

**ALASKA LEGISLATURE**

**2307**

**HOUSE and SENATE FINANCE COMMITTEE FILES,**

**2001 - 2002**

**HB**

**451**

**HFIN**

**FILE**



# FISCAL NOTE

**STATE OF ALASKA  
2002 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 451  
 (H) Publish Date: 3/15/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Education & Early Development  
 Title: "An Act relating to municipal bond reimbursement  
for school construction; and providing for an effective date" BRU: School Debt Reimbursement  
 Sponsor: Representative James, Stevens Component: School Debt Reimbursement  
 Requester: House HES Component Number: 153

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

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

Estimate of any current year (FY2002) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

HB 451 requires school districts to have a preventative maintenance program for districts to be eligible for school debt reimbursement. HB 451 places the same preventative maintenance program requirements on the school debt reimbursement program as is currently required under the school construction and major maintenance grant program.

Prepared by: Jean, School Finance Manager Phone 465-8679  
 Division: Education & Early Development Date/Time 03/13/02  
 Approved by: McLain, Deputy Commissioner Date 3/13/2002  
 Agency: Education & Early Development

For distribution information, call the Governor's Legislative Office

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

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 Sponsor: Representative James, Stevens Component: School Debt Reimbursement  
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OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

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

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

HB 451 requires school districts to have a preventative maintenance program for districts to be eligible for school debt reimbursement. HB 451 places the same preventative maintenance program requirements on the school debt reimbursement program as is currently required under the school construction and major maintenance grant program.

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679  
 Division: Education & Early Development Date/Time 03/13/02  
 Approved by: Ed McLain, Deputy Commissioner Date 3/13/2002  
 Agency: Education & Early Development

For distribution information, call the Governor's Legislative Office

# ALASKA STATE LEGISLATURE

REPRESENTATIVE  
**JEANNETTE JAMES**  
PO Box 56622  
North Pole, Alaska 99705  
(907) 456-1546  
FAX (907) 488-4271



While in Juneau  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-3743  
FAX (907) 465-2381

House of Representatives  
House District 34

## SPONSOR STATEMENT

### HB 451

#### **“An Act relating to municipal bond reimbursement for school construction; and providing for an effective date.”**

HB 451 corrects the disparity in statute between grant proposals and bond reimbursement for school construction. Currently statute requires the presentation of a preventative maintenance plan when reviewing school construction grant proposals, but there is no such requirement for bond reimbursement. HB 451 would correct this disparity to require a preventative maintenance plan in bond reimbursement proposals.

Sec. 1 – Amends AS 14.11.100(a)(8) to appropriately renumber statute sections for the inclusion of the new language.

Sec. 2 – Amends AS 14.11.100(a)(10) to appropriately renumber statute sections for the inclusion of the new language.

Sec. 3 – Amends AS 14.11.100(j) to appropriately renumber statute sections for the inclusion of the new language and includes the substantive language that establishes the requirement for a preventative maintenance plan and defines the constituent components of such a plan.

Sec. 4 – Provides for the effective date under AS 01.10.070(c)

**HB**

**451**

SFIN

FILE

HB 451

was referred to the  
Senate Finance  
Committee

Hearing(s) were held

The bill did not move  
from Committee



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 14, 2002  
TO: Finance Committee  
(Mindy - Room 520)  
FROM: Office of the Senate Secretary  
SUBJ: Waived Bill(s)

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

**RETRIEVE**

CS FOR HOUSE BILL NO. 182(FIN) am

"An Act relating to certain vehicles, including motorcycles and trailers; relating to the registration, bonding, and other regulation of motor vehicle dealers; relating to the registration and other regulation of certain motor vehicle buyers' agents; relating to acts and transactions involving vehicles, including trailers, and to the acts and practices of certain persons and entities involved in vehicle transactions, including trailer transactions; relating to consumer protection for used vehicle buyers; amending Rule 3, Alaska Rules of Civil Procedure; and providing for an effective date."

CS FOR HOUSE BILL NO. 203(FIN)

"An Act making an appropriation to the Legislative Council for a study of school district cost factors; and providing for an effective date."

HOUSE BILL NO. 451 am

"An Act relating to municipal bond reimbursement for school construction; and providing for an effective date."

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

SENATE FINANCE COMMITTEE  
5/9/2002 COMMITTEE ACTION

<b>Bill Number</b>	HB 451		
<b>Amendment</b>	CS "J"		
<b>Motion</b>	adopt as working draft		
<b><u>Motion by</u></b>	Wilken		
<b><u>Objection by</u></b>	Green		
<b><u>Removed</u></b>			
<b><u>Second Objection by</u></b>			
<b><u>Committee Member</u></b>	<b>Y</b>	<b>Vote</b>	<b>N</b>
Senator Olson			
Senator Ward			
Senator Wilken			
Senator Austerman			
Senator Green			
Senator Hoffman			
Senator Leman			
Co-Chair Donley			
Co-Chair Kelly			
<b><u>Tally</u></b>			
Yea			
Nay			
Absent			
<b><u>MOTION</u></b>	Withdrawn		

SENATE CS FOR HOUSE BILL NO. 451(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES JAMES, Stevens, Dyson, Fate

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to municipal bond reimbursement for school construction; and  
2 providing for an effective date."

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

4 \* Section 1. AS 14.11.100(a)(8) is amended to read:

5 (8) subject to (h), (i), (j)(2) - (5) [(j)(2) - (4)], and (n) of this section  
6 and after projects funded by the bonds, notes, or other indebtedness have been  
7 approved by the commissioner, 70 percent of payments made by the municipality  
8 during the fiscal year for the retirement of principal and interest on outstanding bonds,  
9 notes, or other indebtedness authorized by the qualified voters of the municipality on  
10 or after July 1, 1995, [BUT BEFORE JULY 1, 1998,] to pay costs of school  
11 construction, additions to schools, and major rehabilitation projects that exceed  
12 \$200,000 and are approved under AS 14.07.020(a)(11);

13 \* Sec. 2. AS 14.11.100(a)(9) is amended to read:

14 (9) subject to (h), (i), (j), and (n) of this section and after projects

1 funded by the bonds, notes, or other indebtedness have been approved by the  
2 commissioner, 70 percent of payments made by the municipality during the fiscal year  
3 for the retirement of principal and interest on outstanding bonds, notes, or other  
4 indebtedness authorized by the qualified voters of the municipality on or after July 1,  
5 1998, [BUT BEFORE JULY 1, 2004,] to pay costs of school construction, additions to  
6 schools, and major rehabilitation projects that exceed \$200,000 and are approved  
7 under AS 14.07.020(a)(11);

8 \* Sec. 3. AS 14.11.100(a)(10) is amended to read:

9 (10) subject to (h), (i), (j)(2) - (5) [(j)(2) - (4)], and (o) of this section,  
10 and after projects funded by the bonds, notes, or other indebtedness have been  
11 approved by the commissioner, 70 percent of payments made by the municipality  
12 during the fiscal year for the retirement of principal and interest on outstanding bonds,  
13 notes, or other indebtedness authorized by the qualified voters of the municipality on  
14 or after June 30, 1998, to pay costs of school construction, additions to schools, and  
15 major rehabilitation projects that exceed \$200,000, are approved under  
16 AS 14.07.020(a)(11), and are not reimbursed under (n) of this section.

17 \* Sec. 4. AS 14.11.100(j) is amended to read:

18 (j) Except as provided in (l) of this section, the state may not allocate money  
19 to a municipality for a school construction project under (a)(5), (6), (7), or (9) of this  
20 section unless the municipality complies with the requirements of (1) - (5) [(1) - (4)]  
21 of this subsection, the project is approved by the commissioner before the local vote  
22 on the bond issue for the project or for bonds authorized after March 31, 1990, but on  
23 or before April 30, 1993, the bonds are approved by the commissioner before  
24 reimbursement by the state, and the local vote occurs before July 1, 1987, or after  
25 June 30, 1988. In approving a project under this subsection, and to the extent required  
26 under (a)(8) or (10) of this section, the commissioner shall require

27 (1) the municipality to include on the ballot for the bond issue, for  
28 bonds authorized on or before March 31, 1990, or after April 30, 1993, the estimated  
29 total cost of each project including estimated total interest, estimated annual operation  
30 and maintenance costs, the estimated amounts that will be paid by the state and by the  
31 municipality, and the approximate amount that would be due in annual taxes on

1 \$100,000 in assessed value to retire the debt;

2 (2) that the bonds may not be refunded unless the annual debt service  
3 on the refunding issue is not greater than the annual debt service on the original issue;

4 (3) that the bonds must be repaid in approximately equal annual  
5 principal payments or approximately equal debt service payments over a period of at  
6 least 10 years;

7 (4) the municipality to demonstrate need for the project by establishing  
8 that the school district has

9 (A) projected long-term student enrollment that indicates the  
10 district has inadequate facilities to meet present or projected enrollment;

11 (B) facilities that require repair or replacement in order to meet  
12 health and safety laws or regulations or building codes;

13 (C) demonstrated that the project will result in a reduction in  
14 annual operating costs that economically justifies the cost of the project; or

15 (D) facilities that require modification or rehabilitation for the  
16 purpose of improving the instructional program;

17 **(5) evidence acceptable to the department that the district**

18 **(A) has a preventive maintenance plan that**

19 **(i) include a computerized maintenance**  
20 **management program, cardex system, or other formal systematic**  
21 **means of tracking the timing and costs associated with planned and**  
22 **completed maintenance activities, including scheduled preventive**  
23 **maintenance;**

24 **(ii) addresses energy management for buildings**  
25 **owned or operated by the district;**

26 **(iii) includes a regular custodial care program for**  
27 **buildings owned or operated by the district;**

28 **(iv) includes preventive maintenance training for**  
29 **facility managers and maintenance employees;**

30 **(v) includes renewal and replacement schedules for**  
31 **electrical, mechanical, structural, and other components of**

1 facilities owned or operated by the district; and

2 (B) is adequately following the preventive maintenance

3 plan.

4 \* Sec. 5. AS 14.11.100(n) is amended to read:

5 (n) The total amount of school construction projects approved for  
6 rein. ursement by the department under (a)(8) or (9) of this section

7 (1) may not exceed \$357,143,000; and

8 (2) after June 30, 1995 [AND UNTIL JULY 1, 2003,] shall be  
9 allocated as follows:

10 (A) \$154,286,000 shall be allocated to projects in a  
11 municipality with a public school enrollment of 25,000 or more students in  
12 fiscal year 1998 as determined under AS 14.17.160;

13 (B) \$57,143,000 shall be allocated to projects in a municipality  
14 with a public school enrollment of at least 15,000 but less than 25,000 students  
15 in fiscal year 1998 as determined under AS 14.17.160;

16 (C) \$145,714,000 shall be allocated to projects in a  
17 municipality with a public school enrollment of less than 15,000 students in  
18 fiscal year 1998 as determined under AS 14.17.160; allocations under this  
19 subparagraph

20 (i) shall first be made to projects described under (a)(8)  
21 of this section and then made to projects described under (a)(9) of this  
22 section; and

23 (ii) may not exceed \$16,000,000 to projects in a  
24 municipality with a public school enrollment of less than 4,000  
25 students in fiscal year 1998 as determined under AS 14.17.160.

26 \* Sec. 6. AS 14.11.100(o) is amended to read:

27 (o) The total amount of school construction projects approved for  
28 reimbursement by the department under (a)(10) of this section

29 (1) may not exceed \$180,064,912; and

30 (2) after June 30, 1998, [AND UNTIL JULY 1, 2004,] shall be  
31 allocated as follows:

1 (A) \$77,897,000 to projects in a municipality with a public  
2 school enrollment of 25,000 or more students in fiscal year 2000, as  
3 determined under AS 14.17.500;

4 (B) \$14,571,000 to projects in a municipality with a public  
5 school enrollment of at least 15,000 but less than 25,000 students in fiscal year  
6 2000, as determined under AS 14.17.500;

7 (C) \$14,143,000 to projects in a municipality with a public  
8 school enrollment of at least 10,000 but less than 15,000 students in fiscal year  
9 2000, as determined under AS 14.17.500;

10 (D) \$7,429,000 to projects in a municipality with a public  
11 school enrollment of at least 7,500 but less than 10,000 students in fiscal year  
12 2000, as determined under AS 14.17.500;

13 (E) \$20,712,912 to projects in a municipality with a public  
14 school enrollment of at least 5,000 but less than 7,500 students in fiscal year  
15 2000, as determined under AS 14.17.500;

16 (F) \$2,660,000 to projects in a municipality with a public  
17 school enrollment of at least 2,750 but less than 3,000 students in fiscal year  
18 2000, as determined under AS 14.17.500;

19 (G) \$454,000 to projects in a municipality with a public school  
20 enrollment of at least 2,400 but less than 2,750 students in fiscal year 2000, as  
21 determined under AS 14.17.500;

22 (H) \$36,290,000 to projects in a municipality with a public  
23 school enrollment of at least 2,050 but less than 2,400 students in fiscal year  
24 2000, as determined under AS 14.17.500;

25 (I) \$329,000 to projects in a municipality with a public school  
26 enrollment of at least 1,700 but less than 1,750 students in fiscal year 2000, as  
27 determined under AS 14.17.500;

28 (J) \$286,000 to projects in a municipality with a public school  
29 enrollment of at least 650 but less than 725 students in fiscal year 2000, as  
30 determined under AS 14.17.500;

31 (K) \$519,000 to projects in a municipality with a public school

- 1 enrollment of at least 500 but less than 525 students in fiscal year 2000, as  
2 determined under AS 14.17.500;
- 3 (L) \$2,224,000 to projects in a municipality with a public  
4 school enrollment of at least 425 but less than 482 students in fiscal year 2000,  
5 as determined under AS 14.17.500;
- 6 (M) \$2,550,000 to projects in a municipality with a public  
7 school enrollment of at least 290 but less than 305 students in fiscal year 2000,  
8 as determined under AS 14.17.500.
- 9 \* Sec. 7. AS 14.11.100(k) is repealed.
- 10 \* Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

22-LS1524\C

Ford

5/2/02

**SENATE CS FOR HOUSE BILL NO. 451(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SECOND LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): REPRESENTATIVES JAMES, Stevens, Dyson, Fate**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to municipal bond reimbursement for school construction; and  
2 providing for an effective date."

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

4 \* **Section 1.** AS 14.11.100(a)(8) is amended to read:

5 (8) subject to (h), (i), (j)(2) - (5) [(j)(2) - (4)], and (n) of this section  
6 and after projects funded by the bonds, notes, or other indebtedness have been  
7 approved by the commissioner, 70 percent of payments made by the municipality  
8 during the fiscal year for the retirement of principal and interest on outstanding bonds,  
9 notes, or other indebtedness authorized by the qualified voters of the municipality on  
10 or after July 1, 1995, [BUT BEFORE JULY 1, 1998,] to pay costs of school  
11 construction, additions to schools, and major rehabilitation projects that exceed  
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1 funded by the bonds, notes, or other indebtedness have been approved by the  
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- \$100,000 in assessed value to retire the debt;
- (2) that the bonds may not be refunded unless the annual debt service on the refunding issue is not greater than the annual debt service on the original issue;
- (3) that the bonds must be repaid in approximately equal annual principal payments or approximately equal debt service payments over a period of at least 10 years;
- (4) the municipality to demonstrate need for the project by establishing that the school district has
  - (A) projected long-term student enrollment that indicates the district has inadequate facilities to meet present or projected enrollment;
  - (B) facilities that require repair or replacement in order to meet health and safety laws or regulations or building codes;
  - (C) demonstrated that the project will result in a reduction in annual operating costs that economically justifies the cost of the project; or
  - (D) facilities that require modification or rehabilitation for the purpose of improving the instructional program;
- (5) evidence acceptable to the department that the district**
  - (A) has a preventive maintenance plan that**
    - (i) includes a computerized maintenance management program, cardex system, or other formal systematic means of tracking the timing and costs associated with planned and completed maintenance activities, including scheduled preventive maintenance;**
    - (ii) addresses energy management for buildings owned or operated by the district;**
    - (iii) includes a regular custodial care program for buildings owned or operated by the district;**
    - (iv) includes preventive maintenance training for facility managers and maintenance employees;**
    - (v) includes renewal and replacement schedules for electrical, mechanical, structural, and other components of**

L

1 facilities owned or operated by the district; and

2 (B) is adequately following the preventive maintenance

3 plan.

4 \* Sec. 5. AS 14.11.100(n) is amended to read:

5 (n) The total amount of school construction projects approved for  
6 reimbursement by the department under (a)(8) or (9) of this section

7 (1) may not exceed \$357,143,000; and

8 (2) after June 30, 1995, [AND UNTIL JULY 1, 2003,] shall be  
9 allocated as follows:

10 (A) \$154,286,000 shall be allocated to projects in a  
11 municipality with a public school enrollment of 25,000 or more students in  
12 fiscal year 1998 as determined under AS 14.17.160;

13 (B) \$57,143,000 shall be allocated to projects in a municipality  
14 with a public school enrollment of at least 15,000 but less than 25,000 students  
15 in fiscal year 1993 as determined under AS 14.17.160;

16 (C) \$145,714,000 shall be allocated to projects in a  
17 municipality with a public school enrollment of less than 15,000 students in  
18 fiscal year 1998 as determined under AS 14.17.160; allocations under this  
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20 (i) shall first be made to projects described under (a)(8)  
21 of this section and then made to projects described under (a)(9) of this  
22 section; and

23 (ii) may not exceed \$16,000,000 to projects in a  
24 municipality with a public school enrollment of less than 4,000  
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26 \* Sec. 6. AS 14.11.100(o) is amended to read:

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31 allocated as follows:

1 (A) \$77,897,000 to projects in a municipality with a public  
2 school enrollment of 25,000 or more students in fiscal year 2000, as  
3 determined under AS 14.17.500;

4 (B) \$14,571,000 to projects in a municipality with a public  
5 school enrollment of at least 15,000 but less than 25,000 students in fiscal year  
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16 (F) \$2,660,000 to projects in a municipality with a public  
17 school enrollment of at least 2,750 but less than 3,000 students in fiscal year  
18 2000, as determined under AS 14.17.500;

19 (G) \$454,000 to projects in a municipality with a public school  
20 enrollment of at least 2,400 but less than 2,750 students in fiscal year 2000, as  
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22 (H) \$36,290,000 to projects in a municipality with a public  
23 school enrollment of at least 2,050 but less than 2,400 students in fiscal year  
24 2000, as determined under AS 14.17.500;

25 (I) \$329,000 to projects in a municipality with a public school  
26 enrollment of at least 1,700 but less than 1,750 students in fiscal year 2000, as  
27 determined under AS 14.17.500;

28 (J) \$286,000 to projects in a municipality with a public school  
29 enrollment of at least 650 but less than 725 students in fiscal year 2000, as  
30 determined under AS 14.17.500;

31 (K) \$519,000 to projects in a municipality with a public school

1 enrollment of at least 500 but less than 525 students in fiscal year 2000, as  
2 determined under AS 14.17.500;

3 (L) \$2,224,000 to projects in a municipality with a public  
4 school enrollment of at least 425 but less than 482 students in fiscal year 2000,  
5 as determined under AS 14.17.500;

6 (M) \$2,550,000 to projects in a municipality with a public  
7 school enrollment of at least 290 but less than 305 students in fiscal year 2000,  
8 as determined under AS 14.17.500.

9 \* Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

# ALASKA STATE LEGISLATURE

REPRESENTATIVE  
**JEANNETTE JAMES**  
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North Pole, Alaska 99705  
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While in Juneau  
State Capitol  
Juneau, Alaska  
99801-1182  
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House of Representatives  
House District 34

## SPONSOR STATEMENT

### HB 451

#### **“An Act relating to municipal bond reimbursement for school construction; and providing for an effective date.”**

HB 451 corrects the disparity in statute between grant proposals and bond reimbursement for school construction. Currently statute requires the presentation of a preventative maintenance plan when reviewing school construction grant proposals, but there is no such requirement for bond reimbursement. HB 451 would correct this disparity to require a preventative maintenance plan in bond reimbursement proposals.

Sec. 1 – Amends AS 14.11.100(a)(8) to appropriately renumber statute sections for the inclusion of the new language.

Sec. 2 – Amends AS 14.11.100(a)(10) to appropriately renumber statute sections for the inclusion of the new language.

Sec. 3 – Amends AS 14.11.100(j) to appropriately renumber statute sections for the inclusion of the new language and includes the substantive language that establishes the requirement for a preventative maintenance plan and defines the constituent components of such a plan.

Sec. 4 – Provides for the effective date under AS 01.10.070(c)

**HB**

**464**

HFIN

FILE

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSHB 464(HES)  
(H) Publish Date: 4/15/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: EED  
Title School District Correspondence Study BRU Teaching & Learning Support  
Component Quality Schools  
Sponsor Representatives James, Dyson  
Requester H HES Component No. 2147

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

HB 464 does not add any new or additional duties to the department, therefore there is no cost to DEED. The bill will also lower the number of yearly approval applications that the department will process. HB 464 requires the local school district to monitor its students.

Prepared by: House HESS Committee Phone \_\_\_\_\_  
Division \_\_\_\_\_ Date/Time 3/15/02 3:45 PM  
Approved by: Representative Fred Dyson, Chair HES Committee Date 3/15/02  
Agency \_\_\_\_\_



# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
 Bill Version: CSHB 464(HES)  
 (H) Publish Date: 4/25/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: EED  
 Title: School District Correspondence Study BRU: Teaching & Learning Support  
 Component: Quality Schools  
 Sponsor: Representatives James, Dyson  
 Requester: HEDU Component No.: 2147

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	115.0	115.0	115.0	115.0	115.0	115.0
Travel	15.5	15.5	15.5	15.5	15.5	15.5
Contractual	34.5	34.5	34.5	34.5	34.5	34.5
Supplies	5.0	5.0	5.0	5.0	5.0	5.0
Equipment	5.0	5.0	5.0	5.0	5.0	5.0
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	175.0	175.0	175.0	175.0	175.0	175.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>	<b>175.0</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time	2					
Part-time						
Temporary						

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

In the FY2003 budget, the department has requested funding to administer an increasing number of statewide correspondence study students and programs. This funding is necessary to fulfill current statutory and regulatory requirements. This would include the requirements of HB 464. Section 1 of this bill may result in some programs being allowed to apply for statewide correspondence status only once every 10 years, but if the average student assessment in reading, writing, or mathematics for all students in a statewide correspondence program falls below the corresponding statewide average student assessment for two consecutive schools years, an annual application is still required.

Prepared by: Barbara Thompson Phone: 465-8727  
 Division: Teaching & Learning Support Date/Time: 4/15/02 8:43 AM  
 Approved by: Ed McLain, Deputy Commissioner of Education Date: 4/15/2002  
 Agency: Education & Early Development

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSHB 464(HES)  
(H) Publish Date: 4/15/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: EED  
Title School District Correspondence Study BRU Teaching & Learning Support  
Component Quality Schools  
Sponsor Representatives James, Dyson  
Requester H HES Component No. 2147

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*  
HB 464 does not add any new or additional duties to the department, therefore there is no cost to DEED. The bill will also lower the number of yearly approval applications that the department will process. HB 464 requires the local school district to monitor its students.

Prepared by: House HESS Committee Phone \_\_\_\_\_  
Division \_\_\_\_\_ Date/Time 3/15/02 3:45 PM  
Approved by: Representative Fred Dyson, Chair HHES Committee Date 3/15/02  
Agency \_\_\_\_\_

# ALASKA STATE LEGISLATURE

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House of Representatives  
House District 34

## **SPONSOR STATEMENT** **CS HB 464 (EDU)**

Contact: Richard F. Schmitz 465-6791

The purpose of HB 464 is to foster the continued successful operation of statewide school district correspondence study programs, with the goal being to maintain the home teacher's freedom, individuality, and innovation.

The strong point of statewide correspondence study programs is in the ability to deliver superior public education at low cost (ie, "faster, better, cheaper") in a manner that participating parents appreciate and support.

Correspondence study programs provide an education alternative to parents and students who may find difficulty in a more traditional environment. Public schools must strive to "leave no child behind." HB 464 helps to support a worthy tool to achieve that goal.

Specifically, CS HB 464 (HES):

1. Establishes a 5-year certification period -- unless a program is designated deficient or in crisis according to state statute.
2. Permits a program to set its own parameters for monitoring of students by program personnel, including quarterly grade assignment by a certified teacher.
3. Gives the program the authority to establish procedures for approving curriculum materials, home designed courses, and evaluation of student work, according to the requirements of relative state statutes.

Revised: April 23, 2002

# ALASKA STATE LEGISLATURE

REPRESENTATIVE  
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House of Representatives  
House District 34

## **SECTIONAL ANALYSIS CS HB 464 (EDU)**

Contact: Richard F. Schmitz 465-6791

**SECTIONS 1, 3 and 4:** Revises existing statutes that govern selection of textbooks to include statewide correspondence study programs, and adds a term to clarify intent that participating families may use, at home, educational materials purchased privately.

**SECTION 2(a):** This section is an addition to AS 14.07 to define powers related to correspondence study programs offered by school districts, charter schools or Alyeska Central School. Specifically,

**PART 1** Establishes a 5-year certification period for statewide correspondence study programs; This requirement does not apply to a program that is "in crisis" or "deficient" as established in AS 14.03:123(a) (school accountability).

**PART 2:** addresses the responsibility of program staff to monitor enrolled students. Specifically, a certified teacher is responsible for at least quarterly monitoring and assigning of grades, while certified teachers or other appropriately trained program employees are responsible for day-to-day monitoring as established by program policy. Exceptions are made for special education students, who may receive more frequent monitoring by a certified teacher.

**SECTION 2(b):** aligns definition of "district" to existing state statute.

Revised: April 23, 2002

Department of Education & Early Development

Office of the Commissioner

Goldbell Place  
801 West Tenth Street, Suite 200  
Juneau, Alaska 99801-1894  
(907) 465-2800  
(907) 465-4156 Fax

To: House Finance Committee  
Alaska State Legislature

From: Ed McLain, Ed.D.  
Deputy Commissioner

Date: April 26, 2002

Subject: Explanation/Justification of fiscal note for HB 464

\*\*\*\*\*

During hearings in some of the committee meetings held on HB 464, I was asked to review the fiscal note for this bill. The fiscal note as submitted funds two positions in EED to provide oversight and support to districts and staff related to statewide correspondence programs.

There are currently 11 districts offering statewide correspondence programs. These programs serve 9,000 students. This number has grown significantly each year. We anticipate 12 districts next year. Currently, correspondence schools are required to submit a new application each year. HB 464 would amend that to once every 5 years for schools/programs that are rated satisfactory or exemplary – annually for others. The department will be responsible to annually monitor the progress of students enrolled in each statewide correspondence study program separately to determine their designation as described under AS 14.03.123(a) and make appropriate recommendations for continuance of approval.

The "monitoring" of these statewide correspondence programs goes beyond checking to see that their applications are complete - which is to date all we have been able to accomplish due to the fact that we do not have staff to supervise these programs. Since these programs are public school programs and they are operated by school districts that receive federal funding, they are subject to the same compliance requirements as any other school site. As more school districts choose to engage in these options, the monitoring and support workload for the department increases rather than decreases.

To better describe the specific support and monitoring needs of these alternative educational options, we can draw our attention to charter school programs. By comparison, there are 10 districts that have charter schools. These charter schools serve approximately 2,500 students. Charter Schools are required to submit applications every 10 years. Currently the state provides one full-time Education Specialist II position and one full-time administrative clerk to oversee the charter schools program.

	<b>Statewide Correspondence Programs</b>	<b>Charter Schools</b>
Number of districts	11 in FY02, possibly 12 in FY03	10 in FY02, possibly 11 in FY03
Number of students	9,000 in FY 02	2,500 in FY02
Number of schools/programs	11 in FY 02, possibly 12 in FY 03	15 in FY02, possibly 20 in FY03
Application period	Every year in FY02, every 5 years beginning in FY03 for those programs deemed successful or distinguished	Every 10 years in FY02 and FY03
State and Federal funding for supplemental support	No	Yes
Staff to support/provide program oversight	0 in FY02, 2 requested in fiscal note and budget for FY 03	2 in FY02 and FY03
State funding to districts or schools	Approximately \$30 million in FY 03	\$1 million in one time state grants, \$11.2 million foundation funds in FY 02

The department has requested a fiscal note in the amount of \$175,000, most of which would be utilized to fund appropriate staffing. The balance of the funds requested through the fiscal note reflects travel and contractual costs associated with the support and monitoring functions of program management. These costs are comparable to those expended through the state-funded charter school program.

The fiscal support requested in the FY03 budget, submitted by the department and reflected in the original fiscal note for HB 464 will be used to provide support and oversight to the districts and personnel setting up and offering statewide correspondence programs.

Staff monitoring and support responsibilities related to Statewide Correspondence Programs would include the following:

- 1.) Provide technical assistance to school district staff that want to establish and operate statewide correspondence programs. This includes providing guidance on all applicable state laws and regulations governing these programs either on-site, by phone, email, fax, or general correspondence. This all includes providing guidance on the federal requirements to funding attached to federal education grant programs (i.e., Title I, Special Education, Vocational Education, required assessment and professional development activities, etc.).
- 2.) Organize and conduct the statewide correspondence program application review team. Have team review correspondence school applications and then make recommendations to the Division Director and Deputy Commissioner on approval of programs.
- 3.) Develop on-site program review criteria and establish a team to conduct on-site evaluations, as needed, based on individual program results. This would include visiting a program on-site, conducting an evaluation, preparing a report and working with the district and program staff to bring a program into compliance with state law and regulations governing statewide correspondence programs.
- 4.) Track legislative changes related to statewide correspondence programs schools and prepare information about proposed changes for department staff and legislative staff.

- 5.) Update statewide correspondence program regulations in concert with direction from the State Board of Education & Early Development and with legislative intent. This is done in conjunction with the Department of Law, the Legislature, and Commissioner's Office.
- 6.) Generate forms and procedures, as necessary, which are related to the establishment of a new correspondence school or a renewal process.
- 7.) Disseminate any pertinent correspondence information to all Alaska School Districts, or to anyone who requests such information (parents, students, public, Legislators).
- 8.) Respond to numerous requests for information from districts, parents and students, and Legislators on a broad spectrum of statewide correspondence program issues.
- 9.) Help organize, attend, and present information about Statewide Correspondence Programs at statewide, regional or local workshops, open forums, meetings or conferences.

This fiscal support will result in enhanced communications and increased ability of the department to supervise, respond to, and provide assistance to persons and districts involved in the various statewide correspondence programs. As in the charter schools oversight and support, the presence and availability of specific staff members assigned to the statewide correspondence programs will result in enhanced services, reduced problems, and better communications and administration by both department and the programs. Legislative action to support these costs will indicate a belief that statewide correspondence programs deserve the same level of advocacy and support as other innovative options, such as charter schools. Attached is the breakdown of the specific costs associated with the fiscal note.

Based on the above information, we believe the fiscal note for this bill is reasonable and responsible.

The department has been very clearly indicating the fiscal impact of statewide correspondence programs for the past 2 years in our budget process and in any legislation regarding these types of options. It would be misleading to indicate that there is not additional cost to the state to oversee these new options.

Please feel free to contact me if you would like further information.

Attachment – Correspondence Study Fiscal Note breakdown

Department of Education & Early Development  
 Quality Schools Component  
 Statewide Correspondence Study Program Review Increment

		Total	
Personal Services	72.3		Education Specialist II 21A/B (New PFT)
	43.2		Education Program Assistant 12A/B (New PFT)
		115.5	
Travel	8.0		Monitoring - agency staff to accompany contract on-site visits; 3 days each - 4 per year @ \$1,000 each x 2 staff
	7.0		Training; working with statewide correspondence programs
		15.0	
Contractual	12.0		Monitoring Visits - 2 contractors at \$500 per day - 3 days each - 4 districts per year
	8.0		Contractor travel for Monitoring Team - \$1,000 each trip - 4 trips x2 contractors
	14.5		postage, phone, copier, printing
		34.5	
Supplies	5.0		paper, materials, folders, training materials
		5.0	
Equipment	5.0		computer equipment
		5.0	
Total		175.0	

The number of students enrolling in statewide correspondence programs has increased dramatically over the past several years. The department does not have the resources to adequately review the applications from school districts to operate these programs or follow up on monitoring and evaluating these programs. Additional oversight is necessary to ensure instructional and fiscal accountability. The department is requesting 2 PFTs: 05#026 Education Specialist II range 21, Juneau and 05#027 Education Program Assistant range 12, Juneau.

**HB**

**471**

SFIN

FILE

MAY 10 2002

SENATE FINANCE COMMITTEE

**SENATE FINANCE COMMITTEE REPORT**

DATE: 5/8/02

FURTHER:

DATE TURNED  
IN TO OFFICE:

10 May 2002

Finance Committee considered

CS FOR HOUSE BILL NO. 471(CRA)

HB 471 AIDEA LOANS AND DIVIDEND

"An Act increasing the maximum amount of loans from the bulk fuel revolving loan fund operated by the Alaska Energy Authority; relating to the definitions of 'net income' and 'unrestricted net income' for purposes of determining the amount of the Alaska Industrial Development and Export Authority's dividend to the state; relating to communities within which rural development loans may be made by the Alaska Industrial Development and Export Authority; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DCED	3/22/02		✓	#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>Linda Green</i>				
<i>Alan Gustafson</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
<i>Erin Wilhoit</i>	✓			
<i>Sarah S. Kuman</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>			✓	

MAY 10 2002

SENATE FINANCE  
COMMITTEE

# FISCAL NOTE

STATE OF ALASKA  
1002 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSHB 471(CRA)  
(H) Publish Date: 3/27/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
Title AIDEA Programs BRU AIDEA (125)  
Component AIDEA  
Sponsor Representative Green  
Requester House Community & Regional Affairs Component No. 1234

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

HB 471 modifies the Alaska Industrial Development and Export Authority dividend policy statutes to reflect recent changes in governmental accounting standards. The bill also clarifies eligibility for the Rural Development Initiative Fund.

HB 471 has no fiscal impact to AIDEA.

Prepared by: Sara Fisher-Goad, Financial Analyst  
Division: Alaska Industrial Development & Export Authority  
Approved by: Deborah B. Sedwick, Commissioner  
Agency: Department of Community & Economic Development

Phone 907-269-4623  
Date/Time 3/22/02 2:33 PM  
Date 3/22/2002

# Alaska State Legislature

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CHAIRMAN, LEGISLATIVE COUNCIL  
VICE CHAIR, ECONOMIC DEVELOPMENT  
TRADE & TOURISM  
MEMBER, RESOURCES  
MEMBER, ETHICS  
MEMBER, MILITARY & VETERAN AFFAIRS

BUDGET SUBCOMMITTEES  
ALASKA COURT SYSTEM  
DEPT. OF CORRECTIONS  
DEPT. OF LAW

Representative Joe Green  
District 10

## Sponsor Statement for House Bill 471

House Bill 471 proposes changes to the Alaska Industrial Development and Export Authority (AIDEA) statutes relating to the computation of the AIDEA dividend and the eligibility requirements for AIDEA's Rural Development Initiative Fund (RDIF) program. The House C&RA committee amended House Bill 471 to include a proposal to increase the maximum loan amount for the Alaska Energy Authority's (AEA) Bulk Fuel Revolving Loan Fund.

The change to the dividend statute results in a status quo dividend formula necessitated by accounting and reporting changes. Under current state law, AIDEA pays an annual dividend to the State of Alaska's General Fund, the amount of which is based on the agency's "net income" and "unrestricted net income." Alaska Statutes define these two terms as the "net income" and "unrestricted net income" included in AIDEA's audited financial statement.

New standards adopted by the Governmental Accounting Standards Board (GASB) provide that audited financial statements, such as the one produced by AIDEA, will no longer include the terms for either "net income" or "unrestricted net income." This eliminates the reference used by current statutes to define the two terms.

In addition, the new GASB standards also require that intergovernmental transfers, capital contributions and grants be included as either a revenue or expense of the governmental entity. AIDEA's dividend payments to the state will be included as an expense, causing a further reduction of the agency's "net income," and resulting in an automatic reduction of the potential dividend.

Since its inception, AIDEA has provided \$128 million in dividends, including the dividend that will be paid to the state for fiscal year 2003. In order to preserve this important source of general fund revenue, HB 471 makes the necessary changes in response to the new accounting requirements. The bill addresses both issues by defining "net income" and "unrestricted net income" using the terms to be found in future audited financial and excluding amounts attributable to intergovernmental transfers, capital contributions and grants.

AIDEA's RDIF program was designed to make commercial loans to rural businesses that did not have other financing options because of their location. HB 471 reinserts the definition of "community" and further clarifies the definition to ensure that the loans are going to the intended recipients, those who are in truly rural communities. The amended standards specify that qualifying participants must be in communities of less than 5,000 people if they are not connected to Anchorage or Fairbanks by road, rail or the Marine Highway, and less than 2,000 people if they are connected to Anchorage or Fairbanks by road or rail.

Finally, this legislation increases the maximum loan amount from the Bulk Fuel Revolving Loan Fund to \$200,000 per loan. In rural Alaska, communities purchase their fuel in bulk because it costs less to buy larger quantities of fuel than to buy in smaller increments, and the window for transporting fuel is seasonal. The 150 communities off the road system have to purchase their fuel to secure its delivery in a single shipment, working around Alaska's notorious cold weather and freezing conditions that drastically limit transportation options. This program is in high demand in rural communities. Petroleum price increases and increases in bulk fuel tank farm capacity in many communities have made the current limit of \$100,000, which was enacted in 1993, too low to accommodate the needs of many borrowers. AEA has received legislative authorization to capitalize the BFRLF with a \$5 million federal grant. This grant is expected to be finalized in April.

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 471  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title AIDEA Programs BRU AIDEA (125)  
 Component AIDEA  
 Sponsor Representative Green  
 Requester House Community & Regional Affairs Component No. 1234

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

HB 471 modifies the Alaska Industrial Development and Export Authority dividend policy statutes to reflect recent changes in governmental accounting standards. The bill also clarifies eligibility for the Rural Development Initiative Fund.

HB 471 has no fiscal impact to AIDEA.

Prepared by: Sara Fisher-Goad, Financial Analyst Phone 907-269-4623  
 Division: Alaska Industrial Development & Export Authority Date/Time 3/22/02 2:33 PM  
 Approved by: Deborah B. Sedwick, Commissioner Date 3/22/2002  
 Agency: Department of Community & Economic Development

**HB 471**  
**AIDEA Bill**  
**Sectional Analysis**

**Sections 1 and 2 – AIDEA's Dividend Program.** Sections 1 and 2 of the bill amend definitions used in the statutory guidelines for the AIDEA dividend program to accommodate recent changes in governmental accounting and reporting standards. Section 1 amends the definition of "net income" and section 2 amends the definition of "unrestricted net income." Additionally, Section 4 of the bill is a transitional provision that clarifies that the amendments made in section 1 and 2 will become effective for the dividend calculated from AIDEA's audited financial statements for fiscal year 2002 - - the first audited financial statements after these changes in governmental accounting standards become effective.

**Background.** Since its inception, AIDEA has provided \$128 million in dividends, including the dividend AIDEA in December 2001 declared available to the state for fiscal year 2003. AS 44.88.088 provides statutory guidelines for AIDEA's dividend policy. AIDEA is to provide to the state a dividend of between 25 percent and 50 percent of AIDEA's net income for the base fiscal year, but in no event may the dividend exceed AIDEA's unrestricted net income for the base fiscal year.

AS 44.88.088(b) defines "net income" and "unrestricted net income" used in the statutory guidelines for AIDEA's dividend policy to be the amount of net income and unrestricted net income that are set out in the audited financial statements of AIDEA. AIDEA's audited financial statements comply with standards adopted by the Governmental Accounting Standards Board (GASB). Two recent changes to these governmental accounting and reporting standards alter or create ambiguity regarding how the statutory guidelines for AIDEA's dividend program would be implemented.

First, GASB Statement 34 provides that audited financial statements will no longer report any amount for either "net income" or "unrestricted net income." Without those amounts reported in AIDEA's audited financial statements, AS 44.88.088 will no longer provide clear instruction to the Board for determining the amount of the AIDEA dividend. This ambiguity will compel the Board either to attempt to calculate what

the "net income" and "unrestricted net income" would have been without GASB Statement 34, or to declare no dividend as the audited financial statements will include no amount for "net income."

Second, GASB Statement 33 requires that grants be included as either revenue or expense of the governmental entity. GASB Statement 34 requires that intergovernmental transfers be included as components of the Statement of Revenues, Expenses and Changes in Fund Net Assets. These accounting modifications will alter the calculation of AIDEA's future dividends. For example, the amount appropriated from any AIDEA dividend will be an intergovernmental transfer item that will reduce "net income" for that fiscal year. This reduction of "net income" will simultaneously reduce the amount of the AIDEA dividend that will be calculated from the audited financial statement for that fiscal year. For the first time, the payment of an AIDEA dividend will automatically reduce the amount of a future dividend.

The amendments proposed in sections 1 and 2 neutralize the impact the recent changes to governmental accounting and reporting standards in GASB Statements 33 and 34 would otherwise have on the AIDEA dividend program.

**Section 3 – Rural Development Initiative Fund Program.** Section 3 of the bill modifies AIDEA's rural development initiative fund program (RDIF) by making RDIF available to businesses located in communities with populations of less than 5,000 if not connected by road or rail to Anchorage or Fairbanks, or to businesses in communities with populations of less than 2,000 if connected by road or rail to Anchorage or Fairbanks. Section 3 of the bill also provides definitions for terms.

**Background.** The intent of the RDIF program is to provide commercial financing to businesses in the rural areas of Alaska that do not have access to standard commercial financing because of their location. While the statutory language refers to businesses located in a community of 5,000 or less, the definition of community was dropped over the years. This definition more clearly sets forth the intent of the program and will allow users of the program to use established references for determining eligibility.

Section 4 – AIDEA's Dividend Program. Section 4 is a transitional provision that clarifies that the amendments to the statutory guidelines for AIDEA's dividend program under sections 1 and 2 of the bill will first be used for the dividend to be calculated from AIDEA's audited financial statement for fiscal year 2002.

Background. Sections 1 and 2 of the bill amend definitions of terms used in the statutory guidelines for the AIDEA dividend program in order to neutralize the impact of changes made in governmental accounting and reporting standards under GASB Statements 33 and 34. These provisions first become effective for the audited financial statements of AIDEA that will be prepared for fiscal year 2002. The transitional provision clarifies that the amendments will be effective for dividend to be calculated from that fiscal year 2002 audited financial statement.

Section 5 – Effective Date. Section 5 of the bill provides for an immediate effective date.



May 9, 2002

The Honorable John Torgerson  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Senator Torgeson:

Thank you for your support of House Bill 471 in the Senate Labor & Commerce Committee. I hope this letter answers questions raised in committee and clears the way for successful floor action.

The Bulk Fuel Revolving Loan Fund is a short term, low interest loan that allows rural communities to make their bulk fuel purchase in a cost effective manner. The interest rate on a community's first bulk fuel loan is zero percent. The interest rate charged on subsequent loans is tied to municipal bond yields and is much lower than available through other funding sources. A community then has up to nine months to repay the loan.

The current cash balance in the fund as of 4/30/02 is \$6,125,067. With \$191,429 in outstanding commitments, there is an uncommitted cash balance of \$5,933,638 available for future loans. This balance includes the \$5 million recently received from the U.S. Department of Agriculture, Rural Utilities Service, which represents a four-fold increase in the amount of funds that can be provided to help rural Alaskans with the high cost of purchasing their winter fuel supplies.

Currently there are 48 outstanding loans. Of the 21 loans committed in FY02, three are thirty days delinquent and five are 60 days delinquent. Of the 41 loans committed in FY01, two are 30 days delinquent and one is 90 days delinquent. A borrower is not eligible for another loan if they have any unpaid outstanding loans.

The Rural Development Initiative Fund is a loan program designed to create job opportunities in rural Alaska by providing small Alaska businesses with needed capital that may not be available through traditional commercial markets. Existing law requires that businesses eligible for assistance under this program must be Alaskan-owned and located in a community of 5,000 or less. The eligibility revisions in House Bill 471 help ensure that the loans are going to the intended recipients, those who are in truly rural communities.


Over the past ten years, Alaska's population has grown 12%. The population in Bethel, however, has increased by 17% in the same period. I believe this indicates the evolution of Bethel into a strong regional center for the 56 villages in the Yukon-Kuskokwim Delta. Food, fuel, transportation, medical care and other services for these villages are provided by businesses in Bethel.

Businesses and organizations in Bethel, like those located anywhere in the larger communities in Alaska, have access to our Loan Participation Program and Loan Guarantee Program. Those programs require the borrower to find a bank to originate the loan. Those banking sources are available in Bethel. However, with the RDIF program, it is a direct loan from the RDIF Fund; therefore, smaller communities that may not have access to a bank sponsor are most in need of the RDIF program.

AIDEA has been involved in past Bethel business loans for a grocery store and an air service company. We recently made \$1.2 million available for a loan participation with Wells Fargo Bank Alaska to renovate the old Kuskokwim Inn. This project gives a new face to the historic inn and will provide business and leisure travelers to Bethel with a badly needed lodging option. AIDEA is pleased to help make this project happen.

I hope this adequately answers issues raised in committee. Please feel free to contact me if I can be of further assistance.

Sincerely,



Robert Poe, Jr.

cc: Senator Ben Stevens  
Senator Austerman  
Senator Leman  
Senator Davis  
Representative Joe Green

**OFFICE OF THE CITY ATTORNEY**  
CITY OF KETCHIKAN, ALASKA

*Steven H. Schwegge*  
City Attorney  
204 FRONT STREET  
KETCHIKAN, ALASKA 99901  
TEL: 225-8546 FAX: 247-2111  
FACSIMILE (907) 225-8546

Post-It Fax Note	7671	Date	5/9/02	Page	3
To	Tracy Mathew	From	Steve Schwegge		
Cell/Desk	Leg 056722	CC	City Attorney		
Phone #		Phone #			
Fax #	225-8546	Fax #			

May 9, 2002

**Via Facsimile (907) 225-8546**

**TO: Senator Dave Donley and Senator Tim Kelly, Co-Chairmen  
Members of the Senate Judiciary Committee**

**Re: Opposition to CS For House Bill No. 296, An Act Relating to Mergers and  
Consolidations of Municipalities**

**Dear Senators Donley, Kelly and Committee Members:**

I understand that the Senate Finance Committee will be holding a hearing on CS for House Bill No. 296 this morning at 9:00 p.m. The bill (hereinafter referred to as HB 296) would change the voting requirements needed for approval of the consolidation of a borough and a city lying within that borough. Present law requires a simple majority of all voters in order to approve a consolidation of city and borough governments. HB 296 would require approval of the consolidation by separate majorities of voters within the city and those outside of the city.

The City of Ketchikan has long supported the present law's requirement of a simple majority vote of all borough residents to approve of a consolidation. Several years ago we opposed an effort similar to HB 296 to divide the vote of borough residents living inside the city and those borough residents living outside of a city. With the concurrence of City Mayor Robert Weinstein and City Manager Karl Amylon, I would like to submit these written comments.

My comments can be summed up by three points. The present requirement of a simple majority vote for consolidation works, is fair and allows for the future development of effective local government. I believe that HB 296 thwarts all three of these important purposes.

Consolidation efforts have generally been proposed by city governments or city residents. The purpose of those efforts has been to end the duplication, overlap, conflict,

and inefficiency which occurs when two local governments exercise jurisdiction within the same community. In Ketchikan, for example, the City provides borough-wide electric, telephone, mental health/substance abuse, hospital, and library services. It also provides ambulance service to most of the outlying borough and is the economic, financial, and transportation center for the entire Ketchikan Gateway Borough. The Borough provides borough-wide planning, tax collection, animal control, and transit. Both the City and Borough exercise duplicating jurisdiction over economic development within the city boundaries.

In 1991, the City began work on a proposal to consolidate the city government and borough government. This effort continued for 10 years, leading up to a consolidation election last summer. While City residents strongly favored consolidation, the proposal failed to achieve majority approval of all the voters. This was due to overwhelming opposition among voters who resided outside of the City.

From reading HB 296 one would assume that city-sponsored consolidation are being imposed on rural residents across the State. This would be an entirely wrong assumption. Indeed, to our knowledge, no consolidation proposal has ever been approved. Recent urban-sponsored consolidations in Haines, Ketchikan, and Fairbanks have all been defeated through the democratic process of one person—one vote. Those borough residents who live outside of cities have won through the democratic process. The present requirement of a simple majority of all voters has not resulted in their interests being ignored or defeated. We fail to see why residents of outlying areas need further protection from the very democratic process which has brought them success in the past.

The present system of a simple majority vote is fairest and best reflects democratic ideals. The vote of borough residents who live inside a city and those who live outside a city count equally in determining how their borough will be governed. HB 296 gives a minority veto power over the form of government and the allocation of government costs. To use an extreme example for purposes of illustration, suppose that 95% of the residents of a borough lived within a city and 5% of the borough residents lived outside of that city. Under HB 296, the 5% living outside of the city would determine whether the city and borough would consolidate. HB 296 gives control over the future form of local government to such minorities.

Proponents of HB 296 will likely argue that the bill is fair despite its deviation from democratic principles. If their argument is anything like that which we heard during our consolidation effort, they will argue that they moved outside of the city so that they would not be taxed for community services that they did not want. They argue that their desire to avoid taxation entitles them to a veto over consolidation proposals which may more equitably spread the costs of the community's government. This argument has been traditionally rejected for good policy reasons. No matter how much we would like it to be otherwise, government is not a cafeteria plan where each taxpayer can pick and choose from the "services" he or she wants. One must pay taxes for schools even though one does not have children.

By requiring a majority of all residents to approve a consolidation, the present law allows each resident of a community an equal say in how that community's costs will be paid and how community resources will be allocated. People who live outside of artificial city limits have not left the community. They still use the services provided by the city and in many cases are dependent upon them. While they have left the jurisdiction of the city government, they have not left the community and so should not be given veto power over how that community will be governed. In order for any consolidation to proceed to an election, it is necessary to prove that the areas being consolidated are in fact a community. This is a function of the Local Boundary Commission. If a consolidation is proposed for areas having no community connection, that consolidation will be barred by the Commission or the courts before it even gets to an election.

If passed, HB 296 will likely freeze the patchwork of local governments found throughout the State. It is unlikely that the City of Ketchikan would have bothered to seek consolidation if legislature similar to HB 296 had been in place. We correctly believed that despite our efforts to address the concerns of outlying residents, consolidation could never be adopted by a majority of those residents.

We believe that the State needs to support consolidated regional local governments. The costs of patchwork local governments is borne not only by local residents but by the State as well. To the extent that local government does not have the tools to address local problems, the State is the only other authority to address those problems. When, for example, the City of Ketchikan annexed the adjoining Shoreline area, the State was one of the biggest beneficiaries. The costs of road maintenance and law enforcement were transferred from the State to the City and the City became responsible to the State for other governance matters in that area. Consolidation of local governments can create similar state-wide benefits which will not be otherwise achieved. If the costs of regional government can be allocated on a regional basis through united, strong local government, less demand for State participation will occur.

HB 296 is a bad idea. It ends a process which has worked and which holds the promise of improved local government. It ends a fair process and gives minorities a veto power. It will freeze local government jurisdictions, leaving a greater demand for State resources. We urge you to reject HB 296.

Yours very truly,

Steven H. Schweppe  
City Attorney

cc: Mayor Weinstein  
Karl Amylon

## Cliff Notes for HB 471

HB 471 amends 3 important programs for AIDEA/AEA

1. The AIDEA dividend calculation
2. The Bulk Fuel Revolving Loan Fund
3. The Rural Development Initiative Fund.

### **The AIDEA dividend calculation:**

- Under current state law, AIDEA pays an annual dividend of which is based on the agency's "net income" and "unrestricted income". Alaska statutes define these two terms as the NET INCOME and UNRESTRICTED NET INCOME included in AIDEA'S audited financial statement.
- New standards adopted by the Governmental Accounting Standards Board will no longer include the terms for "net income" in the audited financial statements
  - Without those amounts reported it does not give AIDEA clear instruction for determining the amount of the dividend. This eliminates the reference used by current statutes to define these two terms.
- In addition to that change, GASB standards will now require that intergovernmental transfers, capital contributions and grants be included as an expense.
  - These accounting modifications will alter the calculation of AIDEA's future dividends.
  - In other words - since our dividend from AIDEA is a intergovernmental transfer item - then that will reduce the "net income" for that fiscal year.

- o That reduction of "net income" will then simultaneously reduce the amount of the dividend that is calculated from the audited financial statement.
- o Sections 2 & 3 addresses both issues by defining "net income" and "unrestricted net income" using the terms to be found in future audited financial statements and excluding amounts attributable to intergovernmental transfers, capital contributions and grants.

#### **The Bulk Fuel Revolving Loan Fund:**

- HB 471 also increases the maximum amount from the Bulk Fuel Revolving Loan fund to 200,000 per loan.
  - o The purpose of the Rural Bulk Fuel Revolving Loan Fund is to help small rural communities in purchasing annual bulk fuel supplies.
  - o In rural Alaska, communities buy their fuel in bulk because it is cheaper than buying in smaller increments - and the window for transporting fuel is seasonal.
  - o A 5 million grant from Department of Agriculture, Rural Utilities Service, will support this program.

#### **The Rural Development Initiative Fund:**

- Finally, Section 4 - adds language describing the eligibility requirements for AIDEA's Rural Development Initiative Fund - this program was designed to provide commercial loans to rural businesses who don't have other financing options because of their location.

- o AIDEA wants to insure that the loans are going to the intended recipients who are truly in a rural community.
- o So qualifying participants must be in communities of less than 5,000 people if they are not connected by road or rail to Anchorage or Fairbanks or less than 2,000 people if they are connected to Anchorage or Fairbanks by road or rail.

# SENATE COMMITTEE REPORT

DATE: 5/6/02

FURTHER:

DATE TURNED IN TO OFFICE: 5/7/02

Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 471(CRA)

### HB 471 AIDEA LOANS AND DIVIDEND

"An Act increasing the maximum amount of loans from the bulk fuel revolving loan fund operated by the Alaska Energy Authority; relating to the definitions of 'net income' and 'unrestricted net income' for purposes of determining the amount of the Alaska Industrial Development and Export Authority's dividend to the state; relating to communities within which rural development loans may be made by the Alaska Industrial Development and Export Authority; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DCED	3/27/02		✓	

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Alan Gustafson</i>	✓			
<i>Al Johnson</i>	✓			
<i>John D. Hansen</i>	✓			
CHAIR: <i>Ben Hansen</i>	✓			

# SENATE COMMITTEE REPORT

DATE: 4/26/02

FURTHER: Labor and Commerce

DATE TURNED IN TO OFFICE: 5/3/02

Community and Regional Affairs Committee considered

CS FOR HOUSE BILL NO. 471(CRA)

### HB 471 AIDEA PROGRAMS

"An Act increasing the maximum amount of loans from the bulk fuel revolving loan fund operated by the Alaska Energy Authority; relating to the definitions of 'net income' and 'unrestricted net income' for purposes of determining the amount of the Alaska Industrial Development and Export Authority's dividend to the state; relating to communities within which rural development loans may be made by the Alaska Industrial Development and Export Authority; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DCED	3/22		✓	11

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

SENATE FINANCE COMMITTEE  
HB 471-AIDEA LOANS AND DIVIDEND  
SIGN - IN

NAME: BOB ROE Subject/Bill No: HB 471

Co./Dept./Title: AIDEA/AEA 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

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_

Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

**HB**

**489**

**HFIN**

**FILE**



# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: CSHB 489(JUD)  
(H) Publish Date: 4/23/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dep't. Affected: Corrections  
Title: "An Act relating to cruelty to animals." BRU: Administration and Operation  
Component: All  
Sponsor: Rep. Chenault  
Requester: House Judiciary Committee Component No.: 694

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

Estimate of any current year (FY2002) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*  
This legislation elevates cruelty to animals from an A misdemeanor to a C felony. It also loads the elements of the crime to include "failure to provide the necessary standard of care" but removes "and as a result, causes the death of the animal or cause severe physical pain or prolonged suffering to the animal". Finally, this legislation would make the observation and knowing failure to report a violation to a law enforcement agency a C level felony also.  
  
The Department of Law reports that in 2000 there were 8 convictions of cruelty to animals with an average sentence of about 10 days. It difficult to estimate what an average sentence would be if this becomes a felony. There will undoubtedly be additional imprisonment as well as probation supervision imposed. While the impact to the Department is difficult to quantify, there will be an impact. Most

Prepared by: Candace Brower Phone: \_\_\_\_\_  
Division: Commissioner's Office Date/Time: 3/14/02 1:41 PM  
Approved by: Margaret Pugh, Commissioner Date: 3/14/02  
Agency: Department of Corrections

FISCAL NOTE - FN#1

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

BILL NO. CSHB 489(JUD)

**ANALYSIS CONTINUATION**

troubling is the creation of a new felony for failure to report. The Department of Corrections has been experiencing an overcrowding crisis for a number of years. Each year, our population increases due to increased sentences, new crimes and converting misdemeanors into felons. This legislation represents all of those things. We are also facing significant budget cuts. Although we cannot quantify the impact, serious consideration needs to be given to amending the current statutes to add to the serious burden that already exists on the criminal justice system.

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CSHB 489(JUD)  
(H) Publish Date: 4/23/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
Title "An Act relating to cruelty to animals." BRU Criminal Division  
Component All  
Sponsor Representative Chenault  
Requester House Judiciary Committee Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	*****	*****	*****	*****	*****	*****

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	*****	*****	*****	*****	*****	*****
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
<b>TOTAL</b>	*****	*****	*****	*****	*****	*****

Estimate of any current year (FY2002) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*  
HB 489 adds seeing someone commit animal cruelty, and then knowingly fail to report the crime to law enforcement, to the definition of cruelty to animals. The bill further increases the penalty for cruelty to animals from a misdemeanor to a class C felony.  
  
During 2000, the Department of Law got convictions in eight cruelty to animal cases. Due to the relatively low number of these cases, increasing the penalty for animal cruelty to a felony as defined in current law is expected to have a negligible fiscal impact on the agency. However, making failure to report animal cruelty a felony is expected to cause many new referrals for prosecution, which will need to be investigated and reviewed, even if the state cannot ultimately prosecute. While we believe passage of section 2 of HB 489 will increase the department's workload, we have no way of reliably estimating the impact.

Prepared by: Joan M. Kasson Phone (907) 465-5370  
Division Attorney General's Office Date/Time 3/8/02 8:30 AM  
Approved by: Kathryn Daughhedeo for Bruce M. Botelho, Attorney General Date 3/8/2002  
Agency Department of Law

# STATE OF ALASKA

REPRESENTATIVE

M. E. CHENAULT

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(907) 283-7223

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HOUSE OF REPRESENTATIVES

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Session:

Capitol Building, Room 432

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Fax: (907) 465-2833

## Sponsor Statement House Bill 489

This fall in Sterling, State Troopers, animal rescuers, veterinarians and a member of my staff witnessed possibly the worst case of mass animal cruelty in Alaska. Dozens of dogs, some frozen to the ground but still alive, were found on a parcel of land in the Sterling area. Some were locked in an abandoned bus, some tied to trees and stakes. None had the bare margin of food, water, or humane shelter. The only bedding was canine feces or ice. *A video is available for viewing with the warning that it is quite graphic and not for the faint of heart.*

A week ago, a police officer stopped a drunk driver who had his dog tied to the bumper of his truck. While the dog received emergency medical treatment, it was put down as a result of being dragged for several miles.

It is appalling to find any human being capable of such horror. In fact, many individuals who are later convicted of grave crimes to fellow humans are found to have seriously abused animals at some time in their lives.

Several days ago, I distributed animal cruelty information. I hope one of your staff had the opportunity to read it. The purpose of this memo is to appeal to your humane side and ask for your support to stop cruelty to animals. This is an issue decent human beings should never have to consider. Common sense and compassion dictates how we should treat animals, unfortunately we cannot depend on fellow human beings to be decent and provide basic food, water and shelter for animals. This is not an issue for partisan politics, as most of us have delightful memories of childhood pets.

Please join me in setting an example to stop abuse of animals. You and I have the opportunity to show our children how kind and compassionate animals can be while teaching responsibility of animal care.

My four kids have a dog names Destiny that is a loving, mischievous companion to each of us. Although she has to be into what ever I am doing, be it painting or repairing the kitchen sink, the kids are learning the responsibility of caring and providing for another living being, an important part of becoming an adult.

## Criminal Code Backgrounders

### Cruelty Vignettes

Enforcement of Cruelty to Animals Section of the Criminal Code

Enforcement Statistics

Linking Animal Cruelty and Violence to Humans

Serial Killers, School Shootings and Youth Crimes

Reform of the Criminal Code, Cruelty to Animals Sections

### Linking Animal Cruelty to Human Violence

FBI and Scotland Yard recognize that violence toward animals is one of five key indicators of a person who will commit violent acts against people. A past history of violence is a predictor of future aggression.

U.S. states have felony offences for animal cruelty, with prison sentences up to 10 years.

U.S. public opinion polls show that 81% of the surveyed respondents supported strengthening animal cruelty laws. 71% were in favour of upgrading cruelty offences from misdemeanors to felonies. 87% said cruelty to animals offences should protect wild animals as well as pets. 89% said social agencies, educators, law enforcers and animal welfare organizations should share information about animal abusers as a means of reducing child abuse.

Animal abusers often suffer from low self-esteem, a history of family abuse, frustration and an inability to manage anger. Childhood cruelty may provide a child with a sense of power and mastery over animals. Typical factors are revenge, retaliation, intimidation, deviant arousal or peer pressure.

In one American study, 118 out of 135 criminals, including robbers and rapists, admitted that when they were children, they had burned, hanged and stabbed domestic animals.

78% of 63 people charged with animal cruelty had also been charged with violence or threats of violence against people (Jim McIsaac, Winnipeg Police Services).

152 criminal subjects reported 373 acts involving undue harm to animals. 60% reported at least one or more acts of childhood cruelty toward animals. 41% reported 1 - 2 cruelties, 11% admitted 3 - 4 cruel acts towards animals and 6% indicated 5 or more animal cruelties during childhood. 25% of aggressive criminals reported 5 or more childhood cruelties compared to less than 6% of moderate and nonaggressive criminals. 3/4 of all aggressive criminal subjects reported excessive and repeated child abuse. (Kellert and Felthous "Childhood Cruelty Toward Animals Among Criminals and Non-Criminals", *Human Relations* Volume 38, No. 12, PP. 1113 - 1129).

61% of 39 women who had been abused by their partners and were living in women's shelters in Hamilton and Owen Sound said their pets had either been abused or killed by their partners. 48% said concern for the safety of their pets prevented them from leaving their abusive home sooner.

Three surveys of women's shelters in Wisconsin and Utah showed an average of 74% of women with pets reported that their animals had been threatened, injured or killed by their abuser.

83% of families in Britain with a history of animal abuse were identified by social service agencies as at risk for child abuse or neglect (Royal SPCA, Britain, 1981).

58% of sexual homicide perpetrators who were sexually abused as children recounted childhood animal cruelty (Dr. Patricia Schene "One By One Is Not the Only Way" *Advocate* Fall/Winter 1993).

See *Cruelty to Animals and Intpersonal Violence (Readings in Research)* edited by Dr. Randall Lockwood and Frank R. Ascione, Purdue University Press (800) 933 - 9637 (ISBN 1-55753-106-4) (\$24.95 U.S.) and *Child Abuse, Domestic Violence and Animal Abuse: Linking the Circles of Compassion for Prevention and Intervention* by Frank Ascione and Phil Arkow Purdue University Press (ISBN 1-55753-143-9) (\$24.95 U.S.)

### More information

## THE TANGLED WEB OF ANIMAL ABUSE:

### The Links between Cruelty to Animals and Human Violence

Addendum to The Humane Society of the United States News article, Summer, 19869 by Dr. Randall Lockwood and Guy R. Hodge

"One of the most dangerous things that can happen to a child is to kill or torture an animal and get away with it." Anthropologist Margaret Meau

- **JEFFREY L. DAHMER:** Serial Killer, Sexual Deviant

Dahmer confessed to killing, dismembering and, in some cases, cannibalizing, 17 men and boys. As a child, Dahmer impaled frogs, decapitated dogs, and staked cats to trees in his backyard. Dahmer was convicted to death but before the sentence was carried out he was killed by another inmate in 1994.

- **TED BUNDY:** Serial Killer, Rapist

Bundy killed numerous females who looked liked a woman for which he had a passion. In the 1970's he brought fear to college campuses in many states after killing 3 women in the Chi Omega sorority house at Florida State University. He was ultimately convicted of two killings, but is suspected of murdering over 40 females, primarily in the northwest. During his childhood he witnessed his father's brutality toward animals and he himself tortured animals. Bundy was executed in Florida.

- **RICHARD ALLEN DAVIS:** Accused killer and rapist of 12 year old Polly Klaas

Davis has been charged with the kidnapping of Polly Klass, 12, from her own home, raping and strangling her. As a 14-year-old he set cats on fire and used dogs as target to practice knife-throwing. In 1993 he was charged with the shooting death of Marlene Voris 20 years ago. "When he was little it was animals. When he got bigger it was people." said Zak Bucket a neighbor.

- **MICHAEL WAYNE ECHOLS (18), JESSIE LLOYD MISSKELLEY JR. (17), CHARLES JASON BALDWIN (16):** Killed three 8 year-old-boys

These three teenage boys were arrested in 1993 for the brutal murder of three 8-year old boys in West Memphis. The three young boys were lured into the woods, beaten into unconsciousness, one was sexually mutilated, another raped, and all three killed. For some time prior to the killing, the three teenagers were involved in satanic-type rituals. During an initiation ceremony they killed dogs, skinned them, and ate their flesh. Echols was also carrying a head of a cat with him.

- **EARL KENNETH SHRINER:** Sexual Predator, Killer, and Rapist

Shriner used threats to lure a 7-year-old boy into a wooded area in Washington state where he raped him, cut off his- penis, choked him, stabbed him in the back and neck, and left him for dead. At the age of 16, he confessed to the killing of a teen-age girl. Police say he "was a man who put firecrackers in the anuses; of dogs and strung up cats." He was committed to a state mental hospital after several incidents, including the slaughter of nearly two dozen chickens.

- **ERIC SMITH:** Adolescent Killer of 4-year-old boy

When Eric Smith was 13 years old, he bludgeoned 4-year-old Derrick Robic to death and was charged with murder. Four years prior to the killing of Derrick, Smith killed the neighbor's cat with a gardenhose. There are no specific reasons why he killed the little boy or the cat.

- **THOMAS LEE DILLION:** Murderer and Suspected Serial killer

Dillion is said to be a serial killer. Dillion admitted to the shooting of Gary Bradly in 1992, while both were hunting. Dillion, an ardent hunter who also boasted of killing more than 1000 animals in illegal drive shootings, is serving a life sentence in Ohio on five murder convictions.

**MICHAEL CARTIER:** Stalker and Murderer

In 1992, Cartier stalked and killed Kristen Lardner in Boston, Massachusetts and then killed himself. In a prior relationship, Cartier held his girlfriend's kitten under a hot shower and then shaved all its hair off. Later he hurled it through a fourth floor window to its death.

**Cruelty to animals should be a felony offense. Both animals and people benefit when abusers are brought into the criminal justice system for sentencing or treatment. Fifteen states have already enacted felony cruelty laws.**

# First Strike Animal Cruelty/ Human Violence

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Posted by Shelter House on August 04, 1998 at 15:53:15:

Is harming an animal a warning sign of other possible acts of violence? Absolutely!

Animal cruelty can be one of the earliest and most dramatic indicators that an individual is developing a pattern of seeking power and control by inflicting suffering on others.

Studies in psychology, sociology, and criminology clearly show that violent offenders frequently have childhood and adolescent histories of serious and repeated animal cruelty. The FBI has used this correlation for years in profiling serial killers.

Recent research also shows that animal cruelty often occurs in tandem with family violence, child abuse, spouse abuse, and elder abuse.

Pets are part of the family in many American households. In homes where domestic violence occurs, pets are often threatened or injured by abusers.

**IN SEVERAL RECENT SURVEYS OF WOMEN ENTERING SHELTERS FOR PROTECTION FROM DOMESTIC VIOLENCE, NEARLY HALF REPORTED THAT A PET HAD ALSO BEEN THREATENED, INJURED OR KILLED BY THEIR ABUSER. Many victims of domestic violence delay leaving their homes because they fear that their pet might be hurt when they leave.**

**SHELTER HOUSE DOES NOT WANT THIS TO BE A DETERRENT TO A VICTIM WHO IS CONSIDERING COMING TO A SHELTER AND WANTS THE COMMUNITY TO KNOW THAT IT HAS AN AGREEMENT WITH A LOCAL KENNEL, WHICH WILL HOUSE AN ANIMAL DURING THE LENGTH OF THE VICTIM'S STAY AT SHELTER HOUSE.**

Shelter House has also joined in the First Strike Campaign, which is a new animal and human protection program developed by the Humane Society of the United States (HSUS). Leading the program locally are Cathy Holmes and Maureen Simmons, both from the Family Advocacy Office at Hurlburt Field in Florida. They want people to recognize the connection between animal cruelty and human violence, and get involved.

Shelter House recently participated in an inter-agency training program put together by Holmes and Simmons. The training session included presentation from Shelter House, the Panhandle Animal Welfare Society (PAWS), the Family Advocacy Office and the

Florida Department of Children and Families- each pointing out the connection between animal cruelty and human violence.

As a result of the campaign, Shelter House has added to it client intake forms, a question about animal cruelty within the household, and animal control officers now distribute Shelter House information cards to homes where animal cruelty has been reported. Holmes and Simmons are hoping to gain cooperation between civilian and military organizations so that all acts of violence are recognized and dealt with promptly and appropriately. They are hoping to protect victims of violence, prosecute and punish those who commit violent acts and prevent future violence through early identificaton of people with violent tendencies.

The First Strike Campaign was developed by the Humane Society of the United States. If you want more information about the program, call Cathy Holmes or Maureen Simmons at the Hurlburt Family Advocacy Office, or call the HSUS toll free 1-888-213-0956. The HSUS website is at [www.hsus.org](http://www.hsus.org)

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Follow Ups:

- [Re: First Strike Animal Cruelty/ Human Violence Krista 23:43:00 2/21/99 \(0\)](#)

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Post a Followup

Name:

E-Mail:

Subject:

Comments:

: Is harming an animal a warning sign of other p  
: acts of violence? Absolutely!  
: Animal cruelty can be one of the earliest and  
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Optional Link URL: \_\_\_\_\_

Link Title: \_\_\_\_\_

Optional Image URL: \_\_\_\_\_

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# Two More States Pass Felony Animal Cruelty Bills

The numbers are adding up. With the addition of Maine and Minnesota, there are now 34 states – plus the District of Columbia – that have passed felony animal cruelty laws.



■ States who prosecute certain forms of animal cruelty at the felony level.

This is an amazing effort that is rippling across the country, thanks to the persistent and dedicated work of so many individuals involved in animal protection.

These successes don't come easily, and certainly not without a lot of time invested. For the past five years, Minnesota animal protection advocates have worked to strengthen animal cruelty statutes – finally succeeding in 2001. Minnesota's new law covers companion animals, including dogs, cats, horses, and ferrets. Penalties are based on the harm done to the animal, and increase as the harm to the animal escalates.

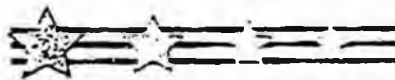
For intentional acts of torture or cruelty to a companion animal, the penalties elevate from a misdemeanor (90 days in jail, a \$1,000 fine, or

both) to a gross misdemeanor (one year in jail, a \$3,000 fine, or both) to a felony (two years in jail, a \$5,000 fine, or both). An additional provision increases the penalties for a person who causes great bodily harm or death to a companion animal in an effort to threaten, intimidate, or terrorize a person. This offense carries a penalty of four years in jail, a \$10,000 fine, or both. Currently, the state with the record for maximum confinement (10 years in prison) goes to Louisiana. Arizona has the maximum fine, \$150,000, and Oregon is a close second with a \$100,000 penalty.

Another benefit of Minnesota's new law is the added provision for psychological or other counseling for people who abuse animals. Minnesota is one of 15 states that permits the offender to undergo psychological counseling or anger management classes for animal cruelty – "Something that we are strongly encouraging as part of all new bills," says Ann Sparks, vice president of AHA's public policy.

In Maine, the new felony cruelty law went into effect on September 21, 2001. Maine's law now expands the definition of animal cruelty by establishing the category of aggravated animal cruelty, and increases the penalties for civil and criminal convictions. The penalty for repeat offenders and for those convicted under the new category of aggravated animal cruelty is increased to a felony. Juveniles adjudicated under the new law must receive psychological counseling.

If your state needs help passing felony animal cruelty laws, e-mail our Washington, D.C., office at [dc@americanhumane.org](mailto:dc@americanhumane.org).



## States With Felony Animal Cruelty Provisions

Alabama	Indiana	Montana	Rhode Island
Arizona	Louisiana	North Carolina	South Carolina
California	Maine	New Hampshire	Texas
Connecticut	Maryland	New Mexico	Virginia
Delaware	Massachusetts	Nevada	Vermont
Florida	Michigan	New York	Wisconsin
Georgia	Minnesota	Oklahoma	Washington
Iowa	Missouri	Oregon	District of Columbia
Illinois		Pennsylvania	

(Bold indicates laws passed in the last two years.)



National Conference of State Legislatures

# LEGISBRIEF

BRIEFING PAPERS ON THE IMPORTANT ISSUES OF THE DAY

MARCH 2001

VOL. 9, No. 18

## Violence at Home: People and Pets

*By Rita Thiemert*

*Animal cruelty is often associated with domestic violence.*

Studies over the last two decades show that animal cruelty is often associated with domestic violence. Intentional cruelty or killing of pets by children or adults is recognized more and more as a significant indicator of violence at home. In one study, just over half of the women in a family shelter reported that pets had been harmed or killed by the abusers. About 25 percent of them said their concern for pets delayed their going to the shelter. Children also witnessed cruelty to their pets in about two-thirds of the cases. Thirteen percent of the children reported that they themselves had tried to hurt pets.

In most American homes, pets are treated like family members. If they are part of a violent family, however, they also become targets. Threats against a pet are also used by abusers as a control mechanism to silence or punish the victims. Frequently, pets are a vital source of support for both children and adult victims of violence. However, children may also become animal abusers, imitating the behavior they have experienced, and making the pet a victim.

*Cruelty to animals can be one of the earliest signs of a person's potential for violence.*

Cruelty to animals can be one of the earliest and most significant signs of a person's potential to control others through violence. Psychologists, sociologists and criminologists agree that animal abuse involves more than an abuser's personality flaw. It indicates a seriously disturbed family environment. Intervention in the beginning stages, while children are young, is vital.

### State Actions

*At least 27 states make cruelty to animals a felony under certain circumstances.*

All states have anticruelty laws, but most generally treat animals as property. At least 27 states, however, make cruelty to animals a felony under certain circumstances. The other 23 states have misdemeanor penalties for secondary forms of abuse. A recent Nevada law "requires the juvenile court to order counseling or other psychological treatment for a child who commits an offense involving cruelty to an animal." Nevada law also directs the court to order parents or guardians to pay for counseling or psychological treatment. At least 13 other states—California, Colorado, Illinois, Maryland, Maine, Michigan, Minnesota, New Mexico, Oregon, Virginia, Vermont, Washington and West Virginia—allow courts to order psychiatric counseling or anger management.

California's animal cruelty law requires that "the court shall order the defendant to pay for, and successfully complete, counseling, as determined by the court, designed to evaluate and treat behavior or conduct disorders." In some instances, animal cruelty agencies also protect children. A District of Columbia law authorizes the Washington Humane Society to include in its operations the protection of children from cruelty and abuse. Officers or agents of the Ohio Humane Society may remove a child if he or she is in cruel surroundings.

National Conference  
of State Legislatures

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California and Colorado require animal control officers and veterinarians to report suspected or known instances of child abuse. Minnesota and West Virginia require that veterinarians report suspected or known cases of animal abuse. Idaho does not require reporting, but provides immunity from civil and criminal liability for veterinarians who report cruelty. States are responding to the theory that many of the homes with a history of animal abuse are also the ones engendering calls to social service agencies about suspected child abuse.

### Federal Action

The 106<sup>th</sup> Congress enacted 10 laws that address animal welfare, including making it illegal to produce or import products made with dog or cat fur, making it illegal to commercially depict real acts of animal cruelty, and increasing funding for enforcement of the federal animal welfare act.

A report by the National Research Council says that early intervention for animal abusers is more likely to reduce adult crime than later criminal penalties, and that the behavior of a child is more significant than adolescent behavior in predicting future violence. Law enforcement has expressed increased support for stronger animal anticruelty laws. The First Strike Campaign of The Humane Society of the U.S. recommends community programs that consolidate the services of domestic violence shelters, child protection agencies, humane societies and police departments to provide shelters or foster homes for abused pets, and ensure that pets are safe after abused women and children leave abusive surroundings. These collaborations can bring about better reporting and more effective intervention.

The American Humane Association recommends reporting suspected animal abuse or child abuse to a local child welfare agency or humane society. They also recommend training professionals to observe and report other kinds of abuse in the home. Judges, doctors, social workers, teachers and ministers should become familiar with the connection between domestic violence and animal abuse. The association advocates stronger animal cruelty statutes, development of better reporting laws and definitions of animal cruelty, and penalties for abusers that include required mental health treatment.

The challenge is to prevent violence, whether it takes the form of cruelty to humans or cruelty to animals. The best response to early violence seems to be early intervention. Studies have found that community coalitions work where the criminal justice system, animal control agencies, health professionals (human and animal), social workers and domestic violence victims' advocates participate in training and share information. Policymakers can help educate citizens about violence, encourage services that intervene on behalf of people and pets and appropriate funds for delivery of those services.

### Contacts for More Information

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[http://www.hsus.org/firststrike/factsheets/  
domestic-violence.html](http://www.hsus.org/firststrike/factsheets/domestic-violence.html)

National Clearinghouse on Child Abuse  
and Neglect  
(800) 394-3366  
[http://www.calib.com/nccanch/pubs/bibs/  
linkwanimal2.htm](http://www.calib.com/nccanch/pubs/bibs/linkwanimal2.htm)

American Humane Association  
(303) 792-9900  
[http://www.americanhumane.org/children/  
factsheets/viol\\_link.htm](http://www.americanhumane.org/children/factsheets/viol_link.htm)

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## **Pet Love Shack - Non-Fiction**

[www.petloveshack.com](http://www.petloveshack.com)

*This has to stop now!*

*Do you want your children and grandchildren  
to be brought up thinking that this is "ok" to do ?*

### **Animal Cruelty and Human Violence**

**People who are cruel to animals are more likely than others  
to be cruel to humans too,**

**says a 1997 report from the Humane Society of the United States**

The study, on the link between animal cruelty and human violence, was based on 401 newspaper accounts of animal cruelty between Sept. 1, 1996 and Aug. 31, 1997. It found the **majority of abusers, 71 percent were men**, and those men committed eighty-seven percent of the cases of abuse. Among abusers of animals, **twenty-eight percent were also charged with domestic violence, twenty-seven percent with child abuse, ten percent with assault and six percent with murder.**

### **Hurting animals often a sign of abuse**

Springfield, Oregon: Friends of 15 year old Kipland Kinkel of Springfield, Oregon say he displayed *all of the classic signs of violence, often bragging about torturing and killing small animals*. Reports indicate that Kinkel killed cats, possibly his own family's cat, and a cow.

He also has a fascination with guns and a quick temper that led him to be expelled from school twice in one week, for acts of violence against fellow students. He was accused of **murdering both of his parents**, then going on to his **high school to open fire on his schoolmates, killing 2 and injuring another 22, on May 22, 1998**. Police also found four bombs in his home

### **In a press releases from the Humane Society of the United States**

The tragedy in Oregon clearly illustrates the connection between animal cruelty and human violence," said Dr. Randall Lockwood, a psychologist and vice president for The HSUS. "It is alleged that the 15-year-old suspect in May's shooting, Kipland P. Kinkel, had a **history of killing cats and other animals.**

**Time and again, we see acts of cruelty to animals mature into violence against people.** We urge teachers, principals and parents to recognize this connection and to take reports of cruelty towards animals seriously. As in this case, **teens will often brag to their classmates about animal cruelty.** Early intervention by counselors can make a difference. Kinkel also reportedly bragged about torturing animals to classmates. According to Lockwood and many other experts in the field, violence towards animals can escalate to killing people. This is particularly true of family violence. "Abusers rarely stop to count the number of legs on their victims," Lockwood states.

The HSUS urges psychologists, educators and elected officials to take acts of animal cruelty seriously. "The days of thinking that violence against animals is boys being boys' are over. **Addressing the violence in our schools, our streets and our homes requires that we reject the conventional wisdom that killing animals is an acceptable part of growing up,**" Lockwood concluded

**The Humane Society found that animals are abused in 88% of the families where children are abused.** Animals in a home may be used by an abuser to control other family members. Family members are sometimes intimidated into silence about abuse through threats made toward a favorite pet. Pets are sometimes hurt or killed to punish children for something they have done, or physically or sexually abused children may kill their pets rather than have them hurt by the perpetrator in the home.

**Most criminals who have been violent toward people share a common history of cruelty to animals.**

**Recent school shootings and other high-profile violent crimes perpetrated by minors were prefaced by animal abuse.**

**Boy, 11, Accused of killing cat & kittens with bricks!**

**The Family Source of Florida, Inc**

**Pet Love Home Page**