts on districts, as an example, the percent of budget tied to instruction. There was no "soft landing" for districts teetering over the edge of the 750-enrollment figure. SB 105 would provide much needed relief for our district. The enrollment of our school district in 1998 was 752 students. Lots of sleep was lost in anticipation of the October, 1998 count. If we had fallen just by a few students, we would have seen a decrease of more than \$250,000 in state funding. Even though our enrollment is down to 699 students this year, the square footage remains the same: we still house students in three separate schools. Certainly, funding should be tied to enrollment, losing the basic amount relative to the population of students is to be expected. Senator Taylor's proposed changes (SB 105-T) to provide a "soft landing" would certainly be a great assistance to our district. In either form, SB 105 would provide our district with fiscal stability and allow us to provide adequately for the students of Petersburg City Schools.

Education has always been a priority for the citizens of Alaska; it certainly is a priority in our community. Please give careful consideration to SB 105. If you have additional questions regarding the impact of this legislation on our community, please give me a call.

Respectfully,



Elizabeth Bacom
President
Petersburg School Board

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 2, 2000

SUBJECT: Sectional Summary of CSSB 95() "I" version

TO: Senator Randy Phillips
Attn: Caroline

FROM: Michael F. Ford *M.F.*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Requires that when considering school construction project grant proposals, sixth grade students who are attending school in temporary facilities shall receive the same space allocation as secondary students, when the sixth grade students are attending middle school, junior high, or high school.

Section 2. Allows municipalities to receive reimbursement for school construction bonds when the municipality has students who attend school in temporary classrooms. Also requires that sixth grade students shall receive the same space allocation as secondary students, when the sixth grade students are attending middle school, junior high, or high school.

MFF:glc
00-103.glc

Alaska State Legislature

Senator Robin Taylor

District A

State Capitol Rm 30, Juneau, Alaska 99801-1182 Phone (907)465-3873 Fax (907)465-3922



Memorandum

To: Senator Taylor
Fm: Jim Pound
Re: Ballpark fiscal note SB 105 T
Date: 3/1/00

Spoke with Eddie Jeans today and he laid out ballpark figures for SB 105 based on a couple of situations.

Section 1. (450 ADM)

Delta-	\$ 419,000
Petersburg	\$ 347,000
Wrangell	\$ 266,000
Total	\$1,032,000 annual

Section 2. (750 ADM)

	FY 00	FY 01	FY 02	FY 03
Delta	\$ 314,000	\$ 209,000	\$ 104,500	\$0
Petersburg	\$ 260,000	\$ 173,000	\$ 87,000	\$0
Wrangell	\$196,000	\$ 131,000	\$ 65,000	\$0
Total	\$770,000	\$ 513,000	\$ 256,500	\$0

Alaska State Legislature

Chairman,
Judiciary Committee
Administrative Regulations
Revenue Committee

Vice Chairman,
Resources Committee



State Capitol
Juneau, Alaska 99801-1182
(907) 465-3873
Fax: (907) 465-3922

50 Front Street
Suite 203
Ketchikan, Alaska 99901
(907) 225-8088
Fax: (907) 225-0713

Senator Robin L. Taylor

SPONSOR STATEMENT

CSSB 105 (HES)

Determining the facilities constituting a school for purposes of public school funding.

The year 1998 brought significant changes to the education foundation formula for the first time in many years. This change was an endeavor to level the playing field for all schools in the state. However, some school districts found themselves in an untenable situation. SB 105 has been introduced to fix some of the inequities that occurred in the passage of that legislation.

An example of the kinds of problems that exist in the current law can be found in the Petersburg school district. Last October when student counts were done to determine funding levels, Petersburg had an enrollment of 752 students. Today, Petersburg estimates an enrollment of 747 students. Under the current formula, if funding were calculated today, Petersburg would lose \$200,000 in funding because its Average Daily Membership (ADM) has fallen below the present 750 ADM benchmark. This appears excessive for the loss of 5 students.

Lowering the ADM to 450 also provides equity for other school districts that saw a 40-year pattern of funding three (3) school units change to where only two (2) school units were funded. Each of the communities of Wrangell and Petersburg have three (3) separate school buildings – Elementary, Middle, and High School.

Senate Bill 105 will help with the parity that should be provided to school districts throughout the state.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

School District	SB 105		
	Projected FY2000 Total State Aid	Combined Changes Section 1	Projected FY2000 Revised State Aid
Alaska Gateway	5,169,037	-	5,169,037
Aleutian Region	1,220,186	-	1,220,186
Aleutians East	3,183,589	-	3,183,589
Anchorage	201,020,436	-	201,020,436
Annette Island	938,731	-	938,731
Bering Strait	15,356,754	-	15,356,754
Bristol Bay	1,642,166	-	1,642,166
Chatham	2,413,629	-	2,413,629
Chugach	1,792,425	-	1,792,425
Copper River	5,535,996	-	5,535,996
Cordova	2,677,358	-	2,677,358
Craig	2,648,840	-	2,648,840
Delta/Greely	6,869,689	-	6,869,689
Denali	2,890,406	-	2,890,406
Dillingham	3,647,608	-	3,647,608
Fairbanks	68,768,245	-	68,768,245
Galena	14,649,743	-	14,649,743
Haines	1,782,528	-	1,782,528
Hoonah	1,640,307	-	1,640,307
Hydaburg	1,111,787	-	1,111,787
Iditarod	4,991,780	-	4,991,780
Juneau	20,993,473	-	20,993,473
Take	1,339,700	-	1,339,700
Kashunamiut	2,180,803	-	2,180,803
Kenai Peninsula	43,642,278	-	43,642,278
Ketchikan	10,385,665	-	10,385,665
Klawock	1,469,181	-	1,469,181
Kodiak Island	13,649,347	-	13,649,347
Kuspuk	4,749,867	-	4,749,867
Lake & Peninsula	7,075,839	-	7,075,839
Lower Kuskokwim	40,089,516	-	40,089,516
Lower Yukon	14,788,676	-	14,788,676
Mat-Su	58,183,947	-	58,183,947
Nenana	2,599,816	-	2,599,816
Nome	5,055,749	-	5,055,749
North Slope	11,090,185	-	11,090,185
Northwest Arctic	20,264,910	-	20,264,910
Pelican	592,435	-	592,435
Petersburg	3,314,727	394,137	3,708,864
Pribilof	1,170,502	-	1,170,502
Sitka	6,766,386	-	6,766,386
Skagway	876,645	-	876,645
Southeast Island	3,267,255	-	3,267,255
Southwest Region	6,749,618	-	6,749,618
St. Mary's	2,056,752	-	2,056,752
Tanana	1,357,399	-	1,357,399
Unalaska	2,055,419	-	2,055,419
Valdez	3,738,243	-	3,738,243
Wrangell	2,698,180	370,559	3,068,738
Yakutat	1,261,702	-	1,261,702
Yukon Flats	5,319,382	-	5,319,382
Yukon/Koyukuk	6,547,993	-	6,547,993
Yupit	4,163,279	-	4,163,279
ACS	8,307,600	-	8,307,600
Mt. Edgecumbe	1,810,543	-	1,810,543
Other	26,096,071	-	26,096,071
TOTALS:	\$695,660,321	\$764,696	\$696,425,016

School District	Impacts of Section 1			
	Change in Floor Funding	Change in Quality Grant	Change in Formula Funding	Section 1 Net Change
Alaska Gateway	-	-	-	-
Aleutian Region	-	-	-	-
Aleutians East	-	-	-	-
Anchorage	-	-	-	-
Annette Island	-	-	-	-
Bering Strait	-	-	-	-
Bristol Bay	-	-	-	-
Chatham	-	-	-	-
Chugach	-	-	-	-
Copper River	-	-	-	-
Cordova	-	-	-	-
Craig	-	-	-	-
Delta/Greely	-	-	-	-
Denali	-	-	-	-
Dillingham	-	-	-	-
Fairbanks	-	-	-	-
Galena	-	-	-	-
Haines	-	-	-	-
Hoonah	-	-	-	-
Hydaburg	-	-	-	-
Iditarod	-	-	-	-
Juneau	-	-	-	-
Kenai Peninsula	-	-	-	-
Ketchikan	-	-	-	-
Klawock	-	-	-	-
Kodiak Island	-	-	-	-
Kuspuk	-	-	-	-
Lake & Peninsula	-	-	-	-
Lower Kuskokwim	-	-	-	-
Lower Yukon	-	-	-	-
Mat-Su	-	-	-	-
Nenana	-	-	-	-
Nome	-	-	-	-
North Slope	-	-	-	-
Northwest Arctic	-	-	-	-
Pelican	-	-	-	-
Petersburg	-	1,594	392,543	394,137
Pribilof	-	-	-	-
Sitka	-	-	-	-
Skagway	-	-	-	-
Southeast Island	-	-	-	-
Southwest Region	-	-	-	-
St. Mary's	-	-	-	-
Tanana	-	-	-	-
Unalaska	-	-	-	-
Valdez	-	-	-	-
Wrangell	-	1,499	369,060	370,559
Yakutat	-	-	-	-
Yukon Flats	-	-	-	-
Yukon/Koyukuk	-	-	-	-
Yupit	-	-	-	-
ACS	-	-	-	-
Mt. Edgecumbe	-	-	-	-
Other	-	-	-	-
TOTALS:	\$0	\$3,093	\$761,603	\$764,696

Petersburg City Schools

☎ 907.772.4271
FAX 907.772.4719

P. O. Box 289
Petersburg, Alaska 99833-0289

Mary A. Francis, Ph.D.
Superintendent

November 5, 1998

The Honorable Robin Taylor
Alaska Senate
P. O. Box 1441
Wrangell, Alaska 99929

Dear Senator Taylor:

Though I have spoken with you directly about this matter, I want to reiterate a particular problem for the Petersburg City School District under the new foundation formula. I believe that there is a solution for our circumstance that would affect no other district in the state.

Several problems that exist with the new formula are outlined in a resolution passed at the fall conference of the Alaska Association of School Administrators. While we support the need to fix other areas of the new formula, Petersburg is particularly concerned about the cutoff enrollment of 750 ADM, the student count needed in order to include our three (3) schools for calculation of funding.

Fortunately this year's October student count was 752.05 ADM. If we had fallen to 750 or below, we would have realized little or no increased funding under the new program. Amazingly, two to three students can make the difference between receiving \$200,000+ additional dollars or no additional money!


For many years Petersburg has struggled with flat state education dollars, causing the local contribution for schools to rise to the maximum allowed by law. With declining timber receipts, reduced municipal assistance and revenue sharing, and uncertain fish tax revenue, the community of Petersburg is running out of options to protect the fine educational system we have built.

The new funding formula was expected to address, for example, the unfair area cost differential Petersburg has endured since the inception of the "old" formula. It was also to have addressed the inequities single site districts, such as ours, experienced under the "old" formula. It appears that these matters are taken care of by the new formula so long as our enrollment is 751 or more. If we fall to 730 students, as it seems we may do in FY '00, nothing has been resolved for us.

Therefore, I urge you to amend the legislation to change the cutoff to 700 ADM. A review of the Department of Education spreadsheets shows no other school district to have enrollment in the vicinity of 700 students. Ideally, we would prefer the cutoff to be an even safer 650 ADM, but we realize that number could potentially include a number of other districts and thus, would be too costly for the state.

Please let me know if you would like additional information on this matter. It is of vital importance to our community and to our school system. Thank you for your continuing support of Petersburg's educational needs.

Sincerely,


Mary Annexstad Francis, Ph.D.
Superintendent

cc: school board
Mayor and city council
Jenny Martens

Petersburg City Schools

☎ 907.772.4271
Fax 907.772.4719

P. O. Box 289
Petersburg, Alaska 99833-0289

Mary A. Francis, Ph.D.
Superintendent

February 17, 1999

Dr. Shirley Holloway, Commissioner
Department of Education
801 West 10th Street, Suite 200
Juneau, AK 99801-1894

Dear Dr. Holloway:

As you report to the State Board of Education and to various legislative committees on how SB 36 is working for school district, please be advised of the following impact on the Petersburg City School District. For FY '99 our student enrollment fell from a projected 775 ADM to an actual of 752 ADM. Fortunately for us, we remained above 750 students for this school year's funding.

In preparing enrollment projects for FY '00, I find that we will fall short of 750 students. As SB 36 is written, we are able to calculate the formula factoring in all three of our schools if we remain above 750 ADM. If we fall below 750 ADM, though we still have three schools and all the related costs, we must calculate the formula as if we have only two schools.

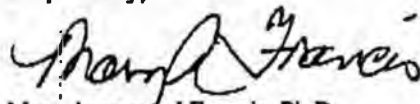
To demonstrate the magnitude of the problem associated with falling below 750 ADM, I calculated what our state funding would have been this school year if we had enrolled 748 students. Four fewer students would have translated into over \$200,000 less in state revenue to Petersburg! That equals about \$50,000 per student. A formula that has such a disastrous affect on a school district, and in which just four students have this impact, surely is in need of adjustment.

We are one of the Standards 5 schools, working diligently to implement state standards and the Quality Schools Initiatives. Given the funding shortfalls I now see, it is difficult to maintain the improvement efforts we have set in motion. Needless to say, our budget development activities are about as gloomy as I have ever had to experience.

There must be some reasonable fallback option for a district that falls just short of cutoff numbers in the funding formula. To absorb a \$200,000 problem is simply devastating here.

Thank you for your attention to our concerns. I trust you will see that this example becomes part of the public dialogue on the implementation of SB 36 and how it is working.

Respectfully,


Mary Annestad Francis, Ph.D.
Superintendent

cc: school board
city council
Senator Robin Taylor
Representative Ben Grussendorf

Petersburg Schools will provide a safe and orderly environment for teaching and learning in an atmosphere that encourages continuous improvement, and will advocate for the highest educational opportunities for all students.



**WRANGELL
PUBLIC SCHOOLS
DISTRICT OFFICE**

P.O. BOX 2319
WRANGELL, ALASKA 99929
Telephone (907) 874-2347
Fax # (907) 874-3137

GATEWAY TO THE STIKINE

March 22, 1999

Senator Robin Taylor
Room 30
State Capitol
Juneau, AK 99801-1182

Dear Senator Taylor:

I am writing this letter in support of Senate Bill 105 regarding public school funding.

Wrangell received inadequate funding under Senate Bill 36. We have not yet seen a spread sheet showing the result of SB 105 but we are sure that it would be positive. Our school funding is a serious problem. Your bill would help correct some of the inequalities of SB 36. Thanks

Sincerely,

Larry "Woody" Wilson
Superintendent

LW:kg

Post-It® Fax Note	7671	Date	03/23/99	# of pages	1
To	Mel	From	Larry 'Woody' Wilson		
Co./Dept.	Senator	Co.	Wrangell Sch		
Phone #	Taylor's	Phone #	(907) 874-2347		
Fax #	(907) 2165-2070	Fax #	(907) 874-3137		

value of the taxable real and of January 1 of the second Community and Regional

to be at least the greater of the previous fiscal year; or impact aid for that year and value of the taxable real and preceding fiscal year; Affairs under AS 14.17.510

the amount by which the local factor (b)(2) of this section exceeds one. (§ 2 ch 83 SLA 1998)

and the calculation of basic need see § 45, ch. 83, SLA 1998 in the and Special Acts.

s funding. (a) As a component of needs funding and may

assist the district in providing special education, and bilingual factor of 1.20 shall be applied

district is eligible under these provisions for each student who is enrolled on the services funding is equal to

of the district for the provided education, vocational training, and other services the funding under (a)(1) that indicates the services

provided by the department (ch 83 SLA 1998) for the

study. Except as provided for correspondence study programs, offers a statewide program; school account in a program by 80 percent

ch. 83, SLA 1998 in the Special Acts.

and multiplying the number obtained under (i) of this subsection by the special needs factor in AS 14.17.420(a)(1) and multiplying that product by the base student allocation; and

(3) multiplying the product determined under (2) of this subsection by the district cost factor that is applicable to calculation of the state aid for the adjacent school district under AS 14.17.460.

(b) State boarding schools are also eligible for intensive services funding under AS 14.17.420(a)(2). (§ 2 ch 83 SLA 1998)

Sec. 14.17.450. School size factor. (a) For purposes of calculating a school's ADM to determine state aid, the ADM of each school in a district shall be computed by applying the following formula:

If the student count in a school is		The adjusted student is				
At least	But less than	Base	Multiplier	The number of students in excess of		
10	-	20	39.6			
20	-	30	39.6	+	(1.62	x 20)
30	-	75	55.8	+	(1.49	x 30)
75	-	150	122.85	+	(1.27	x 75)
150	-	250	218.1	+	(1.08	x 150)
250	-	400	326.1	+	(0.97	x 250)
400	-	750	471.6	+	(0.92	x 400)
750	or	over	793.6	+	(0.84	x 750).

(b) If the ADM in a school is less than 10, those students shall be included in the ADM of the school in that district with the lowest ADM as determined by the most recent student count data for that district. (§ 2 ch 83 SLA 1998)

Sec. 14.17.460. District cost factors. (a) For purposes of calculating a district's adjusted ADM under AS 14.17.410(b)(1), the district cost factor for a school district is as follows:

DISTRICT	DISTRICT COST FACTOR
Alaska Gateway	1.291
Chukotka East	1.423
Chukotka Region	1.736
Yukon Central School	1.000
Chukotka	1.000
Chukotka Island	1.011
Chukotka Strait	1.525
Chukotka Bay	1.262
Chukotka	1.120
Chukotka	1.294
Chukotka	1.176
Chukotka	1.096
Chukotka	1.010
Chukotka	1.106

To:Senate
Finance

Fax:907-465-2187 Phone:465-2618

From: Janell
Privett

Fax:907-874-2077 Phone:874-2074

Re:SB#105

Date:4/28/99

Comments:

3 page
1 COVER
4 TOTAL.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska

...aid for that year and
 value of the taxable real and
 of January 1 of the second
 Community and Regional

...be at least the greater of
 ...the previous fiscal year; or
 ...mpact aid for that year and
 value of the taxable real and
 ...nd preceding fiscal year,
 Affairs under AS 14.17.510

...e amount by which the local
 ...r (b)(2) of this section exceed
 ...ion. (§ 2 ch 83 SLA 1998)

...nd the calculation of basic need
 ...see § 45, ch 83, SLA 1998 in
 ...nd Special Acts.

...s funding. (a) As a comp
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 ...offers a statewide
 ...school account in a
 ...rogram by 80 percen

...ch. 83, SLA 1998 in
 ...Acts.

...multiplying the number obtained under (1) of this subsection by the special needs factor in AS 14.17.420(a)(1) and multiplying that product by the base student allocation; and

(3) multiplying the product determined under (2) of this subsection by the district cost factor that is applicable to calculation of the state aid for the adjacent school district under AS 14.17.460.

(b) State boarding schools are also eligible for intensive services funding under AS 14.17.420(a)(2). (§ 2 ch 83 SLA 1993)

Sec. 14.17.450. School size factor. (a) For purposes of calculating a school's ADM to determine state aid, the ADM of each school in a district shall be computed by applying the following formula:

If the student count in a school is		The adjusted student is		
At least	But less than	Base	Multiplier	The number of students in excess of
10	-	39.6		
20	-	39.6	+	
30	-	55.8	+	(1.62 x 20)
75	-	122.85	+	(1.49 x 30)
150	-	218.1	+	(1.27 x 75)
250	-	326.1	+	(1.08 x 150)
400	-	471.6	+	(0.97 x 250)
750	or	793.6	+	(0.92 x 400)
over			+	(0.84 x 750)

(b) If the ADM in a school is less than 10, those students shall be included in the ADM of the school in that district with the lowest ADM as determined by the most recent student count data for that district. (§ 2 ch 83 SLA 1998)

Sec. 14.17.460. District cost factors. (a) For purposes of calculating a district's adjusted ADM under AS 14.17.410(b)(1), the district cost factor for a school district is as follows:

DISTRICT	DISTRICT COST FACTOR
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Chukotka East	1.423
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Chukotka Bay	1.262
Chukotka	1.120
Chukotka	1.294
Chukotka	1.176
Chukotka	1.096
Chukotka	1.010
Chukotka	1.106

Denali	1.313
Dillingham	1.254
Fairbanks	1.039
Galena	1.348
Haines	1.008
Hoonah	1.055
Hydaburg	1.085
Iditarod	1.470
Juneau	1.005
Kake	1.025
Kashunamiut	1.389
Kenai Peninsula	1.004
Ketchikan	1.000
Klawo'k	1.017
Kodiak Island	1.093
Kuspuk	1.434
Lake and Peninsula	1.558
Lower Kuskokwim	1.491
Lower Yukon	1.438
Matanuska-Susitna	1.010
Mt. Edgecumbe	1.000
Nenana	1.270
Nome	1.319
North Slope	1.504
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Pelican	1.290
Petersburg	1.000
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Skagway	1.143
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St. Mary's	1.351
Tanana	1.496
Unalaska	1.245
Valdez	1.095
Wrangell	1.000
Yakutat	1.046
Yukon Flats	1.668
Yukon/Koyukuk	1.502
Yupiit	1.469.

(b) The department shall monitor the cost factors established under (a) of this section and shall prepare and submit to the legislature by January 15 of every other fiscal year proposed district cost factors. (§ 2 ch 83 SLA 1998)

Cross references. — For transitional provisions relating to initial proposed district cost factors required under (b), see § 41, ch. 83, SLA 1998 in the 1998 Temporary and Special Acts.

Sec. 14.17.470. Base student allocation. The base student allocation is \$3,940. (§ 2 ch 83 SLA 1998)

Sec. 14.17.480. Quality school funding. (a) As a component of public school funding, a district is eligible to receive a quality school funding grant not to exceed the

To:Senate
Finance

Fax:907-465-2187 Phone:465-2618

From: Janell
Privett

Fax:907-874-2077 Phone:874-2074

Re:SB#105

Date:4/28/99

Comments:

3 page
1 COVER
4 TOTAL

Janell Privett
P.O. Box 775
Wrangell, Alaska 99929

SB#105

Senate Finance,

I would like to go on record in support of SB#105 introduced by Senator Taylor. In listening to testimony on Wednesday April 28, 1999 I was very disappointed to hear that the Department of Education is not in support of this bill and has not to date understood the difficult situation these two communities are facing.

Consolidation is a trendy word that really does not speak to these two communities, nor does it bring the best educational practice forward for the children in our communities. Wrangell is under the states rating for efficiency at 70%, our salary is one of eight lowest in the State of Alaska, we have had in place State Standards, State Board Standards for School Boards, we have been well supported by our Municipality with the contribution of 59% of the total tax revenues going to Wrangell Schools. In all that the State of Alaska has asked Wrangell School District we have done and it feels like we are being punished for the good job we are doing.

When considering this bill you must take into consideration our communities economic situation, our population and our ability to keep funding education reductions, we as a community are not able to keep funding education as we have in the past, our community has funded the cost of living increases that the state has not kept up with and have done this with a uncertain economic future.

With due respect to Senator Al Adams statement to leave the formula alone for three years, I believe that in the last hours of last year that seemed reasonable, but it is not reasonable or fair to leave school districts in the financial situation we face, I can't believe that it was the intention of any Senate to let a school completely devastate its educational integrity because of a waiting period that did not take situations like Wrangell and Petersburg into consideration.

I respect the difficult situation the Senate is in, but please understand our situation as well.

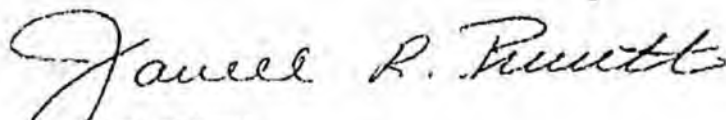
Wrangell School District has one of the finest education programs in the State of Alaska and we would like to continue this reputation, it is very difficult for communities that have faced very difficult economic times and are continuing to face those times, but then to realize that our tax base can not continue to fund and to keep up with the contributions that they have been making, is very hard on a community that has been proud of it's ability to do a lot with a little.

Wrangell School District is very proud of our three schools that the Department of Education seems to bring up in a negative manner, yes!!! We have three schools, that have been brought to the attention of many as being a school district that put kids and education first, and we have done that with three schools, three schools that are run by administration that does many other jobs in our district. We as a community are very proud and hold firm to local control and believe that we bring forward excellence in education, and the many hours and time that our community puts forward in supporting education is evident in our success.

The number one priority for the Wrangell Legislative lobbying document is and continues to be EDUCATION!!!

Please consider carefully your decisions on SB105 and it's effect on the Children of Wrangell.

Thank you for your time and consideration,


Janell R. Privett

CITY OF WRANGELL
 INFORMATION REGARDING SCHOOL CASH CONTRIBUTIONS FROM THE CITY
 FOR THE FISCAL YEARS 1993 THROUGH 1999

PREPARED BY JEFF JABUSCH
 ON FEBRUARY 22, 1999

AS REQUESTED FROM PUBLIC

FISCAL YEAR	IN-KIND CONTRIBUTION	(CITY) LOCAL CASH CONTRIBUTION	TIMBER TAX RECEIPTS	TOTAL LOCAL CASH CONTRIBUTION	TOTAL SALES AND PROPERTY TAX REVENUE	(CITY ONLY) LOCAL CONTR. AS A PERCENT OF TOTAL TAX DOLLARS
1993	29,000	339,865	662,635	1,002,500	2,476,762	14%
1994	29,000	873,639	212,529	1,086,168	2,735,962	32%
1995	29,000	809,540	251,231	1,060,771	2,692,969	30%
1996	29,000	559,628	603,586	1,163,214	2,561,385	22%
1997	29,000	529,545	506,485	1,036,030	2,266,027	23%
1998	29,000	919,932	380,068	1,300,000	2,048,754	45%
1999	29,000	1,309,076	74,865	1,383,741	2,237,000	59%

THE ABOVE SPREADSHEET SHOWS THE AMOUNT THE LOCAL CONTRIBUTION HAS BEEN TO THE SCHOOL SINCE 1993, SHOWS THE AMOUNT OF TIMBER TAX RECEIPTS, AND IT SHOWS THE TOTAL AMOUNT OF PROPERTY AND SALES TAXES THAT THE CITY RECEIVED IN THOSE SAME YEARS. THE LAST COLUMN SHOWS THE PERCENTAGE OF THE SCHOOL CASH CONTRIBUTION TO TOTAL TAX REVENUES. AN EXAMPLE WOULD BE 1997 WHEN THE CITY OF WRANGELL'S CASH CONTRIBUTION WAS \$529,545 WHICH WAS 23% OF THE TOTAL TAX REVENUES.

NOTE**

IN THE YEAR 2000 TAXES WILL INCREASE BECAUSE THE SALES TAXES WILL AGAIN BE ON FOOD AND UTILITIES. THIS WILL HAVE A TENDENCY TO MOVE THE PERCENTAGE DOWN ABOUT 10% NEXT YEAR IF EVERYTHING ELSE STAYED THE SAME.

Subject: Senate Bill 95

Date: Wed, 1 Mar 2000 11:50:49 -0900

From: "Bill and Diane Kuhlmann" <alaskabk@alaska.net>

To: "Al Adams" <Senator_Al_Adams@legis.state.ak.us>,
"Dave Donley" <Senator_Dave_Donley@legis.state.ak.us>,
"Gary Wilken" <Senator_Gary_Wilken@legis.state.ak.us>,
"John Torgerson" <Senator_John_Torgerson@legis.state.ak.us>,
"Pete Kelly" <Senator_Pete_Kelly@legis.state.ak.us>,
"Randy Phillips" <Senator_Randy_Phillips@legis.state.ak.us>,
"Lyda Green" <Senator_Lyda_Green@legis.state.ak.us>,
"Loren Leman" <Senator_Loren_Leman@legis.state.ak.us>

Dear Senators,

I am very pleased that SB 95 will come before your committee for a vote this Friday. I am strongly in support of this bill and strongly urge it's passage. The 50% reimbursement for school construction of a new high school in Eagle River is probably the only possible way that the voters in Anchorage might help support the construction of a new school in Eagle River. It will be a very difficult fight to gain the support of Anchorage voters for the badly needed school in our community.

I hope you will pass this bill and give our local community the opportunity to convince Anchorage voters the need to vote for the bond issue for a new Eagle River High School.

Thank you,

Bill Kuhlmann,
Chairman of Eagle River Community Council
President Eagle River Rotary Club

ORIGINAL

04/28/99
09:18:03

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
PARTICIPANT LIST (TESTIFIERS ONLY)
TCN:90675 SCHEDULED FOR:04/28/99 09:00 TO 11:00
PUBLIC HEARING SENATE FINANCE

LTN1150
BY:JNU
FOR:ALL

LOCATION: ANCHORAGE

SB 45		MAX	LOWE	AK SNOWMOBILE	TESTIFY
SB 45		LANCE	STEVENS	ASSA	TESTIFY
SB 45		BRYAN	MERRELL		TESTIFY
SB 45		TIM	BORGSTROM	AEDC	TESTIFY

LOCATION: FAIRBANKS

SB 45	MS.	NANCY	WELCH	DNR-LAND	TESTIFY
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LOCATION: GLENNALLEN

SB 45	MR.	HARVEY	HARRIS		TESTIFY
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LOCATION: HOMER

SB 45		MICHAEL	EASTHAM	SNOWMADS	TESTIFY
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LOCATION: KENAI LIO

SB 45	MR.	DALE	BONDURANT	SELF	TESTIFY
SB 45	MR.	HOWARD	DAVIS	CARIBOU HILLS	TESTIFY

LOCATION: MATSU

SB 45	MR.	TIM	KRUG	CITY OF WASILLA	TESTIFY
<i>SB 45</i>		<i>Tom</i>	<i>STA ✓</i>		

LOCATION: PETERSBURG

SB 105	MR	BOB	ZORICH		TESTIFY
SB 105	MRS	MARY	FRANCIS		TESTIFY
SB 105	MRS	SUE	PAULSEN		TESTIFY
SB 105	MRS	SHARLA	COON		TESTIFY
SB 105	MRS	KAREN	SEVERSON		TESTIFY
SB 105	MRS	ELIZABETH	BACOM		TESTIFY
SB 105	MRS	TRACEY	REID		TESTIFY

LOCATION: OFFNET 1

SB 105	MR	WRANGELL	WOODY	WILSON	TESTIFY
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*If They do SB 123
in April 15-
Jennifer Rudinger*

SENATE FINANCE COMMITTEE

SIGN-IN

SB 105-PUBLIC SCHOOL FUNDING

NAME: CARI ROSE Subject/Bill No: SB 105

Co./Dept./Title: AASIB Phone: 6-1083

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Vernon Marshall Subject/Bill No: SB 105

Co./Dept./Title: NEA - AIC Phone: 6-3090

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SENATE FINANCE COMMITTEE

SIGN-IN

SB 105-PUBLIC SCHOOL FUNDING

NAME: Eddy Jeans Sub./Bill No: SB 105

Co./Dept./Title: DOE Phone: 8679

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: PAUL ANDERSON Sub./Bill No: SB 105

Co./Dept./Title: Mayor Pro Tem Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions



Teleconference Participants

TCN: 10472

Participant Lists

View List for

ALL

Testifiers

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Participants

Unidentified Testifiers: 0

Unidentified Observers: 0

ANCHORAGE (ANC)

1 Name:Ms. Nancy Davis Phone: 694 3556
 Address: 17508 Toakana Way Affiliation: PTA Leg Te
 City /St /Zip:Eagle River AK 99577 Type: Testifier
 Bill: SB 95: SCHOOL GRADE LEVELS

DELTA JCT. (DJT)

1 Name:Mr. Dan Beck Phone:
 Address: Super, Delta/Greely Sch Affiliation:
 City /St /Zip: Type: Testifier
 Bill: SB 105: PUBLIC SCHOOL FUNDING

2 Name:Mr. Art Griswold Phone:
 Address: Affiliation:
 City /St /Zip: Type: Testifier
 Bill: SB 105: PUBLIC SCHOOL FUNDING

FAIRBANKS (FBX)

2 Name:Mr. Royce Chapman Phone: 488-8450
 Address: PO Box 55414 Affiliation: FbSciBd
 City /St /Zip:North Pole AK 99705 Type: Testifier
 Bill: ~~SB 198~~ INCREASE BASE ALLOCATION FOR EDUCATION

4 Name:Ms. Cynthia Henry Phone: 452-8477
 Address: 3216 Riverview Affiliation: FbSciBd
 City /St /Zip:Fairbanks AK 99709 Type: Testifier
 Bill: ~~SB 198~~ INCREASE BASE ALLOCATION FOR EDUCATION

5 Name:Ms. Carter Crawford Phone: 452-2125
 Address: 516 2nd Ave Affiliation:
 City /St /Zip:Fairbanks AK 99701 Type: Testifier
 Bill: ~~SB 198~~ INCREASE BASE ALLOCATION FOR EDUCATION

6 Name:Ms. Debbie Cook ~~SB 198~~ Phone: 457-1725
 Address: 2290 Yankovich Rd Affiliation: ChinokChtr
 City /St /Zip:Fairbanks AK 99709 Type: Testifier
 Bill: SB 105: PUBLIC SCHOOL FUNDING

7 Name:Ms. Mika Mach Phone: 479-0239
 Address: 322 Ketchikan Ave Affiliation: ChinokCh
 City /St /Zip:Fairbanks AK 99701 Type: Testifier
 Bill: SB 105: PUBLIC SCHOOL FUNDING

GLENNALLEN (GLN)

HOMER (HOM)

Homer

1 Name:Mr. Scot Wheat Phone: 235-6840
 Address: Also testify on ~~SB 198~~ and SB 244 Affiliation: Mental Hea
 City /St /Zip:Homer AK 99603 Type: Testifier
 Bill: SB 105: PUBLIC SCHOOL FUNDING

2 Name:Mr. Rick Harness Phone: 235-0603
 Address: Also testify on ~~SB 198~~ Affiliation: self
 City /St /Zip:Homer AK 99603 Type: Testifier
 Bill: SB 105: PUBLIC SCHOOL FUNDING

KENAI (KEN)

1 Name:Mr. Patrick Hickey ~~SB 198~~, SB244) Phone: 2622446
 Address: 148 N Binkley Affiliation: KPBSD
 City /St /Zip:Soldotna Ak 99669 Type: Testifier
 Bill: SB 105: PUBLIC SCHOOL FUNDING

2 Name:Ms. Catherine DeLacee Phone: 262-1538
 Address: 37035 Nicholas Lane Affiliation:
 City /St /Zip:Soldotna Ak 99669 Type: Testifier
 Bill: ~~SB 198~~ INCREASE BASE ALLOCATION FOR EDUCATION

MATSU (MAT)

NOME (NOM)

1 Name:Ms. Karen Ligon Phone: 9074432231
 Address: Nome Public Schools, PO Box 131 Affiliation: NPS
 City /St /Zip:Nome AK 99762 Type: Testifier
 Bill: SB 105: PUBLIC SCHOOL FUNDING

Debbie Ossiander (OF1) SB 95 Eagle River

PETERSBURG (PSG)

1 Name:Mrs. Elizabeth Bacom Phone: 772-3090
 Address: PO Box 683 Affiliation:
 City /St /Zip:Petersburg AK 99833 Type: Testifier
 Bill: SB 105: PUBLIC SCHOOL FUNDING

2 Name:Mrs. Elizabeth Bacom Phone: 772-3090
 Address: PO Box 683 Affiliation:
 City /St /Zip:Petersburg AK 99833 Type: Testifier
 Bill: SB 198: INCREASE BASE ALLOCATION FOR EDUCATION

SEWARD (SEW)

1 Name:Mr. Malcolm Fleming Phone:
 Address: PO Box 302 Affiliation: SEWARD HS
 City /St /Zip:Seward AK 99664 Type: Testifier
 Bill: ~~SB 198~~ INCREASE BASE ALLOCATION FOR EDUCATION

SB

106

SFIN

FILE

SB 106

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

1-LS0424H
Bannister✓
4/26/99

CS FOR SENATE BILL NO. 106(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): **SENATOR TAYLOR**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to actions of the Department of Health and Social Services
2 regarding certain health facility payments; and relating to rates of payment to
3 health facilities."

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

5 * **Section 1.** AS 47.07.075 is amended to read:

6 **Sec. 47.07.075. Administrative procedure.** (a) Actions of the department
7 regarding health facility payment rates under this chapter and AS 47.25.120 -
8 47.25.300 are subject to provisions of AS 44.62 (Administrative Procedure Act) except
9 as provided in (b), (c), (d), or (e) of this section.

10 (b) The commissioner shall [,] by regulation [,] establish time limits applicable
11 to the various phases of an administrative appeal process involving an appeal of the
12 amount of a payment rate set by the department for a facility. The time limits set
13 under the regulations supersede conflicting time limits in AS 44.62.330 - 44.62.630.
14 The regulations must provide that

1 [(1)] a hearing for an appeal described in this subsection must be
2 scheduled under AS 44.62.410 to occur no more than 120 days after written notice of
3 rate appeal has been received by the department from a facility unless the facility
4 requests a delay or good cause for the delay is demonstrated to the satisfaction of the
5 hearing officer [;

6 (2) THE COMMISSIONER MUST, WITHIN 30 DAYS AFTER
7 RECEIVING THE RECOMMENDATION OF THE HEARING OFFICER, EITHER
8 RENDER A DECISION IN THE CASE OR REFER THE CASE BACK TO A
9 HEARING OFFICER FOR ADDITIONAL FINDINGS;

10 (3) IF EITHER TIME LIMIT SET UNDER (1) OR (2) OF THIS
11 SUBSECTION IS NOT MET, THE DEPARTMENT SHALL REPORT THE
12 NONCOMPLIANCE TO THE LEGISLATURE AND THE GOVERNOR BY THE
13 FOLLOWING JANUARY 20 WITH AN EXPLANATION OF THE LENGTH OF
14 DELAY, REASONS FOR THE DELAY, AND PROPOSED CORRECTIVE ACTION
15 BY THE DEPARTMENT TO AMELIORATE THE CAUSES OF DELAY].

16 * Sec. 2. AS 47.07.075 is amended by adding new subsections to read:

17 (c) The commissioner shall, within 30 days after receiving the recommendation
18 of the hearing officer, render a final administrative decision in the case unless the
19 facility requests a delay. If after 30 days the commissioner does not render a final
20 administrative decision, the hearing officer's recommendation becomes the final
21 administrative decision. A final administrative decision under this subsection is subject
22 to judicial review as a final administrative order under AS 44.62.560 and 44.62.570.

23 (d) If the time limit set under (b) of this section is not met, the department
24 shall report the noncompliance to the legislature and the governor by the following
25 January 20 with an explanation of the length of delay, reasons for the delay, and
26 proposed corrective action by the department to ameliorate the causes of delay.

27 (e) At the request of any party, the department may offer a process of
28 voluntary mediation.

29 * Sec. 3. HEALTH FACILITY PAYMENT RATES. (a) On or before the convening of
30 the Second Regular Session of the Twenty-First Alaska State Legislature, the Department of
31 Health and Social Services shall provide in a report to the legislature the rates developed

1 under this section and the recommendations and other information required by this section.

2 (b) The department shall develop proposed rates of payment for hospitals and nursing
3 facilities to be used under AS 47.07 and AS 47.25.120 - 47.25.300. The department shall
4 develop the rates under the provisions, including the hearing requirements, of AS 47.07.070,
5 except as otherwise modified by this section. The department is not required to comply with
6 the criteria of AS 47.07.070(b) or with AS 47.07.070(e) when developing the rates or to
7 appoint a technical advisory committee under AS 47.07.070(f). Notwithstanding
8 AS 47.07.070,

9 (1) the rates must be based on a fair rate for costs of patient care;

10 (2) the department is not required to set individual rates for each facility; and

11 (3) the department may recommend mandatory alternative rate setting
12 methodologies for facilities based on differences in licensing or certification, services
13 provided, facility size, patient utilization, community size, facility location, or combinations
14 of these factors; these alternative rate setting methodologies may include payment rates
15 calculated for groups of facilities or services.

16 (c) The department shall identify in the report under this section any alternative rate
17 setting methodologies as well as the rates.

18 (d) The legislature finds that 90 percent of the appeals in the setting of rates originate
19 from problems with certain areas in the applicable regulations. These problem areas include
20 volume changes in long-term care under 7 AAC 43.685, the handling of long-term care under
21 7 AAC 43.686, non-reimbursable areas under 7 AAC 43.686, year-end conformance under 7
22 AAC 43.685 and 7 AAC 43.691, audits under 7 AAC 43.693, and arbitrary treatment and
23 inconsistent annual treatment of facilities under 7 AAC 43.679 and 7 AAC 43.680. The
24 department shall examine and review these problem areas and include in the report required
25 by this section the department's recommendations, including specific changes, on how these
26 areas could be improved to reduce appeals.

27 (e) The department shall work with the Alaska State Hospital and Nursing Homes
28 Association when developing the rates and recommendations under this section.

29 (f) In this section,

30 (1) "costs of patient care" includes reasonable costs of

31 (A) current operations, including salaries and wages, purchased

1 services, supplies, insurance, leases, depreciation, taxes, interest expense, maintenance,
2 and other health facility operating expenses; and

3 (B) education, research, and appropriate capital development;

4 (2) "department" means the Department of Health and Social Services;

5 (3) "rates" means the rates of payments for health facilities to be used under

6 AS 47.07 and AS 47.25.120 - 47.25.300.

A M E N D M E N T

OFFERED IN THE SENATE
TO: CSSB 106(JUD)

BY SENATOR TORGERSON

*moved by Sen. Donley
object Sen. Wilken
5y-4n Adopted*

Page 1, line 2, following "payments":

Insert ";and relating to rates of payment to health facilities"

Page 2, following line 25:

Insert a new bill section to read:

"*Sec. 3. HEALTH FACILITY PAYMENT RATES. (a) On or before the convening of the Second Regular Session of the Twenty-First Alaska State Legislature, the Department of Health and Social Services shall provide in a report to the legislature the rates developed under this section and the recommendations and other information required by this section.

(b) The department shall develop proposed rates of payment for hospitals and nursing facilities to be used under AS 47.07 and AS 47.25.120 – 47.25.300. The department shall develop the rates under the provisions, including the hearing requirements, of AS 47.07.070, except as otherwise modified by this section. The department is not required to comply with the criteria of AS 47.07.070(b) or AS 47.07.070(e) when developing the rates or to appoint a technical advisory committee under AS 47.07.070(f).

Notwithstanding AS 47.07.070,

(1) the rates must be based on a fair rate for reasonable costs of patient care;

(2) the department is not required to set individual rates for each facility; and

(3) the department may recommend mandatory alternative rate setting methodologies for facilities based on differences in licensing or certification, services provided, facility size, patient utilization, community size, facility location, or combinations of these factors; these alternative rate setting

1 methodologies may include payment rates calculated for groups of
2 facilities or services.

3 (c) The department shall identify in the report under this section any
4 alternative rate setting methodologies as well as the rates.

5 (d) The legislature finds that 90 percent of the appeals in the setting
6 of rates originate from problems with certain areas in the applicable
7 regulations. These problem areas include volume changes in long-term care
8 under 7 AAC 43.685, the handling of long-term care under 7 AAC 43.686,
9 non-reimbursable areas under 7 AAC 43.686, year-end conformance under 7
10 AAC 43.685 and 7 AAC 43.691, audits under 7 AAC 43.693, and arbitrary
11 treatment and inconsistent annual treatment of facilities under 7 AAC 43.679
12 and 7 AAC 43.680. The department shall examine and review these
13 problem areas and include in the report required by this section the
14 department's recommendations, including specific changes, on how these
15 areas could be improved to reduce appeals.

16 (e) The department shall work with the Alaska State Hospital and
17 Nursing Homes Association when developing the rates and
18 recommendations under this section.

19 (f) In this section,

20 (1) "costs of patient care" includes reasonable costs of

21 (A) current operations, including salaries and wages,
22 purchased services, supplies, insurance, leases, depreciation,
23 taxes, interest expense, maintenance, and other health facility
24 operating expenses; and

25 (B) education, research, and appropriate capital
26 development;

27 (2) "department" means the Department of Health and Social
28 Services;

29 (3) "rates" means the rates of payments for health facilities to
30 be used under AS 47.07 and AS 47.25.120 – 47.25.300."

SENATE FINANCE
COMMITTEE
Amendment Number: 2
Bill Number: CSSB 106 (JUD)
Sponsor: Tomerson Date: 4/29/99
Logged In: by Mindy

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB 106(JUD)

BY SENATOR TORGERSON

*moved by Sen. Parnells
w/o objection, Adapted*

- 1 Page 1, line 8
- 2 Delete: “,(c), or (d)”
- 3 Insert “,(c), (d) or (e)”

- 4 Page 2, line 17 following “case”
- 5 Insert “**unless the facility requests a delay**”

- 6 Page 2, following line 25
- 7 Insert a new subsection to read:
- 8 (e) At the request of any party, the department may offer a process
- 9 of voluntary mediation.

1-LS0424\H
Bannister/
4/26/99

CS FOR SENATE BILL NO. 106(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): **SENATOR TAYLOR**

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to actions of the Department of Health and Social Services
2 regarding certain health facility payments; and relating to rates of payment to
3 health facilities."

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

5 * Section 1. AS 47.07.075 is amended to read:

6 **Sec. 47.07.075. Administrative procedure.** (a) Actions of the department
7 regarding health facility payment rates under this chapter and AS 47.25.120 -
8 47.25.300 are subject to provisions of AS 44.62 (Administrative Procedure Act) except
9 as provided in (b), (c), (d), or (e) of this section.

10 (b) The commissioner shall [,] by regulation [,] establish time limits applicable
11 to the various phases of an administrative appeal process involving an appeal of the
12 amount of a payment rate set by the department for a facility. The time limits set
13 under the regulations supersede conflicting time limits in AS 44.62.330 - 44.62.630.
14 The regulations must provide that

1 [(1)] a hearing for an appeal described in this subsection must be
2 scheduled under AS 44.62.410 to occur no more than 120 days after written notice of
3 rate appeal has been received by the department from a facility unless the facility
4 requests a delay or good cause for the delay is demonstrated to the satisfaction of the
5 hearing officer [;

6 (2) THE COMMISSIONER MUST, WITHIN 30 DAYS AFTER
7 RECEIVING THE RECOMMENDATION OF THE HEARING OFFICER, EITHER
8 RENDER A DECISION IN THE CASE OR REFER THE CASE BACK TO A
9 HEARING OFFICER FOR ADDITIONAL FINDINGS;

10 (3) IF EITHER TIME LIMIT SET UNDER (1) OR (2) OF THIS
11 SUBSECTION IS NOT MET, THE DEPARTMENT SHALL REPORT THE
12 NONCOMPLIANCE TO THE LEGISLATURE AND THE GOVERNOR BY THE
13 FOLLOWING JANUARY 20 WITH AN EXPLANATION OF THE LENGTH OF
14 DELAY, REASONS FOR THE DELAY, AND PROPOSED CORRECTIVE ACTION
15 BY THE DEPARTMENT TO AMELIORATE THE CAUSES OF DELAY].

16 * Sec. 2. AS 47.07.075 is amended by adding new subsections to read:

17 (c) The commissioner shall, within 30 days after receiving the recommendation
18 of the hearing officer, render a final administrative decision in the case unless the
19 facility requests a delay. If after 30 days the commissioner does not render a final
20 administrative decision, the hearing officer's recommendation becomes the final
21 administrative decision. A final administrative decision under this subsection is subject
22 to judicial review as a final administrative order under AS 44.62.560 and 44.62.570.

23 (d) If the time limit set under (b) of this section is not met, the department
24 shall report the noncompliance to the legislature and the governor by the following
25 January 20 with an explanation of the length of delay, reasons for the delay, and
26 proposed corrective action by the department to ameliorate the causes of delay.

27 (e) At the request of any party, the department may offer a process of
28 voluntary mediation.

29 * Sec. 3. HEALTH FACILITY PAYMENT RATES. (a) On or before the convening of
30 the Second Regular Session of the Twenty-First Alaska State Legislature, the Department of
31 Health and Social Services shall provide in a report to the legislature the rates developed

1 under this section and the recommendations and other information required by this section.

2 (b) The department shall develop proposed rates of payment for hospitals and nursing
3 facilities to be used under AS 47.07 and AS 47.25.120 - 47.25.300. The department shall
4 develop the rates under the provisions, including the hearing requirements, of AS 47.07.070,
5 except as otherwise modified by this section. The department is not required to comply with
6 the criteria of AS 47.07.070(b) or with AS 47.07.070(e) when developing the rates or to
7 appoint a technical advisory committee under AS 47.07.070(f). Notwithstanding
8 AS 47.07.070,

- 9 (1) the rates must be based on a fair rate for costs of patient care; *reasonable omitted*
10 (2) the department is not required to set individual rates for each facility; and
11 (3) the department may recommend mandatory alternative rate setting
12 methodologies for facilities based on differences in licensing or certification, services
13 provided, facility size, patient utilization, community size, facility location, or combinations
14 of these factors; these alternative rate setting methodologies may include payment rates
15 calculated for groups of facilities or services.

16 (c) The department shall identify in the report under this section any alternative rate
17 setting methodologies as well as the rates.

18 (d) The legislature finds that 90 percent of the appeals in the setting of rates originate
19 from problems with certain areas in the applicable regulations. These problem areas include
20 volume changes in long-term care under 7 AAC 43.685, the handling of long-term care under
21 7 AAC 43.686, non-reimbursable areas under 7 AAC 43.686, year-end conformance under 7
22 AAC 43.685 and 7 AAC 43.691, audits under 7 AAC 43.693, and arbitrary treatment and
23 inconsistent annual treatment of facilities under 7 AAC 43.679 and 7 AAC 43.680. The
24 department shall examine and review these problem areas and include in the report required
25 by this section the department's recommendations, including specific changes, on how these
26 areas could be improved to reduce appeals.

27 (e) The department shall work with the Alaska State Hospital and Nursing Homes
28 Association when developing the rates and recommendations under this section.

29 (f) In this section,

- 30 (1) "costs of patient care" includes reasonable costs of
31 (A) current operations, including salaries and wages, purchased

1 services, supplies, insurance, leases, depreciation, taxes, interest expense, maintenance,
2 and other health facility operating expenses; and

3 (B) education, research, and appropriate capital development;

4 (2) "department" means the Department of Health and Social Services;

5 (3) "rates" means the rates of payments for health facilities to be used under
6 AS 47.07 and AS 47.25.120 - 47.25.300.

SENATE FINANCE

COMMITTEE

Amendment Number: 3

1-LS0424\G.7

Bill Number: CS SB 106 (JUD)

Bannister

Sponsor: Leman Date: 4/21/99

4/21/99

Logged In By: Mindy

A M E N D M E N T

OFFERED IN THE SENATE

withdrawn
BY SENATOR LEMAN

TO: CSSB 106(JUD)

1 Page 2, following line 25:

2 Insert new bill sections to read:

3 **** Sec. 3. TRANSITIONAL PROVISIONS.** (a) Notwithstanding AS 47.07.075(c),
4 enacted in sec. 2 of this Act, within 30 days after the effective date of this Act, the
5 commissioner of health and social services shall render a final administrative decision in each
6 rate appeal that is pending as of the effective date of this Act if

7 (1) the hearing officer has issued a proposed decision to the commissicner
8 before the effective date of this Act;

9 (2) the commissioner has not issued a final administrative decision in the
10 matter; and

11 (3) the commissioner

12 (A) has not, before the effective date of this Act, remanded to the
13 hearing officer the most recent proposed decision by the hearing officer; or

14 (B) has remanded the proposed decision to the hearing officer on or
15 after April 20, 1999, but before the effective date of this Act.

16 (b) If a rate appeal that is pending as of the effective date of this Act was remanded
17 by the commissioner to the hearing officer before the effective date of this Act and the
18 circumstances for disposition of the rate appeal are not described in (a)(1) - (3) of this
19 section, the 30 day period in which the commissioner must render a final administrative
20 decision in the rate appeal under AS 47.07.075(c), enacted in sec. 2 of this Act, begins when
21 the commissioner receives a proposed decision from the hearing officer after the remand.

22 (c) If the commissioner fails to comply with the requirements of (a) of this section,
23 the hearing officer's recommendation becomes the final administrative decision. A final
24 administrative decision under this subsection is subject to judicial review as a final
25 administrative order under AS 44.62.560 and 44.62.570.

1 (d) If the commissioner fails to comply with the requirements of (a) of this section,
2 the department shall report the noncompliance to the legislature and the governor by the
3 following January 20 with an explanation of the length of delay, reasons for the delay, and
4 proposed corrective action by the department to ameliorate the causes of delay.

5 (e) In this section,

6 (1) "commissioner" means the commissioner of health and social services;

7 (2) "department" means the Department of Health and Social Services;

8 (3) "rate appeal" means an administrative appeal of a health facility payment
9 rate under AS 47.07 or AS 47.25.120 - 47.25.300.

10 * **Sec. 4. APPLICABILITY.** Except as provided in sec. 3 of this Act, secs. 1 and 2 of this
11 Act apply to rate appeals that are begun on or after the effective date of this Act or that are
12 pending as of the effective date of this Act."

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 26, 1999

SUBJECT: Draft CSSB 106(FIN) (Work Order No. 21-LS0424H)

TO: Senator Sean Parnell, Co-Chair
Senate Finance Committee
Attn: Jerry

FROM:  Theresa Bannister
Legislative Counsel

This memo accompanies a draft of the bill described above.

1. Request for delay. In proposed sec. 47.07.075(c), the committee added the clause, "unless the facility requests a delay." The 30-day deadline in the second sentence of (c) is now unclear because it does not recognize the fact that there might be a delay. If consistent with your intent, you could rewrite the second sentence to read: "If the commissioner does not render a final administrative decision within 30 days after receiving the recommendation of the hearing officer and the facility has not requested a delay, the hearing officer's recommendation becomes the final administrative decision."
2. Voluntary mediation. Does the language of proposed sec. 47.07.075(e), which allows the department to offer a process of voluntary mediation, override the time requirements of proposed sec. 47.07.075(b)? Does it override the provisions of (c) if mediation is chosen after the commissioner has received the recommendation of the hearing officer?
3. Cross-reference. In proposed sec. 47.07.075(d), should the cross-reference to "(b)" actually be "(c)." It is my understanding of the intent of sec. 47.07.075(d) that it refers to (c).

If I may be of further assistance, please advise.

TLB:pl:glc
99-061.plm

A F A X

Alaska State Legislature

Date: 4/23/99

To: Peggy, Legal Services

Fax #: 2029 Phone #: 2450

From: Jerry SFC Secretary

Phone #: 2618

Re: please incorporate attached amend[#] 1 and[#] 2 into your
work order 1-LS0424\G for a Finance WORK DRAFT CS SB 106(FIN)
Thanks much!

Following this page, please find 3 pages(s). If this does not reach you in full, please inform us ASAP.



THANK YOU

Alaska State Legislature

Chairman,
Judiciary Committee
Administrative Regulations
Revenue Committee

Vice Chairman,
Resources Committee



State Capitol
Juneau, Alaska 99801-1182
(907) 465-3873
Fax: (907) 465-3922

50 Front Street
Suite 203
Ketchikan, Alaska 99901
(907) 225-8088
Fax: (907) 225-0713

Senator Robin L. Taylor

SPONSOR STATEMENT

SB 106

“An Act relating to decisions regarding certain health facility payments”

SB 106, “An Act relating to decisions regarding certain health facility payments”, is meant to correct a problem with the Medicaid Rate Setting and Appeals process. Medicaid providers have experienced problems with the Medicaid appeal process because very few decisions ever become final.

The Medicaid rate setting and appeal process is as follows: The Medicaid provider payment rates are set annually at an informal hearing before the Medicaid Rate Advisory Commission, which is simply advisory to the Department. If the provider disagrees with the payment rate, the provider may appeal the rate by requesting a formal evidentiary hearing before a Hearing Examiner. The Hearing Examiner conducts a formal hearing on the appeal and issues a proposed decision to the Commissioner of Health and Social Services. The hearings are often in excess of ten days and are expensive for the facility. The Hearing Examiner’s decision must then be approved by the Commissioner of the Department before the decision becomes final.

Rather than issuing final decisions, the Commissioner consistently remands proposed decisions back to the Hearing Examiner for further proceedings with instructions that usually do not follow the remand order until several months later. The results are that the administrative appeals process takes several years to complete, preventing providers from obtaining a final rate and, subsequently precluded from obtaining relief. While a decision has been remanded, the facility is also precluded from appealing to the Superior Court.

A provider’s inability to get a fair rate set, coupled with appeals that are log jammed for years, result in facilities not being adequately reimbursed for providing services to Medicaid patients. Without some kind of due process, many healthcare providers will eventually be forced out of business.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

MEDICAID RATE SETTING AND APPEALS PROCESS

The Medicaid rate setting and appeal process is as follows: The Medicaid provider payment rates are set annually at an informal hearing before the Medicaid Rate Advisory Commission, which is simply advisory to the Department. If the provider disagrees with the payment rate, the provider may appeal the rate by requesting a formal evidentiary hearing before a Hearing Examiner. The Hearing Examiner conducts a formal hearing on the appeal and issues a proposed decision to the Commissioner of Health and Social Services. The hearings are often in excess of ten days and are expensive for the facility. The Hearing Examiner's decision must then be approved by the Commissioner of the Department before the decision becomes final.

Medicaid providers have experienced problems with the Medicaid appeal process because very few decisions ever become final, and those that do, are in the Department's favor.

- Over the past several years, the Commissioner has issued only two final decisions.

One final decision was clearly in favor of the Department, and the other final decision has been interpreted by the Department as being in its favor as well. Thus, the Commissioner has not issued a single final decision in the past several years that is in favor of the Medicaid providers.

- Rather than issuing final decisions, the Commissioner consistently remands proposed decisions back to the Hearing Examiner for further proceedings with instructions that usually do not follow the remand order until several months later.

The result is that the administrative appeals process takes several years to complete, preventing providers from obtaining a final rate and, subsequently precluded from obtaining relief.

- While a decision has been remanded, the facility is also precluded from appealing to Superior Court.

Many of the facilities have had the hearing officer's favorable proposed decision remanded three or four times by the Commissioner.

- Out of twenty-four healthcare providers that have rates set once a year, forty-two rate appeals are currently in process.

The Commissioner is required by Statute to act on hearing officer's proposed decisions within thirty (30) days after the proposed decision is filed. However, the Commissioner has not complied with this 30 day requirement on numerous occasions. Rather, the Commissioner's usual practice, when the proposed decision is in the provider's favor, is to remand the case back to the Hearing Examiner sometime more than 30 days after the proposed decision is filed. Instructions are then issued several months later, and in one case, almost one year later. The one and only time that the Commissioner

acted on and adopted a proposed decision within the 30 days is when the proposed decision was in the Department's favor.

- Thirteen proposed decisions have been issued by the Department's Hearing Examiner between January 1, 1990, and December 31, 1998. This list was produced by the Department.
- One decision was not subject to a remand by the Commissioner. That one case was adverse to the provider, and was adopted by the Commissioner on January 25, 1999.

In a recent proposed decision by the Hearing Examiner, the Department's staff, who set the original Medicaid rate, was found to be arbitrary and capricious and without authority for their conduct. The Department's staff was also cited for the preparation and filing of inaccurate and incorrect documents.

A providers' inability to get a fair rate set, coupled with appeals that are log jammed for years, results in facilities not being adequately reimbursed for providing services to Medicaid patients. Without some kind of due process, many healthcare providers will eventually be forced out of business.

The Hearing Examiners have issued a total of Thirteen Proposed Decisions involving Thirteen cases during the period from January 1, 1990, to December 31, 1998:

1. **Our Lady of Compassion Care Center, 90-MRC-02, appeal filed 1/22/90;**
 - * Proposed Decision issued March 12, 1991;
 - Remanded by Commissioner 4/3/91.
 - Stipulation to Dismiss signed 7/20/94 by Jay Livcy.
2. **Central Peninsula, 91-MRC-04, appeal filed 5/23/91;**
 - * Proposed Decision issued 9/9/94;
 - Remanded by Commissioner 10/10/94;
 - * Proposed Decision on Remand issued 10/31/94;
 - Proposed Decision on Remand adopted 11/4/94.
3. **Norton Sound, 91-MRC-03, appeal filed 2/20/91;**
 - * Proposed Decision on Issues Other Than Telephone Lease issued 5/8/95; adopted 6/9/95;
 - * Proposed Decision on Telephone Lease issued 11/8/95;
 - Remanded by Commissioner 12/13/95;
 - * Proposed Decision on Remand issued 1/4/96;
 - Proposed Decision on Remand adopted 1/22/96.
4. **Ketchikan General Hospital, 91-MRC-08, appeal filed 10/2/91;**
5. **Ketchikan General Hospital, 91-MRC-09, appeal filed 10/21/91;**
 - * Proposed Decision issued 1/9/96;
 - Remanded by Commissioner 2/14/96;
 - * Proposed Decision on Remand issued 2/28/96;
 - Proposed Decision on Remand adopted 3/11/96.
6. **St. Ann's Care Center, 95-au-02, appeal filed 2/17/95;**
 - * Proposed Decision issued 1/2/97;
 - Interim Decision and Order by Commissioner 2/5/97;
 - Order with Instructions on Remand by Commissioner 9/26/97;
 - Status after Remand: Post-hearing briefing schedule set (due 8/98); case stayed 7/29/98 pending outcome of decision in Wesley cases; status hearing 12/15/98.
7. **Bartlett Memorial Hospital, 95-au-05, appeal filed 7/21/95;**
8. **Bartlett Memorial Hospital, 96-MRC-05, appeal filed 3/14/96;**
 - * Proposed Decision issued 1/14/97;
 - Order with Instructions on Remand issued 12/12/97;
 - Status after Remand: Order Granting Partial Summary Judgment on CON issue, issued 8/20/98; Evidentiary Hearing held 10/20/98-10/29/98;
 - Post-hearing briefing schedule to be set after transcript prepared.
9. **North Star Hospital, 94-MRC-04, appeal filed 9/29/94;**
10. **North Star Hospital, 95-au-03, appeal filed 2/28/95;**
11. **North Star Hospital, 95-MRC-02, appeal filed 2/21/95;**
12. **North Star Hospital, 95-MRC-05, appeal filed 5/25/95;**
 - * Proposed Decision issued 3/27/98;
 - Interim Decision and Order by Commissioner 5/12/98;
 - * Proposed Decision After Reconsideration issued 7/28/98;
 - Order of Remand by Commissioner 8/31/98;
 - Status after Remand: Briefing schedule has been set requiring parties to file supplemental briefs with affidavits by 3/5/99.
13. **Norton Sound Hospital, 97-MRC-03, appeal filed 10/16/97;**
 - * Proposed Decision issued 12/31/98.

SUMMARY OF APPEALS ACTIVITY

Each year the Department sets reimbursement rates for 25 facilities.

- 15 facilities currently have no appeals.

Fairbanks Memorial	Denali Center
Providence	Kodiak Island
Petersburg General Hospital	Norton Sound
Providence Extended Care	Mary Conrad
Wrangell General Hospital	Valdez Community
Providence Seward	Central Peninsula
Cordova Community Hospital	South Peninsula Hospital
Alaska Psychiatric Institute	

Total: 15

- 10 facilities have appeals pending.

Alaska Regional (10)	Wesleyan (8)
North Star (6)	St. Ann's Nursing Home (4)
Bartlette Memorial (3)	Charter North (3)
Valley (2)	Ketchikan General (2)
Heritage Place (1)	Sitka Community (1)

Total: 10 Facilities, 40 Appeals

- 40 appeals are currently outstanding.
- 21 of these appeals are stayed at the request of the facility.
- Currently there are no proposed decisions pending in the Commissioner's Office.
- 6 proposed decisions have been remanded to the Hearing Officer in the past 4 years.
 - No proposed decision has been remanded more than once.
- No Valley Hospital proposed decisions have come to the Commissioner's Office since 1990.
 - 5 Valley rates have been appealed during this time.
 - 2 were settled, 1 is currently stayed at request of facility, 2 (1998 and 1999 rates) are being scheduled.

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

March 22, 1999

Senator Robin Taylor
Room 9
State Capitol
Juneau, AK 99801

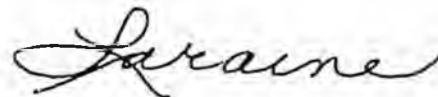
Dear Senator Taylor:

I am writing in support of SB 106, An Act relating to decisions regarding certain health facility payments. As you know, several of the hospitals in the State have had administrative appeals before the Hearing Officer of the Department of Health and Social Services (DHSS), had the hearing officer decisions sent to the Commissioner of DHSS, and had them remanded or sent back for more information.

The Alaska State Hospital and Nursing Home Association (ASHNHA) wants to see the situation rectified. Not only is it costly to have staff continuously working on appeals, it comes with a significant legal cost. In addition, there is an estimated \$10 million amount of money claimed by the hospitals as rightfully theirs. We believe that setting a tighter final decision date will alleviate the situation. CSSB 106 asks that the Commissioner of DHSS render a final decision within 30 days after the hearing officer has offered an opinion. If the Commissioner does not, then the hearing officer's decision becomes final. If either side is unsatisfied with that decision, they may proceed directly to court. Right now the process can drag on for many years – this bill should alleviate that.

Please do not hesitate to contact me if you have questions or if we can be of benefit to you.

Sincerely yours,



Laraine L. Derr
President/CEO



RECEIVED
MAR 4 1999
As'd.....

February 24, 1999

Senator Robin Taylor
Alaska State Legislature
50 Front Street
Suite 203
Ketchikan, AK 99901

Dear Senator Taylor:

Thank you for your letter of January 24, 1999 and your commitment to review the activities of the Department of Health and Social Services. I cannot express to you the frustration and financial cost this process has endured. Thus far, Valley Hospital has incurred \$82,250 in expenses defending our position to the Department, not to mention the countless hours Valley Hospital staff has spent compiling information for our legal council.

Please feel free to call on me to either testify or discuss further. Thank you again for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Pfeifer", written over a horizontal line.

Dave Pfeifer
Chief Executive Officer

DP/vlr

Wesley Rehabilitation And Care Center

481 First Avenue • Box 430

Seward, Alaska 99664

Tel: (907) 224-5241 • Fax: (907) 224-5250

April 16, 1999

The Honorable John Torgerson
Alaska State Senate
State Capitol Building
Juneau, AK 99811

Re: SB 106

Dear Senator Torgerson:

Thank you for your support and assistance to Wesley Rehabilitation and Care Center. As you are aware, Wesley has had a long history of difficulties dealing with the MRAC and Department of Health & Social Services. Our story of difficulties unfortunately is not different or unique from the experiences of other health care facilities in the State.

I thank you for your active support of SB 106 and hope that with its passage new opportunities arise to resolve the current appeal system.

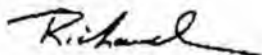
When we met in Seward you mentioned that it would be a good idea to look at the total reimbursement system, not just the appeals portion. I agree there are problems within the system, but I am concerned that if a new reimbursement system amendment is attached to SB 106 some legislators may vote NO even though they support SB 106, because amendments are attached. The concerns over the current payment system are equally, if not more complicated than the appeals process.

I urge you to look at drafting a new separate bill, to address the reimbursement system. I am confident that the health care facilities would actively participate in exploring and developing a new system. A Department designed system will only continue a crippled system that the Department messed up in the first place.

Again, thank you very much for your assistance. It is great knowing that you are there in Juneau representing us.

Please let me know how and if I can do anything to help you.

Sincerely,



Richard W. Jones,
Administrator/CEO

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

P.O. BOX 110601
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030
FAX: (907) 465-3068

April 19, 1999

Senate Finance Committee
Alaska State Senate
State Capitol
Juneau, Alaska 99801-1182

Dear Committee Members:

At a recent hearing on SB 106, a letter was distributed, dated April 6, 1999, from Financial Consultants of Alaska to Doug Jones, DHSS Audit Manager, accusing the Department of Health and Social Services of deliberately delaying the release of Medicaid audits in order to make it more difficult for facilities to respond. I am writing to assure you that this is not the policy of the Department.

The audit process that is currently used is the product of negotiations with the Alaska State Hospital and Nursing Home Association (ASHNHA). Much of these negotiations addressed the timelines for the completion and release of audits. This audit process, which is in regulation at 7 AAC 43.693, contains timelines that the facilities and the Department must follow in conducting and issuing audit reports. The Department audits facilities according to these regulations.

The Department issues a Medicaid audit for each facility prior to the setting of its annual Medicaid rate. Medicaid rates are set at two times during the year: half of the facilities in Alaska receive a reimbursement rate in December, and half receive one in June. All of the facilities' audits mentioned in the April 6 letter are used in the June rate setting cycle.

The audits corresponding to the June rate setting were, in fact, released later than usual this year. However, this delay was primarily because ASHNHA requested that the Department reconsider the treatment of certain facility costs related to dually eligible Medicaid and Medicare patients. This request came to the Department on October 1, 1998, and the Department agreed to work with an ASHNHA group on this very complicated and technical issue. Completion of audit work was delayed pending the conclusion of the analysis of this issue. Consequently, the delay was due to the Department's desire to foster cooperation with the facilities, not to hinder it, as the letter suggests.

Senate Finance Committee
April 19, 1999
Page Two

I would also like to take this opportunity to correct some mistaken impressions that you may have with regard to the Department's handling of Medicaid appeals. First, I believe that you may have been left with the impression that the amount of Medicaid reimbursement denied because of appeals is financially crippling Alaska's health facilities. In fact, the approximately \$10 million which constitutes the value of outstanding appeals represents only 2.7% of the total Medicaid expenditures made to facilities during the same time period.

Considerable attention has also been paid to the Department's actions regarding Bartlett Regional Hospital's rate appeal and the potential financial affects on that facility. Bartlett's loss of Medicaid revenue, as a result of the certificate of need issue, amounted to about \$24,000 in a year in which Medicaid payments to Bartlett were in excess of \$1.9 million. During that same year, Bartlett's total revenues were in excess of \$30 million and later documentation revealed that Bartlett's Medicaid revenue exceeded its Medicaid costs by nine percent.

The Department is not financially crippling Alaska's health facilities through the Medicaid rate setting and appeals process. However, the Department is trying to be a prudent purchaser of health care services, a responsibility that the legislature clearly expects the Department to exercise. Had the Department not challenged the \$10 million of potential expenditures that comprise current appeals, the Medicaid budget would be at least \$10 million dollars higher.

If you have any question with regard to these complicated issues, please do not hesitate to contact me.

Sincerely,



Karen Perdue
Commissioner

cc: ASHNHA Members
Financial Consultants of Alaska
Senator Taylor

MEDICAID RATE ADVISORY COMMISSION
OPEN APPEAL HISTORY

0005	93-MRC-06	Alaska Regional Hospital	1991 (Consolidated with 1991 to 1993)	Rate	Briefing completed	-	Issuance of Proposed Decision from Hearing Examiners	ROI; Income Tax; YEC; Inflation; F-Calc; Depreciation; Chemical Dependency; misc. other costs	ROI & Income Tax issues decided in favor of Dept. in response to Staff's motion
DONNA HERBERT	94-AU-01	Alaska Regional Hospital	1992 Audit & 94 Rate	Audit	Briefing completed	April 15, 1999 Hearing	Status conference	Similar to other years	Consolidated with the 1994 Rate Appeal
	94-MRC-01	Alaska Regional Hospital	1992 (Consolidated with 91 to 93)	Rate	Briefing completed	-	Staff's Post Hearing Brief completed 8/31	ROI; Income Tax; YEC; Inflation; F-Calc; Depreciation; Chemical Dependency; misc. other costs	ROI & Income Tax decided in favor of Dept. in response to Staff's motion
INSLEE BEST	94-MRC-05	Alaska Regional Hospital	1993 (Consolidated with 91 to 93)	Rate	Briefing completed	-	Staff's Post Hearing Brief completed 8/31	ROI; Income Tax; YEC; Inflation; F-Calc; Depreciation; Chemical Dependency; misc. other costs	ROI & Income Tax decided in favor of Dept. in response to Staff's motion
	94-MRC-04	Alaska Regional Hospital	1993	Audit	Status Conference held	December 8, 1998	Pre-hearing Conference May 5, 1999	Similar to other years	(See 93-MRC-06, 94-MRC-01 & 94-MRC-05)
02/02/99 10:44 FAX 425 635 7720	95-MRC-10	Alaska Regional Hospital	1992 Audit & 1996 Rate	Rate	Consolidated with 94-AU-01	April 15, 1999 Hearing	Formal Hearing in April, 1999	ROI; Income Tax; YEC; Inflation; F-Calc; Depreciation; Chemical Dependency; misc. other costs	Consolidated with 92 audit see 94-AU-01

MEDICAID RATE ADVISORY COMMISSION
OPEN APPEAL HISTORY

02/006

DONNA HERBERT

JNSLEE BEST

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97-MRC-03	Alaska Regional Hospital	1995	Rate	September 9, 1999	Status Conference on September 9, 1999	1993 audit also being appealed	Similar to other years	(See 93-MRC-06, 94-MRC-01 & 94-MRC-05)
97-MRC-04	Alaska Regional Hospital	9/1/95 - 12/31/95	Rate	September 9, 1999	Status Conference on September 9, 1999		Similar to other years	Partial Year.
97-MRC-05	Alaska Regional Hospital	1996	Rate	September 9, 1999	Status Conference on September 9, 1999		Similar to other years	(See 93-MRC-06, 94-MRC-01 & 94-MRC-05)
97-MRC-06	Alaska Regional Hospital	1997	Rate	September 9, 1999	Status Conference on September 9, 1999		Similar to other years	(See 93-MRC-06, 94-MRC-01 & 94-MRC-05)
95-AU-05	Bartlett Memorial Hospital	1994 Audit/ 96 Rate Audit	Rate	Formal Evidentiary Hearing completed on Oct. 21, 1998		Post hearing Brief	Audit, MRI disallowance, Cordova decision, advertising, cost allocation, audit adjustments	Combined with Rate Appeal 95-AU-05 96-MRC-05
96-MRC-10	Bartlett Memorial Hospital	1997	Rate	Schedule Formal Hearing	Status Conference	To be scheduled when '96' Decision is issued	Audit, MRI disallowance, Cordova decision, advertising, cost allocation, audit adjustments	Appealed rate but not audit. State filed responses to Statement of Issues.
97-MRC-07	Bartlett Memorial Hospital	1998	Rate		Status Conference	Schedule Formal Hearing	Audit, MRI adjustment. Issues are same as earlier rate year.	

MEDICAID RATE ADVISORY COMMISSION
OPEN APPEAL HISTORY

0007

DONNA HERBERT

INSLEE BEST

02/02/98 10:45 FAX 425 635 7720

Case ID	Facility	Year	Rate	Post Hearing Briefing Completed	Issuance of proposed decision Hearing Examiner	Marketing & Advertising, Counseling, Center; Audit, DSH	Issuance of decision hearing Examiner.	
95-MRC-11	Charter North Hospital	1995	Rate					
96-MRC-12	Charter North Hospital	1996	Rate	Facility requested hold until 95-MRC-11 is completed	January 4, 1999	Status Hearing conference	Physician recruitment Costs, chemical dependency, substance abuse, major movable equipment depreciation, Health and welfare costs, other general comments on reconsideration, revenues, disproportionate share adjustment, audit adjustments.	On hold waiting results of prior case.
97-MRC-10	Charter North Hospital	1997	Rate	Facility requested hold until 95-MRC-11 is completed		Status Hearing	Appeal letter states: DSH; marketing; physician costs; allocation of A & G to outpatient center; timing; staff errors; audits in rates	Statement of issues has not been received
98-MRC-03	Heritage Place	1998 using 1995 YEC	Rate	On hold	Status Conference for September 15, 1999	Status Conference	Facility states application of YEC for 1995 on 1998 rate under alternative payment method involves same issues as Wesley decision.	Statement of issues has not been received
98-MRC-09	Ketchikan General Hospital	1995 audit 1998 rate	Rate	Status Hearing on January 11, 1999	Case stayed until Wesley Case is decided	Status Hearing on January 11, 1999	Appeal letter states: Use of audits; treatment of ancillary costs; utilization incorrect; hospital based physician revenues; utilization of LJC	Statement of Issues has not been received

MEDICAID RATE ADVISORY COMMISSION
OPEN APPEAL HISTORY

008

DONNA HERBERT

INSLEE BEST

02/02/99 10:45 FAX 425 635 7720

98-MRC-04	Keichikam General Hospital	1996 Audit and 1999 Rate	Audit & Rate	Case is Stayed				Appeal letter states: Use of audits; treatment of ancillary cost; utilization incorrect; hospital based physician revenues; utilization of LTC	Administrative appeal received issues are Medicaid Non-Covered Charges on Hosp D form.
94-MRC-04	North Star Hospital	1993 (Consolidated with Rates 93, 94 & 95, And Audit 93	Rate	Post Hearing Brief is being prepared	Facility Supplemental Brief is due on January 22, 1999	Facility files Supplemental Brief		Advertising/Marketing; Outpatient; DSH; audit used in rate setting	Case was on hold due to Facility in Bankruptcy Court. Received approval to continue.
95-AU-03	North Star Hospital	1993 (Consolidated with Rates 93, 94 & 95, And Audit 93	Audit & 95 Rate		See 94-MRC-04	See 94-MRC-04		Advertising/Marketing; Outpatient; DSH; audit used in rate setting	Case was on hold due to Facility in Bankruptcy Court. Received approval to continue.
95-MRC-02	North Star Hospital	1993 (Consolidated with Rates 93, 94 & 95, And Audit 93	Rate		See 94-MRC-04	See 94-MRC-04		Advertising/Marketing; Outpatient; DSH; audit used in rate setting	Case was on hold due to Facility in Bankruptcy Court. Received approval to continue.
95-MRC-05	North Star Hospital	1993 (Consolidated with Rates 93, 94 & 95, And Audit 93	Rate		See 94-MRC-04	See 94-MRC-04		Advertising/Marketing; Outpatient; DSH; audit used in rate setting	Case was on hold due to Facility in Bankruptcy Court. Received approval to continue.

MEDICAID RATE ADVISORY COMMISSION
OPEN APPEAL HISTORY

008

DONNA HERBERT

INSLEE BEST

02/02/99 10:45 FAX 425 835 7720

96-MRC-03	North Star Hospital	1996	Rate	Waiting	1/15/99 Parties file and exchange exhibits Facility Pre-hearing Brief is due	February Formal hearing, Feb. 11 to 12, 1999	Advertising Marketing; Outpatient; DSH; Audit used in rate setting	Courts allowed continuance. Facility is in Bankruptcy Court. Jan. 18, Prefiled Testimony is due.
98-MRC-01	North Star Hospital	1997	Rate	Waiting	Hearing Officer sets up status order			DSB add-on and calculation. Adjustments to YEC Report. Adjustments to Medicare Cost Report form 2552-92. Improper use of audits to set rates, Other.
97-MRC-08	North Sound	1998	Rate		Summary Judgment Order at Facility Request			Facility claims failure to follow State Plan using F-Calc.
98-MRC-06	Sitka Community Center	YEC for 1997 and Rate for Year 2000	YEC & Rate	Pre-hearing Scheduling Order	Facility Files Statement of Issues on Jan. 11, 1999, Staff Replies Feb. 5, 1999, Discovery completed May 28, 1999		1997 Year End Conformance and Rate 2000	Small Facility Payment Agreement Appeal. Year End Conformance issues applied in Rate. Formal hearing on August 2 to 6, 1999
JKN-98-401C1	South Peninsula	Various Rates 94-97	Rates	Trial in Kenai tentatively set up for August 23, 1999	Tentative August 23 to 27, 1999	Two day bench trial set up in Kenai Superior Court.	Recovery of permanent versus Interim rates for various years.	Facility claims that Medicaid funds relating to the difference between Interim and final rates is improper.

MEDICAID RATE ADVISORY COMMISSION
OPEN APPEAL HISTORY

010

DONNA HERBERT

INSLEE BEST

02/02/98 10:46 FAX 425 635 7720

95-AU-02	St. Ann's Nursing Home	1993	Audit	Case is stayed at this point waiting the outcome of the Wesley Case CI	June 15, 1999	Status Conference	Adjustment of routine nursing services adjusted from the ancillary cost center to routine	Facility asked for stay continue for St. Ann's cases due to Wesley case outcome.
95-AU-08	St. Ann's Nursing Home	1994	Audit	Case is stayed at this point waiting the outcome of the Wesley Case CI	June 15, 1999	Status Conference	Request for matter to be continued after the Wesley Superior Court JKN-95-716CI is decided.	Combined with Rate Appeal 96-MRC-07 Case is stayed.
96-MRC-04	St. Ann's Nursing Home	1996	Rate	Case is stayed at this point waiting the outcome of the Wesley Case CI	June 15, 1999	Status Conference	Audit used in rate setting; Ancillary adjustments to routine cost centers	The facility's main claim is that staff can't use audits in rates.
97-MRC-01	St. Ann's Nursing Home	1997	Rate	Case is currently stayed waiting decision on Wesley Civil Case	June 15, 1999	Status Conference	Audits in rates. Ancillary claims	The 1997 rate was based on the appealed 1994 audit which has been stayed pending Supreme Court Decision on the uses of audits in rates
97-MRC-02	Valley Hospital	1997	Rate	Hearing Examiner Issued Partial Summary Judgment on Disproportionate Share Issue		Hearing Examiner Summary Judgment	DSH audits in rate; disallowance of interest; advertising disallowance	1998 audit was not appealed. '97 is rebase year.

MEDICAID RATE ADVISORY COMMISSION
OPEN APPEAL HISTORY

011

DONNA HERBERT

INSLEE BEST

02/02/99 10:46 FAX 425 635 7720

Case ID	Entity	Year	Type	Description	Status	Notes	References
98-MRC-02	Valley Hospital	1998	Rate		Status Conference	DSH issues audit issues and related overhead allocations	
94-AU-02	Wesley Rehabilitation & Care Center	1991	Audit	Case is stayed pending outcome of Kenal Court case.		Facility to submit proposed Summary Judgment Order to Kenal Superior Court. Administrative Appeal Stayed. Civil Case 3KN-95-716-CI Consolidated cases	(See 95-MRC-04, 95-MRC-03 & 95-MRC-08)
94-AU-05	Wesley Rehabilitation & Care Center	1992	Audit	See 94-AU-02		LTC ancillaries, YEC adjustment and the Boren amendment issues.	(See 95-MRC-04, 95-MRC-03 & 95-MRC-08)
94-AU-01	Wesley Rehabilitation & Care Center	1993	Audit	See 94-AU-02		LTC ancillaries, YEC adjustment and the Boren amendment issues	(See 95-MRC-04, 95-MRC-03 & 95-MRC-08)

MEDICAID RATE ADVISORY COMMISSION
OPEN APPEAL HISTORY

012

DONNA HERBERT

INSLEE BEST

02/02/99 10:46 FAX 425 635 7720

95-MRC-03 Wesley Rehabilitation & Care Center 1995 Rate See 94-AU-02 LTC ancillaries, YEC adjustment and the Boren amendment issues (See 95-MRC-04, 95-MRC-03 & 95-MRC-06)

95-MRC-04 Wesley Rehabilitation & Care Center 1994 Rate See 94-AU-02 LTC ancillaries, YEC adjustment and the Boren amendment issues (See 95-MRC-04, 95-MRC-03 & 95-MRC-06)

95-MRC-05 Wesley Rehabilitation & Care Center 1996 Rate See 94-AU-02 LTC ancillaries; YEC adjustment and the Boren amendment issues (See 95-MRC-04, 95-MRC-03 & 95-MRC-06)

95-MRC-07 Wesley Rehabilitation & Care Center 1997 Rate Stayed pending outcome of 93 to 96 case Reclassifying ancillary cost to the appropriate routine cost centers and the use of audits in rates Issues similar to 94-96.