

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2789 SCOMM 122: COMMISSION ON PRIVATIZATION. ., 1999

John Coghill has been a history teacher a private religious school for eight years and is Co-Chair of the House Health, Education and Social Services Committee of the Alaska State Legislature. Mailing address: 119 N. Cushman St., Suite 211, Fairbanks, AK 99701; Phone: (907)-456-5081; fax: (907)-456-8245; e-mail: Representative.John.Coghill@LEGIS.state.ak.us.

Sam Gaston has a master's degree in education and was a teacher at Mt. Edgecombe School. He is currently a contractor.

Jo Ann Henderson is executive director of the South East Regional Resource Center. The Resource Center is a private, nonprofit corporation in operation since 1976. Funded solely through grants and contracts, a characteristic marking its growth is the ability to respond to the changing needs of education and government in Alaska. Headquartered in Juneau, Alaska's capital city, the Resource Center was formed to assist rural school districts in Southeast Alaska. Today it provides support to a much broader community and REAA's. The Center's Board of Directors is comprised of the 18 school district superintendents in SE Alaska. JoAnn's contacts 210 Ferry Way, Suite 200, Juneau AK 99801; Phone number: (907) 586-6806; Fax: (907) 463-3811; e-mail address: sercc@otialaska.net.

Rynneleva Moss is a legislative aide for Representative John Coghill, has worked for the legislature for five years. She has two children attending public schools in North Pole children and has home schooled her daughter.

Tom Murphy is a retired teacher and is currently executive director of Kodiak Education Association. He received a bachelor degree from Alaska Methodist University. His children graduated from public schools in Kenai and both graduated from the University of Alaska, one from UAA and one from UAF. Phone: 582-9093; Fax: 562-9023; e-mail: kaf@alaska.net

Bill Prosser is a member of the Privatization Commission. He was born in Anchorage and is Chairman of the Board of Cook Inlet Region, Inc. He received a bachelor from University of California at Berkley and a master in economics from the University of Washington. He has worked in construction and fisheries industry. He has two sons attending Anchorage Schools. (907) 274-8638 Fax: (907) 263-5182; e-mail: prosser@ci.com

Jeff Walters came to Alaska in 1982. Since 1992 he has been a teacher in Fairbanks. He taught in Kotzebue for seven years and one year in Southeast Alaska. He is currently president of Fairbanks Education Association. Mailing address: P.O. Box 82708, Fairbanks, AK 99708-2708; phone: 907-456-4435; e-mail: fea@alaska.net

Bonnie Williams is retired from the University of Alaska. She currently has served two years on the FNSB School District Budget Review Commission. In 1997, she was the finance committee aide for Representative Pete Kelly and was responsible for the Education and DNR budget work. Mailing address: P.O. Box 82812, Fairbanks, AK 99708-2812; phone and fax: 907-455-6652; e-mail: bonniewilliams@mosquitonet.com

Karen Rehfeld is Director of Education Support Services for the Alaska Department of Education & Early Development has worked for DOE for six years. She said she is here to provide the subcommittee materials and get answers for their questions. Karen has three school aged children. 465-8650-work phone; 465-6452 fax; e-mail: karen_rehfeld@eed.state.ak.us

Opening Comments by Cowdery's Office:

Marco Pignalberi, Chief of Staff for Representative Cowdery, said this subcommittee was a diverse and interesting group to study education and see which functions might be privatized, transformed, transfers, or eliminated. Another consideration would be whether a physical asset should be kept or sold when outsourcing services.

He discussed the web site for the commission at <http://privatizealaska.org/> and suggested that members review the site for new releases and hot links to publications and resource material. Marco explained that the duties of the commission to come up with a privatization report would be carried out by the subcommittees. He said there is too much work to do in too little time for the commission to achieve all their goals and objectives without the "nuts and bolts" such as cost benefit analysis and suggestions being provided by the subcommittees.

Marco said the commission is charged with finding out what is going on in other states and Marco's duty is to facilitate the commission. Rynnieva asked where the commission was with finding out what other states are doing. Marco said they have obtained a report 1997 or 1998 report from National Conference of State Legislatures (NCSL) which provides a summary of activities in other states. They are also trying to find the web source of researching what the federal government is doing in the field of privatization. Marco said an example is that if the Corps of Engineers wants to build a bridge, they must now isolate themselves from the administrative functions of the agency and bid on the project along with private contractors.

Hickel said the NCSL report would be provided to everyone on the subcommittee. He said Rynnieva would fax or e-mail committee minutes to everyone and that he would like to see a phone tree formed. One person from Fairbanks call people in Fairbanks, someone from Anchorage would call all members in Anchorage, and one more person would call everyone else. This would save on long-distance calls. It was suggested that everyone give Rynnieva his or her e-mail for e-mail notification. It was agreed everyone would e-mail Rynnieva their e-mail address and she would notify them a day before the meeting. The phone tree issue for phone calls the day before was not finalized.

Future meetings scheduled:

Bonnie Williams said she would like to have the next meeting scheduled. Hickel said he would like to keep the meetings at one a week and is looking to the committee for organization of the meetings. He said he would like to limit them to two hours. It was decided that Mondays at Noon would work best for everyone. The next meeting was scheduled for August 9th at Noon. Further scheduled meetings are August 16th, August 23rd, August 30th, September 13th, September 20th, and September 27th. The subcommittee will evaluate at the September 27th meeting what is needed in October. The subcommittee has until the end of October to complete their recommendations if needed.

Overview of DOE:

Karen Rehfeld gave an overview of by Budget Request Unit (BRU) using the Component Summary from Legislative Finance as suggested by Representative Coghill. She said that DOE has a FY'00 budget of \$979,578,900. This includes 472 full-time positions and 108 part-time positions.

Rehfeld explained that the Component Summary will be revised because the legislature passed HB 40 which consolidated the programs of Community & Regional Affairs into Department of Labor, DOE, and the newly establish Dept. of Community and Economic Development. The Vocational Rehabilitation Division of DOE (Adult Education) was transferred to Department of Labor. The \$23,657,200 appropriated to this division in the Conference Committee budget will be transferred to DOL, as well as, the 122 full-time positions and one part-time position.

She also explained that Head Start, Day Care Assistance, and Child Care has been moved from CR&A to DOE to the nearly created Division of Early Development. She remarked that DOE is excited about the transfer and will result in the addition of 16 full-time positions for that division.

K - 12 Support:

Rehfeld said that lines 1-10 are K-12 Support. The \$762,280,800 appropriation for this division consists of no personnel services or state positions, but is a pass through of formula programs from federal grants.

School Reimbursement:

Line 11 is School Reimbursement, which is a payback from the State at a rate of 70% for school bonds issued by school districts for school improvements and construction. Rehfeld said this is direct support that involves no personnel service and state positions and was funded at \$71,923,300 for FY'00.

Teacher and Learning Support:

Line 12 through 16 is Teacher and Learning Support. This serves as a pass through for federal grants. This division handles direct support with a large support of federal funds. This category covers Title 142 Migrant students, teacher certification, licensing, drug education, and child nutrition administration. This division has 67 full-time positions and is budgeted for \$83,039,800 in FY'00.

Executive Administration:

State Board of Education-Line 17: Under the current conference committee version of the operating budget there is no longer General Fund (GF) funding for the Board of Education. The appropriation is \$93,400 and is funded by other division funds to fund one secretary and travel for commission meetings.

Commissioner's Office-Lines 18 and Line 19: is for the Commissioner's Office, which was, appropriated \$450,700 in FY'00. The Commissioner's Office has four full-time employees and one part-time employee.

Lines 20 through 25 are for Administrative Services for a total appropriation of \$3,944,400. This includes evaluating school district requests for information services, district support services, educational facilities support, and donated commodities. There are 24 full-time positions for construction-related services; 7 positions for information services, payroll, and receivable and payable; and two positions for donated commodities, which consist of USDA food commodities. Rehfeld said there was a total of 51 full-time positions and 1 part-time positions.

Alaska Central School:

Line 26 is for Alyeska Central School, which is the State of Alaska correspondence school, program. Curriculum focuses on a remedial program and the high school exit program. The FY'00 appropriation is \$5,810,400. The school has 22 full-time and 25 part-time positions.

Commissions and Boards:

Line 27 is for the Professional Teaching Practice Commission and is funded through receipts from teacher certification fees. The commission consists of seven members and is appropriated \$187,400 and has 2 full-time position.

Line 28 is for the Alaska State Council on the Arts. This is an eleven member advisory board, which determines the distribution of the 1-% arts funding. The Council has a budget of \$1,107,900, four full-time positions and one part-time position.

Kotzebue Technical Center:

Line 29 was for Kotzebue Technical Center Operations. It was funded at \$634,000 in FY'99 but was zeroed out of the DOE budget and funded at \$609,000 appropriation in the operating budget (not the capital budget) in section 36, page 11, line 31 of House Bill 50.

Alaska Vocational Technical Center:

Line 30 funds AVTEC operations at Seward for a cost of \$5,368,100 for FY'00. The center has 21 full-time positions and 49 part-time positions.

Mt. Edgecumbe Boarding School:

Line 31 funds Mt. Edgecumbe Boarding School. Mt. Edgecumbe has nine full-time positions and 25 part-time positions. It was appropriated \$1,496,100 in FY'00.

State Facilities Maintenance:

Line 32 is a new line item in the DOE budget, because the legislature now requires department to separate out maintenance costs. Maintenance of DOE facilities totals \$1,496,100 and there are 11 maintenance positions. (5 positions at AVTEC and 6 positions at Mt. Edgecumbe)

Vocational Rehabilitation:

Lines 33 through 40 will be zeroed out in the authorized budget for DOE because the funding was transferred to Department of Labor with the passage of HB 40.

Alaska Library and Museums:

Line 41 is for library operations at the State library in Juneau with a \$4,635,800 budget. The state library has 38 full-time and 4 part-time positions.

Line 42 is for the archives with an appropriation of \$689,400. There are 9 full-time positions in archives. Temporary storage of records is contracted out to private contractors for records in Juneau and Anchorage. Permanent records are archived.

Line 43 is for museum operations for the State Museum in Juneau and the Sheldon Jackson Museum in Sitka. The FY'00 appropriation is \$1,423,400 and there are 16 full-time positions and 4 part-time positions in the museums.

Alaska Postsecondary Education Commission:

Lines 45 through 49 constitute the funding of the Alaska Postsecondary Education Commission. The FY'00 budget of \$9,100,400 is funded through student loan program receipts. There are 98 full-time positions for the student loan operations which accounts for \$6,530,000 of the budget. WICHE and WWAMI are financed through corporate funds.

Rynnieva Moss asked Ms. Rehfeld to clarify that there are 98 full-time positions for the student loan program. Ms. Rehfeld said that was correct.

Daycare, Child Care, & Head Start:

These three programs have been transferred to DOE with the passage of HB 40. The day care program subsidizes low-income parents who are transforming from welfare to work. All GF funding of ChildCare has been replaced with federal funds. A portion of Head Start GF has been replaced with federal funds.

Bonnie Williams asked Karen Rehfeld if day care funds were not, in fact, pass through grants to municipalities and non-profits from the federal government with local governments supplying the administrative support. Rehfeld said that the division writes approximately \$30 million in checks to municipalities and non-profit entities and has 17 to 20 positions.

General Discussion After Overview:

Jim Hickel asked Karen Rehfeld to provide Rynnieva with a list of activities within DOE that are already privatized. Ms. Rehfeld said Mt. Edgecumbe has already privatized its food and dormitory services. She said she would obtain information for any other privatized services.

Tuckerman Babcock suggested that if subcommittee members have any questions for DOE, they should be run through the chairman. He said this would prevent the same question or request being made three or four times.

Karen Rehfeld said that would be helpful. She also suggested that the committee should outline items to be covered prior to the next meeting so she can provide the proper DOE staff to address the subjects.

Jim Hickel said it was his understanding that the numbered line items could be looked at in more detail. Ms. Rehfeld said the Conference Committee Report from Legislative Finance is on-line and is a helpful, detailed document. She recommended the committee members check out the information available on line then the committee needs a person who works in the program on a day-to-day basis to explain the services and identify the areas that could be privatized.

Marco cautioned the committee not to look only at the budget. He said the committee, by focusing only on the budget, would be recreating a process already done by ninety-eight other people. The committee will have to look at the operations of each division and try to understand what activities the BRU people do.

Karen Rehfeld commented that the Postsecondary Commission has studied privatization.

Bonnie Williams asked Karen Rehfeld to supply a list of the full-time and part-time positions in DOE. Ms. Rehfeld said she can provide a list of the PCN's budgeted.

Chairman Hickel said the thrust of the committee is trying to look at ways by which the state can save some money. He suggested maybe the committee split into groups to study each division, but said that he will be leaning on the committee to make a decision how the task of coming to a point of making recommendations can best be met.

Tuckerman Babcock suggested that the committee eliminate the K-12 Support and School Debt Reimbursement components because these are pass through. This would allow the committee to focus on the remaining seven divisions. The committee could review one or two divisions a week with the administration, allowing the full committee to know each department.

Bonnie Williams asked members to go to page three of SB 33. She said the committee is tasked with five things:

- Review other states' privatization activities;
- Review Alaska's contracting and bidding procedures;
- Identify existing state functions that could be contracted out, transferred to other levels of government, or eliminated;
- Solicit public comment; and
- Submit findings and recommendations to the governor and legislature by January 1, 2000.

She said taking those factors into consideration, Tuckerman's approach would work.

Tom Murphy said he liked Tuckerman's approach.

Bonnie Williams asked that as the committee proceeds, they are provided with a giant grid to mark up.

Jim Hickel said that he would like to take Teacher's Support the committee could get an expert overview of each line item such as Line 12 or Line 14. That would be accomplished with Tuckerman's suggestion. Hickel asked Karen Rehfeld how reasonable that approach would be.

Karen Rehfeld said she thought it would be reasonable. She said she would hesitate to volunteer to create a different way to look at things. With that approach the committee can review the department by BRU's and that would hopefully get to the issue.

Hickel said he would like to know f, for example, under Line 12 of Teaching and Learning Support, what that line item does including a description of the services provided. He said some services will jump out at us as the entire committee reviews the BRU's. Then the committee can break up into subcommittees after the overview process is complete. He said the committee will get an overview of Teaching and Learning Supports AND Executive Administration at the August 9th meeting. He asked if that would be okay with Karen Rehfeld.

Karen Rehfeld said she doesn't know the travel schedule of the division directors, but will try to have them at the meeting.

Bonnie Williams said she would like to see this broken into four sessions.:

- | | |
|------------------------|---|
| August 9 th | Teaching and Learning Supports
Executive Administration |
| Aug. 16 th | Alyeska Central School
Commissions and Boards
Alaska Vocational Technical Center
Mt. Edgecumbe Boarding School |
| Aug. 23 rd | State Facilities Maintenance
Alaska Library and Museums |
| Aug. 30 th | Postsecondary Education
Early Development |

Marco said that everyone should look at the DOE website on the State of Alaska Homepage and become familiar with the departments divisions and their functions. Karen said there is a lot of material on the site and it would be helpful.

Rynnleva Moss suggested that any materials the chairman needed to send to members in Anchorage could be pouched to her through the LIO in Anchorage, because there are regular pouches between the two LIO's.

Jim Hickel thanked everyone for getting involved and adjourned the meeting at 1:37 p.m.

The minutes of the Department of Education Subcommittee of the Privatization Commission held on July 30th, 1999 are hereby approved this ____th day of August, 1999.

Jim Hickel, Chairman

Attested by:

Rynnleva Moss, Secretary

Department of Education & Early Development**FY2000 Full Time and Part Time Positions****Approved by the Conference Committee and Adjusted for HB40 (Consolidation)**

BRU Component Name	Source	Full Time	Part Time
Teaching & Learning Support			
Special and Supplemental Services	Conference Committee	25	0
Special and Supplemental Services	HB40 to Labor	-1	0
Quality Schools	Conference Committee	32	0
Teacher Certification	Conference Committee	6	0
Child Nutrition Administration	Conference Committee	5	0
	Subtotal	67	0
Early Development			
Child Care	HB40 from DCRA	13	0
Day Care Assistance Programs	HB40 from DCRA	0	0
Head Start Grants	HB40 from DCRA	3	0
	Subtotal	16	0
Executive Administration			
State Board of Education	Conference Committee	1	0
Commissioner's Office	Conference Committee	4	1
Administrative Services	Conference Committee	23	0
Administrative Services	HB40 to Labor	-2	0
Administrative Services	HB40 from DCRA	4	0
Information Services	Conference Committee	7	0
Information Services	HB40 from DCRA	2	0
District Support Services	Conference Committee	8	0
Educational Facilities Support	Conference Committee	7	0
Donated Commodities	Conference Committee	2	0
	Subtotal	56	1
Alyeska Central School	Conference Committee	22	25
Commissions & Boards			
Professional Teaching Practices Commission	Conference Committee	2	0
Alaska State Council on the Arts	Conference Committee	4	1
Alaska Vocational Technical Center Operations	Conference Committee	21	49
Mt. Edgecumbe Boarding School	Conference Committee	9	25
State Facilities Maintenance	Conference Committee	11	0
BRU Component Name	Source	Full Time	Part Time
Vocational Rehabilitation			

Client Services	Conference Committee	80	1
Federal Training Grant	Conference Committee	0	0
Voc Rehabilitation Administration	Conference Committee	11	0
Independent Living Rehabilitation	Conference Committee	1	0
Disability Determination	Conference Committee	26	0
Special Projects	Conference Committee	2	0
Assistive Technology	Conference Committee	1	0
Americans with Disabilities	Conference Committee	1	0
	Subtotal	122	1
	HB40 to Labor	-122	-1
 Alaska Library and Museums			
Library Operations	Conference Committee	38	2
Archives	Conference Committee	9	0
Museum Operations	Conference Committee	16	4
	Subtotal	63	6
 Alaska Postsecondary Education Commission			
Program Administration	Conference Committee	14	0
Student Loan Operations	Conference Committee	84	0
	Subtotal	98	0
	Total	369	107
	Total without HB40	472	103

Subject: 7/30 privatization task force
Date: Fri, 30 Jul 1999 17:28:17 -0800
From: Karen Rehfeld <Karen_Rehfeld@eed.state.ak.us>
To: Rynniva_Moss@legis.state.ak.us

Rynniva: I wanted to follow up on a couple of items from the meeting of the Privatization Task Force Subcommittee on Education today.

1. You asked for the reference to the \$609,000 appropriation for Kotzebue Technical Center. It was included in the operating budget (not the capital budget) in section 36, page 11, line 31 of House Bill 50.

2. Bonnie Williams asked for a listing of positions by component which is attached to this email. The listing incorporates the House Bill 40 position transfers that are identified under the Source column. I may have confused the members by stating the conference committee position totals at the beginning of my presentation and then incorporating position changes as a result of the HB40 consolidation as I went through each component. I apologize for any confusion.

3. Chairman Hickel asked for a list of activities in the department that are already privatized. I will be pulling that information together for you.

4. As soon as you have a schedule of the areas you would like covered at each of the August meetings, please let me know and I will schedule appropriate folks from each division to be available to the committee. Also, I will be working on a list of the programs within each of the budget components for the committee prior to the scheduled meeting.

5. I would like to be able to do as much as possible through email with attachments that you can then forward on to the committee members. I don't have Chairman Hickel's email address, but I need to know if he would prefer that I send material directly to him and CC you OR send it to you and CC him.

6. I will be blocking out time from 12 - 2 PM on Monday, August 9 to cover Teaching & Learning Support and Executive Administration, and the same time for August 16, 23, and 30, topics to be announced. The Sept. 13 meeting will be for committee work and I would be happy to be available during that time.

Please let me know if I have missed anything. I understand the importance of the committee's work and I will try to be as helpful as possible.
Thanks for your help! KJR

PCN Component Summary.xls

Name: PCN Component Summary.xls

Type: Excel File

(application/msexcel)

Encoding: base64

Download Status: Not downloaded with message

PLEASE NOTE! My email address will be changing on July 1, 1999 to
firstname_lastname@eed.state.ak.us and the website will now be
<http://www.eed.state.ak.us>.

Karen J. Rehfeld, Director
Education Support Services
Alaska Department of Education & Early Development

ph# (907) 465-8650

fax# (907) 465-3452



COMMISSION ON PRIVATIZATION

Department of Education Subcommittee

Subcommittee Minutes
October 4, 1999

Chairman Hickel called the meeting to order and conducted the roll call.

Members Present: Representative John Coghill, Jim Hickel, Doug Johnson, Rich Kronberg, Rynniva Moss, Tom Murphy, and Jeff Walters.

Members Absent: Tuckerman Babcock. Representative Cissna, Bob Coghill, Tom Cobaugh, Don Evans, Paul Fischer, JoAnn Henderson, Marvin Owen, Senator Adams, Sam Gaston, Bonnie Williams and Dale Brock.

Support staff from Department of Education Present: Karen Rehfeld and Sheila King from Postsecondary Education.

The minutes from the September 27th, 1999 meeting were introduced for approval. Rynniva Moss made an amendment to the minutes to reflect that Paul Fisher, not Jim Hickel, made a statement. Richard Kronberg moved for approval of the minutes and Bob Boko seconded the motion. The minutes from the September 27th meeting of the Privatization Sub-Committee on the Department of Education were approved unanimously.

The Early Childhood Development Subcommittee report was delayed because Yvonne Chase, the division director, was unable to attend the meeting

There was discussion of a subcommittee report for the Commissions and Boards Subcommittee.

Doug Bartko said that the committee had not yet met but he had some concerns about an alternative certification program being made available. Karen Rehfeld said that there was an alternative process available in the past but due to the lack of use of the alternative process and the expense of having the process available, it was eliminated. Bob Boko said there is a Type A certification for a teaching certificate and a Type B certification for vocational training teachers.

Karen Rehfeld explained that alternative certification was still handle through the State of Alaska but provided for a teaching certificate without the institutional endorsement. She said that three people had gone through the alternative certification process. One got a license, worked for a year and quit.

There was no recommendation given on an alternative certification process.

There were no members of the subcommittee on Alyeska Central but the committee submitted a recommendation:

Recommendation #1: It is recommended that Alyeska Central School be closed, with the responsibility for providing correspondence study transferred to those school districts which have a correspondence program.

RATIONALE: With at least 15 of 53 school districts providing some form of correspondence study, there are enough programs available for a broad choice for Alaskans. Continuing Alyeska Central School is merely an expensive duplication and unnecessary competition.

It has been noted that ACS advertises in newspapers around the state, seeking students. This is an expensive marketing effort more appropriate to private enterprise.

The State should limit its involvement in correspondence study to assure the quality is provided – primarily through exit exams during graduation – and through providing a complete listing of available programs, to any inquiring citizen.

SAVINGS: There will be minor dollar savings, on the State level, and a real increase in the economy of scale for the participating school districts as a consequence of increased enrollment in individual district programs.

Chairman Hickie said he would postpone the vote on recommendation # 1 until October 11th.

There were no members present from the subcommittee on postsecondary education, but written recommendations had been submitted.

Recommendation #1: It is recommended that the student loan program be privatized by being contracted out to a private lending service.

RATIONALE: The premier example of successful and cost-efficient government guaranteed loan programs is the VA mortgage-lending program. Supported by government guarantees and operating within government regulations and parameters, banks and mortgage loan companies provide the actual loans and handle all collection operations.

Recommendation #2: It is recommended that all loan programs of the State be submitted to review with one of two conclusions being sought: (1) consolidation within a single department of state government, such as Revenue, where staffing is trained in accounting and fund management; or (2) provision to management by banks through an RFP process.

RATIONALE: The State of Alaska operates a number of loan programs. In each case, the program resides within a division and department associated with the activity/purpose of the loan (i.e. student loans in DOE, farm loans in DNR). The expertise of staff lies with the activity or purpose rather than with banking/mortgage/accounting professions, and as a consequence, the loan programs are poorly run, have excessive late payment, poor collection follow ups and high rates of delinquencies. Firms who loan money and collect on loans are far more efficient at this specialized field. At a minimum, consolidating all programs within Revenue would at least lend the efficiency of economy scale, and allow for staffing with more specialized, trained personnel.

Known loan programs include the Agricultural Revolving Loan Fund (ARLF), within DNR, and one or two (uncertain) commercial fishing loan programs, in addition to the Student Loan Program.

ARLF started with \$95,000,000 in principle available for loans. Through the course of inexpert loan management and poor administrative and legislative decisions, the principle is down to below \$5,000,000.

Sheila King from Postsecondary said that the advantage to the State of Alaska administering student loans is that the State has been able to acquire tax-exempt bonding to supplement income from repayment of loans to fund the operation of Postsecondary. She said the division currently has \$460 million in bonds and in FY'99 the division received \$81,000,000 in cash receipts. She also said the division wrote off \$5 million in bad loans because the borrower was disabled, had died or had defaulted on the loan for five years.

She said Postsecondary is not exempted from bankruptcy but the division did not pursue collections under bankruptcy. She said that starting in FY'00 the division will be garnishing wages and currently garnishes the Permanent Fund Dividend payments.

Chairman Hickie asked what the qualifications were for the loan. Ms. King said the applicant must be an Alaska resident, survive a credit check (if the applicant has an extremely bad credit there would have to be a cosigner), and have a realistic budget for attending school. She said the current interest rate is 8.3%.

When asked why Ms. King attributed high default rates and low interest rates as the reason for the division to float bonds every year since 1988. The division has to float bonds to make up for deficient funds to operate the student loan program. Ms. King questioned the privatization of student loans because the goal of private lending institutions in lending money is to make a profit. She said the Alaska student loan program is unique because there is no interest charged as long as the student is attending school and there is low-interest on the loan after the student leaves school.

When asked about the forgiveness program, Ms. King said that the two forgiveness are the Teacher Scholarship Program to encourage teachers graduating in Alaska to work in rural Alaska and the WAMI program for graduates of medical programs. Both forgiveness programs give a 20% forgiveness of the loan for each year the borrower stays in Alaska up to the five years that would forgive the complete loan.

Hickle said he would postpone the vote on recommendation # 1 until October 11th.

Hickle said that next week will be a full slate. He said the committee will briefly discuss the recommendations presented for Boards & Commissions, Postsecondary Education and Alyeska Central School. Other reports on the schedule include:

Early Development Subcommittee	October 11 th
State Facilities Maintenance Subcommittee	October 11 th
Alaska Vocational Technical Center Subcommittee	October 11 th
Mt. Edgecumbe Boarding School Subcommittee	October 11 th

Chairman Hickle said that general discussion will be held at the October 25th meeting.

The meeting was adjourned.

The minutes of the Department of Education Subcommittee of the Privatization Commission held on October 4th are hereby approved this 11th day of October 1999.

Jim Hickle, Chairman

Attested: _____
Rynniva Moss, Secretary

Subject: PTF Educ Subcommittee Meeting

Date: Mon, 09 Aug 1999 09:17:46 -0800

From: Karen Rehfeld <Karen_Rehfeld@eed.state.ak.us>

To: Marco_Pignalberi@legis.state.ak.us

Rynniva: Attached are four documents for the Privatization Task Force Education Subcommittee meeting scheduled for Monday, August 9, from noon - 2:00 PM. I apologize for the delay in getting these materials to you. I am serving on grand jury and was called in for two days last week!

Attached are:

1. filename: contracted services.doc - a listing of programs that have been privatized, contracted or transferred
2. filename: TLS Summary PTF.doc - narrative from the FY2000 budget request for the Teaching and Learning Support Budget Request Unit (BRU) and each component within the BRU - describes the programs within each budget component.
3. filename: Exec Admin Summary PTF.doc - narrative from the FY2000 budget request for the Exec Admin BRU and School Finance BRU that were combined into a single BRU - describes the programs within each of those budget components.
4. filename - chli58state and municipal privatization.doc - a bibliography from the State Library - they are in the process of updating this information and are available to you for research or assistance.

I hope you are able to forward this on to the committee members prior to the meeting. I will call in the same bridge number as last time, 1-800-368-8772, at noon unless I hear from you. Barbara Thompson, Deputy Director of Teaching & Learning Support will be with me. Thanks! KJR

 <u>contracted services.doc</u>	Name: contracted services.doc Type: Winword File (application/msword) Encoding: base64 Download Status: Not downloaded with message
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 <u>TLS Summary PTF.doc</u>	Name: TLS Summary PTF.doc Type: Winword File (application/msword) Encoding: base64 Download Status: Not downloaded with message
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 <u>Exec Admin Summary PTF.doc</u>	Name: Exec Admin Summary PTF.doc Type: Winword File (application/msword) Encoding: base64 Download Status: Not downloaded with message
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 <u>chli58STATE AND MUNICIPAL PRIVATIZATION.doc</u>	Name: chli58STATE AND MUNICIPAL PRIVATIZATION.d Type: Winword File (application/msword) Encoding: base64 Download Status: Not downloaded with message
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PLEASE NOTE! My email address will be changing on July 1, 1999 to
firstname_lastname@eed.state.ak.us and the website will now be
<http://www.eed.state.ak.us>.

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**Commission on Privatization & Delivery of Government Services
Education Subcommittee**

***Department of Education & Early Development
Contracted/Privatized/Transferred Services***

During the teleconference meeting on Friday, July 30, 1999, Jim Hickel, Chairman of the Education Subcommittee, asked for a listing of programs in the Department of Education and Early Development that have already been privatized. Following is a listing of programs by division

Mt. Edgecumbe High School

Dormitory Management - includes custodial services for residences and provides supervision and care in our dormitories for approximately 300 high school students during the school year - 24 hours/day - 7 days/week. Contractors work along side of State employees to make sure that students are safe, secure, and supported while attending MEHS. They employ approximately 15 employees to fulfill these duties.

Food Services - provides all meals for MEHS students during the school year (3 meals/day - 7 days/week). The contractor employs a staff of approximately six employees, plus support from the main office, which includes a registered nutrition specialist.

Custodial Services - performs janitorial services in the academic building, field house, and activities center at MEHS. The contractor employs approximately 2 or 3 employees to complete their duties.

Alaska Vocational Technical Center

Overflow student housing - utilizing local hotels

Libraries, Archives, and Museums

Records storage services - private contractor in Anchorage and Juneau

State Film Library - it was determined that it was no longer necessary to maintain a central film repository as schools and libraries develop their own collections. Alaskan films of historical significance were sent to the UAF Rasmuson Library. Educational films went to the Fairbanks North Star Borough School District which agreed to circulate them for a fee for as long as they were current. Some children's films were sent to public libraries.

Health Sciences Library - A fee structure was developed by working with an advisory group of health care providers, doctors, nurses, and hospitals. Once that program was in place, it was transferred to the University of Alaska library as it also supports the Health related curricula at the University. This is a good example of public/private cooperation. Alaska's health care community isn't large enough to support a good medical library, but combined with the University both private and academic needs are met.

Budget Request Unit: Teaching and Learning Support

Manager: Barbara Thompson, Deputy Director

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BRU Mission

The Division of Teaching and Learning Support has the primary responsibility for implementing educational goals related to teaching and learning in our K-12 public school system. Carrying out the state's Quality Schools Initiative is key to the work in this division (student standards and standards-based assessments, school standards, professional standards, and parent and family involvement in student learning).

This division provides professional development, resources for direct instruction, and assessment mechanisms for determining school accountability - all for the goal of increased student achievement. The division focus is on providing safe, healthy and high quality instruction for all students so they will be able to meet high academic standards that will prepare them for life-long learning and work.

The division continues to be primarily funded with federal funds (approximately 94%). Federal grant funds are leveraged to support state initiatives, but in some cases, this is not possible. State general funds are required by the federal government to match federal funds in several program areas. The loss of these matching funds and/or reductions in the state's maintenance of effort would result in the loss of significant federal receipts that currently provide direct instructional services to children, youth and adult learners across the state.

BRU Services Provided

The Division of Teaching and Learning Support provides the following services:

- Provides leadership and coordination in the development of student, school and professional standards and assessments
- Provides assistance to parents, families and schools to achieve greater involvement in students' education
- Administers statewide testing and assessment
- Provides ongoing and daily technical assistance to grantees related to increased student achievement and educational improvement
- Issues and administers grants, contracts and Reimbursable Services Agreements for the provision of direct student instruction and professional development
- Administers the Teacher Certification, Preschool Certification, Community Schools, Schools for the Handicapped, Alaska Career Information System, Kotzebue Technical Center Operations Grant, and Child Nutrition meal reimbursement programs.

BRU Goals and Strategies for FY2000

Develop, field test and finalize the High School Graduation Qualifying Exam and Benchmark Assessments to measure student achievement.

Provide professional development activities and technical assistance to all school districts.

Create a system of teacher licensure that results in an adequate supply of qualified educators for Alaska's Schools.

Develop a system of school accountability resulting in school performance designations.

Key BRU Issues for FY1999 – 2000

Completion of the High School Graduation Qualifying Exam, Benchmark Assessments in grades 3, 5, and 8, and the Developmental Profile, for incoming kindergarten or first grade students. Setting passing scores for these assessments will also need to occur during this period of time.

By fall of 1999, all schools will be using Developmental Profile materials to assess incoming students in the areas of: physical/health; language development; social/emotional; and thinking, which includes mathematical and problem solving.

By fall of 1999, the department will be reviewing the results of the pilot testing of the High School Graduation Qualifying Exam and Benchmark Assessments. These assessments will be finalized for use in spring of 2000.

In spring of 2000, the High School Graduation Qualifying Exam and the three Benchmark Assessments will be given for the first time. Tenth grade students will be given the Qualifying Exam and will know in what areas they are proficient or not.

The department will also work with school districts and the public in creating a system of school accountability, which will result in school performance designations in 2002.

During FY1999-2000, the department will provide professional development and technical assistance to school districts to help them better prepare students to meet state standards and pass the state assessments.

The department will work with the public to address a teacher licensure system, in which candidates demonstrate that they meet professional standards at increasingly higher levels.

The department will also need to address the increasing demand for qualified educators that has exceeded supply. As standards for educators are increasing, so are the shortages for qualified personnel.

Implementation of the federal Individuals with Disabilities Education Act (IDEA), related to special education, will be a key issue in FY1999-2000. Issues surrounding the IDEA legislation include, but are not limited to, the following: adequate funding to implement all provisions of the IDEA; new student discipline provisions; teacher training; and parent training.

Major BRU Accomplishments for FY1998

Began work on the development of the High School Graduation Qualifying Exam with CTB McGraw Hill. The test will be pilot tested in FY1999.

Began major development of standards in reading, writing and mathematics, through a statewide committee process. Standards were completed in FY1999.

Provided professional development to Alaska educators that was standards based.

Provided resources to school districts to assist in professional evaluation.

Component: Special and Supplemental Services

Component Mission

To provide resources to school districts to ensure that special populations of students meet the state's high educational standards.

Component Services Provided

Special Education - Maintain compliance with state and federal laws governing students with disabilities, through technical assistance to school districts, distribution of grant funding, development of pre-service and in-service training programs, complaint investigation, mediation, due process hearings, and compliance reviews. These activities are almost entirely federally funded and represent more than 95% of the salaries of 4 full-time positions in special education.

Preschool Handicapped - Provide funding to school districts for special education services to disabled preschool children ages 3 to 5 years.

Gifted and Talented - Provide statewide coordination and technical assistance for school district gifted and talented programs.

Title I, Part A Disadvantaged - Provide funding to school districts to implement supplemental assistance programs or school-wide reforms designed to improve student performance in schools with the highest concentrations of low income families; provide resources for improvement to schools failing to meet state standards and for rewarding schools that exceed those standards; provide resources for activities that will increase parent involvement and improve the quality of instruction.

Title I, Part B Even Start - Provide funding on a competitive basis for school districts to develop, in partnership with community-based organizations, family centered education programs that build on existing resources. These programs create a new range of services and assist low income children and adults achieve high standards.

Title I, Part C Migrant Education - Provide funding to school districts to implement supplemental assistance programs or school-wide reforms that will assist migratory children in meeting high standards; provide resources for coordination activities, parent involvement, staff development and support services to migrant children and families.

Title I, Part D Neglected/Delinquent/At-Risk - Provide funding to state-operated institutions to implement institution-wide services; improve the quality of instruction; provide coordination and transition services that will enable such children to succeed; provide funding to school districts with the highest local concentrations of delinquent youth to develop cooperative service agreements with correctional institutions and alternative program agencies for instructional improvement, coordination activities, drop-out prevention services, vocational education and support services.

Title 1, Part E Comprehensive School Reform Demonstration - Provide funding for research based educational strategies aimed at increasing students' achievement levels.

Adult Basic Education - Provide basic skills instruction, General Educational Development (GED) instruction and testing, English as a Second Language (ESL), life skills, and instruction related to securing and maintaining employment. These services are provided to adults, 16 years or older, who are not enrolled in a secondary school and who are most in need of services. Adult instruction improves students' basic skills, skills necessary for becoming employed, skills needed for further training or education, and skills for becoming productive and self-sufficient citizens.

Title VII, Bilingual - Provide technical assistance to school districts applying for, and receiving, Title VII federal funds.

Homeless Children and Youth - Provide technical assistance and grant funding to school districts and other educational service providers to better identify and serve homeless children and youth.

Title IV, Drug and Violence Prevention - Provide resources, technical assistance and grant assistance to school districts to develop comprehensive alcohol and drug abuse prevention and intervention programs.

Governor's Drug Prevention - Provide grants to local schools and communities for prevention programs.

Counseling - Provide funding for staff development, training and programmatic activities related to healthy life skills, suicide prevention, and at-risk students.

HIV Prevention - Provide technical and financial support for school districts to develop HIV/AIDS prevention curriculum, obtain classroom materials, receive teacher training, conduct assessments, and develop local policies and procedures related to HIV/AIDS Education.

Component Goals and Strategies for FY2000

* Provide resources for educational services for children and adults who are disadvantaged, from low income families, migratory, limited English proficient or who have English as their Second Language, neglected, delinquent, at-risk of dropping out, drop-outs, homeless, at-risk with health related issues, and bilingual to meet the same high educational standards established for all Alaskans.

* Provide resources for quality professional development and teacher training to approximately 2,000 teachers and administrators in the areas of Special Education, Even Start, Neglected & Delinquent, Preschool Handicapped, Title I, Migrant Education, Adult Basic Education, Bilingual, Homeless, Drug and Violence Prevention, Governor's Drug Prevention, Counseling, and HIV Prevention to help them assist their students in meeting the state's high academic standards.

* Monitor for compliance and ensure accountability, as required by state and federal law, and provide technical assistance to school district and other educational organizations' staff within each program area.

Key Component Issues for FY1999 – 2000

Providing professional development and technical assistance to school districts to help them better prepare students to meet state standards and pass the state assessments.

Implementing the federal Individuals with Disabilities Education Act (IDEA), requirements for special education.

Developing a unified plan of service for Adult Basic Education programs in conjunction with the Alaska Human Resources Investment Council.

Major Component Accomplishments for FY1998

* Provided resources for standards-based professional development for Alaska educators.

* Developed standards in the areas of reading, writing and mathematics, which will be assessed through the High School Graduation Qualifying Exam and the three Benchmark Assessments.

Statutory and Regulatory Authority

AS 14.30.400-410
AS 14.30.180-350
4 AAC 06.500-570
4 AAC 35.010-090
4 AAC Chapter 52
4 AAC 52.010-990

4 AAC Chapter 39
PL 91-230, as amended
PL 100-97
PL 105-17
4 AAC 06.500-570

Component: Quality Schools

Component Mission

To improve student achievement through standards and assessment, professional development, and school accountability.

Component Services Provided

The programs, projects and activities within this component are closely aligned with the four Alaska State Quality Schools Initiatives (QSI): High academic student standards and student assessment, quality professional standards, family involvement in student learning, and school excellence standards. Educational technology support is integrated throughout the QSI. The Quality Schools Component focuses on services and achievement for all students.

Vocational Education - provides resources to school districts to prepare students for employment through the development of occupational skills, integrating vocational and academic education, addressing the vocational educational needs of special populations, and providing education and training that allows students to compete in the world of work in a modern, technology based economy.

Title VI Innovative Programs - provides resources to school districts for school improvement and innovation.

School to Work - provides resources to school districts to develop a system that prepares students to make the transition from school to employment with the skills and attitudes necessary to succeed. This system is built through local/regional collaborative efforts involving school, community, and business partnerships.

Title III Technology - provides resources to school districts to update existing technology and integrate the use of technology in instruction.

Charter Schools - provides resources for the development of Charter Schools in Alaska.

Statewide Testing and Assessment - provides for statewide testing and assessment for students in all school districts, demonstrates accountability, and results in accurate measurements of student success.

Goals 2000 - provides resources for coordinated school improvement activities and staff training, which vary from district to district, based on a district-wide improvement plan.

Title II Eisenhower Professional Development - provides professional development, training, and/or re-training for district instructors and staff primarily in the areas of math and science.

Curriculum Frameworks Development - provides for the development of curriculum frameworks documents corresponding to the 10 content area standards. Frameworks documents are resources for teachers to use to help instruct students to achieve high standards in all 10 areas (math, science, English/language arts, geography, government and civics, skills for a healthy life, world languages, technology, history, and arts).

School Accreditation - assists schools with the school accreditation process, works closely with the Northwest Accreditation Association, and assists in developing school accreditation standards.

Component Goals and Strategies for FY2000

Develop and field test a statewide comprehensive student assessment system including: the High School Graduation qualifying Exam (HSGQE), three benchmark assessments at grades 3, 5 and 8, that are aligned to state performance standards to measure student achievement and the California Achievement Test-5th Edition (CAT5).

Provide technical assistance and professional development to all school districts on ways to implement the Alaska Quality Schools Initiatives, including ways for students to meet high academic standards through on-site visits, workshops and conference sessions.

Develop a system of school accountability resulting in school performance designations.

Key Component Issues for FY1999 – 2000

The development and completion of the High School Graduation Qualifying Exam, Benchmark Assessments in grades 3, 5, and 8, and the Developmental Profile, for incoming kindergarten or first grade students. Setting passing scores for these assessments will also need to occur during this period of time.

By fall of 1999, all schools will be using Developmental Profile materials to assess incoming students in the areas of: physical/health; language development; social/emotional; and thinking, which includes mathematical and problem solving. Providing professional development related to the Profile will need to occur.

By fall of 1999, the department will be reviewing the results of the pilot testing of the High School Graduation Qualifying Exam and Benchmark Assessments. These assessments will be finalized for use in spring of 2000.

In spring of 2000, the High School Graduation Qualifying Exam and the three Benchmark Assessments will be given for the first time. Tenth grade students will be given the Qualifying Exam and will know in what areas they are proficient or not.

The department will work with the school districts and the public in creating a system of school accountability, which will result in school performance designations in 2002.

During FY1999-2000, the department will provide professional development and technical assistance to school districts to help them better prepare students to meet state standards and pass the state assessments.

The department will implement new federal requirements for vocational education which focus on curriculum integration to increase all students' performance.

Major Component Accomplishments for FY1998

Began work on the development of the High School Graduation Qualifying Exam with CTB McGraw Hill. The test will be pilot tested in FY1999.

Began major development of standards in reading, writing and mathematics, through a statewide committee process. Standards were completed in FY1999.

Statutory and Regulatory Authority

4 AAC 51.100-390
PL 103-279
4 AAC 06.500-770
PL 101-589
AS 14.35.010-030
AS 14.30.360-370
4 AAC 32.010-030
PL 100-297
AS 14.07.020-170
4 AAC 06.075
4 AAC 06.075
34 CFR 208, 235, 298, 86
PL 101-392

4 AAC 60.010-180
4 AAC 05.080
44, 77
4 AAC Chapter 39
4 AAC 19.010-060
PL 102-325

Component: Education Special Projects

Component Mission

To provide resources for educational and support services to targeted students, teachers, and adults through specialized grant programs and activities.

Component Services Provided

- The Teen Parenting/High School Completion Program, funded with interagency receipts from the Department of Health and Social Services, Division of Public Assistance, consists of competitively awarded grants to school districts, for a three year period, and provides activities such as basic academic instruction, parenting, health and fitness, life skills, career assessment and employability plans.
- Alaska Minerals and Energy Resources Education Fund provides educational materials and training for teachers to use in their classrooms.
- Robert Byrd Student Scholarships provide funding for students to further their educational goals.
- Law Related Education provides materials for use in classrooms across the state.
- Senate Youth Scholarships - two students, who hold student government offices, are selected annually, through a competitive, statewide process, to receive a monetary scholarship and to participate in an on-site visit of the nation's capital.
- Christa McAuliffe teacher training grant program provides one award annually for a teacher to complete a special education-related project.

Component Goals and Strategies for FY2000

Provide educational and support services to school age parents to complete their high school education, gain positive parenting skills, employability and occupational skills training and health education (currently Mat-Su, Kenai, and Fairbanks).

Major Component Accomplishments for FY1998

Teen Parenting/High School Completion programs targeted pregnant and parenting teens, receiving public assistance, to stay in school and complete their high school education. These programs allowed nearly 200 students the opportunity to stay in school and work toward a high school diploma.

Statutory and Regulatory Authority

34 CFR Part 654
PL 101-517
PL 102-325

Component: Teacher Certification

Component Mission

1. To ensure that only qualified applicants are awarded credentials to teach in Alaska.
2. To ensure that teacher education programs in Alaska conform to nationally recognized standards.

Component Services Provided

Receive, review, analyze, and evaluate all applications for initial, renewal, addition and removal of credentials and endorsements for the teaching profession as required by regulation and AS.14.20.370. Issue, deny, and/or notify applicant of the determination regarding their credentials. Submit fingerprint cards to the Department of Public Safety and FBI for background checks on all initial applicants. Notify applicants and monitor any resubmitted fingerprint cards. Revoke/deny credentials for applicants that have a criminal disclosure. Exchange revocation information with the National Clearinghouse for teacher licensure records. Issue Alaska credentials to all eligible applicants for teacher, administrator, special service, and limited license specialty areas. Review and approve all Alaska teacher education training programs in institutions of higher education. Register K-12 private & religious schools that operate in Alaska. Monitor the status of obligors to Child Support Enforcement and Postsecondary Education.

Component Goals and Strategies for FY2000

1. Teacher Certification
 - a) Issue regular, provisional or temporary credentials or letters of academic eligibility within 90 days of receipt of application to all eligible applicants for teacher, administrator, special services and the limited certificates.
 - b) Administer the background check as set forth in AS 12.62.035(e) and identify applicants with criminal convictions which make applicants ineligible for Alaska licensure; deny or revoke licenses accordingly.
 - c) Identify and evaluate applicants that apply for but do not meet requirements for licensure; deny licenses accordingly.
 - d) Maintain records received from the national clearing house on revocations. Notify the clearing house of all revocations in Alaska.
 - e) Review and approve/disapprove non academic credit for renewal of teacher licenses.
2. Teacher Evaluation
 - a) Review and recommend to the State Board of Education approval of teacher and administrator education programs at institutions of higher education in Alaska.
 - b) Issue student teacher authorizations.

Key Component Issues for FY1999 – 2000

- * Creating a system of teacher licensure that results in an adequate supply of qualified educators.
- * Implementing testing requirements for applicants
- * Maintaining an adequate level of services to applicants within the limitations of the budget, which is based on being self-supporting from certification receipts.

Major Component Accomplishments for FY1998

- A fee increase was implemented, allowing the unit to become self supporting.
- Began work on teacher exam required by AS 14.20.020(i).
- Developed policy to accept endorsements for posted doctorate, master, major or minor in a content area.
- Coordinated with University of Alaska Endorsement Review Center to accept endorsements.
- Require clearance of security verification and fingerprint cards prior to issuance of certificate.

Statutory and Regulatory Authority

AS 12.62.035(e)
4 AAC 12.010 - .900
AS 14.20.010 - .040

Component: Child Nutrition Administration

Component Mission

To provide resources to support federal child nutrition program sponsors in Alaska.

Component Services Provided

The Child Nutrition Program administers the National School Lunch, School Breakfast, Special Milk, Summer Food, Child and Adult Care Food, and Nutrition Education and Training Programs in Alaska for USDA. The component distributes federal funds, training and resources to eligible schools, child care centers, licensed family day care homes, residential child care institutions, summer camps, homeless shelters, adult day care centers, and national youth sports programs that provide food for children in Alaska in accordance with AS 14.50.010. The federal funds for grant reimbursements administered by this component are included in the K-12 Support BRU, Child Nutrition Component.

Component Goals and Strategies for FY2000

To meet the federal requirement that 25% of the school programs and 33% of the child care sponsors be reviewed annually and to provide on-site technical assistance in specific targeted areas.

To implement training priorities for state agency staff and local sponsors to support program improvement; i.e., implementation of the dietary guidelines, expansion of nutrition education, promoting program visibility.

To increase by 5% the number of agencies participating in child nutrition programs with emphasis on increasing the school breakfast, special milk, and adult day care programs.

To increase by 5% the number of children receiving nutrition education.

To provide staff training to at least 50% of the program sponsors annually.

Key Component Issues for FY1999 – 2000

Recently re-authorized federal legislation now allows for the state to target and fund snacks for in-school/after-school youth programs. This program will be fully implemented in FY2000.

The new re-authorized federal legislation creates a new food program targeting homeless children. Guidance from the U. S. D. A. has not yet been provided. The department will be fully implemented in FY2000.

Major Component Accomplishments for FY1998

* The Summer Food Program, targets low-income out of school youth, expanded to include more sponsors. Additionally, a higher Alaska reimbursement rate was secured for sponsors.

* 47 school districts participated in school lunch programs serving 94,098 students on an average daily basis.

* 27 school districts participating in school breakfast programs serving 16,374 students on an average daily basis.

Statutory and Regulatory Authority

AS 14.50.010

Budget Request Unit: Executive Administration

Manager: Karen J. Rehfeld, Director

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BRU Mission

To lead and support the development of responsible, economically viable, lifelong learners and citizens.

BRU Services Provided

This BRU provides leadership and support to divisions and programs within the Department of Education.

BRU Goals and Strategies for FY2000

Goal 1: To have clear, rigorous, credible standards and assessments.

- School districts adopt reading, writing and math performance standards and align curriculum to ensure all students have the opportunity to learn the basics.
- Develop a standards-based comprehensive system of student assessments that generates useful data for educators to teach students to read, write and compute.
- Developmental profile for each child in kindergarten and first grade
- Alaska Benchmark Examinations in grades, 3, 6 and 8
- Alaska High School Graduation Qualifying Examination
- School districts identify students in jeopardy of not meeting reading, writing and math standards and provide appropriate student interventions.

Goal 2: To have a credible system of academic and fiscal accountability for students, professionals, schools and districts.

- Issue Quality Schools Grants so schools and communities can determine local solutions to student learning such as summer school, individual tutoring, lower class size, special classes, before and after school programs.
- Identify schools that are distinguished, successful, in decline or in crisis based on student performance and other measures.
- Provide distinguished educators and district support teams to those districts that are in decline or in crisis, when requested by the district.
- Recognize and celebrate distinguished schools.
- Schools in decline and in crisis develop a school improvement plan with community involvement using the Alaska Quality Schools Standards as the basis for the plan.
- Partner with the Northwest Association of Schools and Colleges to incorporate the Alaska Quality Schools Standards to accredit Alaska schools.
- Encourage local school boards to adopt culturally responsive school standards.

Goal 3: To have highly qualified school professionals who have met rigorous and credible standards and assessments.

- Provide rigorous educator standards by which school districts will evaluate professionals.
- Require school districts to develop individual professional development plans based on standards and best practices.
- Provide funding for national board certification leading to an Alaska advanced teacher certificate.
- Develop and administer a standards-based licensure system for educators.
- Develop a teacher approval process so that all teacher education programs meet high, rigorous standards.
- Encourage local school boards to adopt culturally responsive educator standards.

Goal 4: To have schools in which students, staff, families and communities are active partners in learning.

- In partnership with NEA, AASB, and PTA, promote research-based family involvement models and community orientations.

- Promote and support school-based Family Involvement Centers (1-877-FOR-KIDS).
- Launch a Statewide Reading Initiative focusing on K-3.
- Encourage and support business and school partnerships through the School-to-Work Initiative and Employability Standards.

Goal 5: To have an adequate and secure source of funding for schools.

- Secure adequate funding to develop and maintain an accountable system of high quality public schools.
- Secure adequate level of funding to meet school district's school construction and major maintenance needs.

Key BRU Issues for FY1999 – 2000

A key issue for the Department of Education will be to develop student intervention programs for students at risk of not meeting standards in reading, writing and mathematics. Student achievement needs to be measured against rigorous standards in reading, writing and mathematics at appropriate age levels. If a student is not making adequate progress, swift and intensive intervention is needed to get the student back on track.

As part of the Quality Schools Initiative, each school will be required to do a number of things aimed at increasing the quality of public education. Beginning in FY2000, each school will chart a developmental profile for each child upon entering kindergarten or first grade. The profile will identify a student's strengths and areas needing additional attention to help in designing an instructional program for each child.

Schools also need to adopt state-mandated academic standards in reading, writing and math. Schools will need to test each child early and often in these subjects throughout their school careers to make sure they are on target to meet the standards. Schools will be required to test students at the 3rd, 6th, and 8th grades. If they are falling behind, schools will have to provide special help to children so they can catch up. The final part of the comprehensive student assessment system is the High School Graduation Qualifying Examination. Today's ninth grade students will be required to pass this exam in order to receive a high school diploma.

This comprehensive student assessment system based on rigorous, academic standards will give the state and communities solid information to hold schools and communities accountable for the academic achievement of children. Each year, all schools will have to report certain information to their communities and state about their progress.

The Department of Education will use this information to build a system of accountability that will tell us whether each school is successful or unsuccessful. DOE will develop school based intervention plans to assist school in improving. The state will require low performing schools to work with their community to build a school improvement plan aimed at helping the school and the students reach the standards.

Major BRU Accomplishments for FY1998

- * Completed second phase of multi-year project to develop statewide assessment tools for measuring student performance against established state education standards. This phase will focus on developing performance-based assessment in reading and math, and the first statewide direct assessment of writing.
- * Developed regulations that establish accreditation standards for Alaska's schools based on research on successful schools and a field test in selected districts.
- * Developed regulations for a revised teacher administrator licensure system based upon national and state standards for educators.
- * Integrated the use of technology to facilitate delivery of services and education programs.

Component: State Board of Education

Component Mission

To provide leadership to ensure that all Alaska children will become successful adults and our democratic society will thrive and prosper.

Component Services Provided

This component provides the funding for transportation and meeting costs for the State Board of Education and a support position to coordinate board activities, meeting notices, and preparation for additional board meetings. The State Board provides policy direction to the department and is responsible for adopting regulations necessary to implement statutory requirements.

Component Goals and Strategies for FY2000

1. To provide a public forum to communicate and exchange information about education in the state.
2. To fulfill statutory requirements relating to board direction, policy, and action in support of:
 - * Clear, rigorous, credible standards and assessments.
 - * A credible system of academic and fiscal accountability for students, professionals, schools and districts.
 - * Highly qualified school professionals who have met rigorous and credible standards and assessments.
 - * Schools in which students, staff, families and communities are active partners in learning.

Key Component Issues for FY1999 – 2000

A key issue for the Department of Education will be to develop student intervention programs for students at risk of not meeting standards in reading, writing and mathematics. Student achievement needs to be measured against rigorous standards in reading, writing and mathematics at appropriate age levels. If a student is not making adequate progress, swift and intensive intervention is needed to get the student back on track.

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The state will require low performing schools to work with their community to build a school improvement plan aimed at helping the school and the students reach the standards.

Major Component Accomplishments for FY1998

- * Completed second phase of multi-year project to develop statewide assessment tools for measuring student performance against established state education standards. This phase will focus on developing performance-based assessment in reading and math, and the first statewide direct assessment of writing.
- * Developed regulations that establish accreditation standards for Alaska's schools based on research on successful schools and a field test in selected districts.
- * Developed regulations for a revised teacher administrator licensure system based upon national and state standards for educators.
- * Integrated the use of technology to facilitate delivery of services and education programs.

Statutory and Regulatory Authority

Article III Section 26 of the State Constitution
AS Title 14 Education
4 AAC

Component: Commissioner's Office

Component Mission

To lead and support the development of responsible, economically viable, lifelong learners and citizens.

Component Services Provided

The Commissioner provides leadership and support to all aspects of Alaska's education system by effectively and efficiently managing department programs to facilitate and enhance delivery of educational services. The Commissioner implements the policies and regulations adopted by the State Board of Education, and promotes collaboration among schools, students, families and communities to improve learning.

Component Goals and Strategies for FY2000

Goal 1: To have clear, rigorous, credible standards and assessments.

- School districts adopt reading, writing and math performance standards and align curriculum to ensure all students have the opportunity to learn the basics.
- Develop a standards-based comprehensive system of student assessments that generates useful data for educators to teach students to read, write and compute.
- Developmental profile for each child in kindergarten and first grade
- Alaska Benchmark Examinations in grades, 3, 6 and 8
- Alaska High School Graduation Qualifying Examination
- School districts identify students in jeopardy of not meeting reading, writing and math standards and provide appropriate student interventions.

Goal 2: To have a credible system of academic and fiscal accountability for students, professionals, schools and districts.

- Issue Quality Schools Grants so schools and communities can determine local solutions to student learning such as summer school, individual tutoring, lower class size, special classes, before and after school programs.
- Identify schools that are distinguished, successful, in decline or in crisis based on student performance and other measures.
- Provide distinguished educators and district support teams to those districts that are in decline or in crisis, when requested by the district.
- Recognize and celebrate distinguished schools.
- Schools in decline and in crisis develop a school improvement plan with community involvement using the Alaska Quality Schools Standards as the basis for the plan.
- Partner with the Northwest Association of Schools and Colleges to incorporate the Alaska Quality Schools Standards to accredit Alaska schools.
- Encourage local school boards to adopt culturally responsive school standards.

Goal 3: To have highly qualified school professionals who have met rigorous and credible standards and assessments.

- Provide rigorous educator standards by which school districts will evaluate professionals.
- Require school districts to develop individual professional development plans based on standards and best practices.
- Provide funding for national board certification leading to an Alaska advanced teacher certificate.
- Develop and administer a standards-based licensure system for educators.
- Develop a teacher approval process so that all teacher education programs meet high, rigorous standards.
- Encourage local school boards to adopt culturally responsive educator standards.

Goal 4: To have schools in which students, staff, families and communities are active partners in learning.

- In partnership with NEA, AASB, and PTA, promote research-based family involvement models and community orientations.
- Promote and support school-based Family Involvement Centers (1-877-FOR-KIDS).
- Launch a Statewide Reading Initiative focusing on K-3.
- Encourage and support business and school partnerships through the School-to-Work Initiative and Employability Standards.

Goal 5: To have an adequate and secure source of funding for schools.

- Secure adequate funding to develop and maintain an accountable system of high quality public schools.
- Secure adequate level of funding to meet school district's school construction and major maintenance needs.

Key Component Issues for FY1999 – 2000

A key issue for the Department of Education will be to develop student intervention programs for students at risk of not meeting standards in reading, writing and mathematics. Student achievement needs to be measured against rigorous standards in reading, writing and mathematics at appropriate age levels. If a student is not making adequate progress, swift and intensive intervention is needed to get the student back on track.

As part of the Quality Schools Initiative, each school will be required to do a number of things aimed at increasing the quality of public education. Beginning in FY2000, each school will chart a developmental profile for each child upon entering kindergarten or first grade. The profile will identify a student's strengths and areas needing additional attention to help in designing an instructional program for each child.

Schools also need to adopt state-mandated academic standards in reading, writing and math. Schools will need to test each child early and often in these subjects throughout their school careers to make sure they are on target to meet the standards. Schools will be required to test students at the 3rd, 6th, and 8th grades. If they are falling behind, schools will have to provide special help to children so they can catch up. The final part of the comprehensive student assessment system is the High School Graduation Qualifying Examination. Today's ninth grade students will be required to pass this exam in order to receive a high school diploma.

This comprehensive student assessment system based on rigorous, academic standards will give the state and communities solid information to hold schools and communities accountable for the academic achievement of children. Each year, all schools will have to report certain information to their communities and state about their progress.

The Department of Education will use this information to build a system of accountability that will tell us whether each school is successful or unsuccessful. DOE will develop school based intervention plans to assist school in improving. The state will require low performing schools to work with their community to build a school improvement plan aimed at helping the school and the students reach the standards.

Major Component Accomplishments for FY1998

- * Completed second phase of multi-year project to develop statewide assessment tools for measuring student performance against established state education standards. This phase will focus on developing performance-based assessment in reading and math, and the first statewide direct assessment of writing.
- * Developed regulations that establish accreditation standards for Alaska's schools based on research on successful schools and a field test in selected districts.
- * Developed regulations for a revised teacher administrator licensure system based upon national and state standards for educators.
- * Integrated the use of technology to facilitate delivery of services and education programs.

Statutory and Regulatory Authority

Article III Section 26 of the State Constitution
AS Title 14 - Education

Component: Administrative Services

Component Mission

To provide centralized management and financial support services.

Component Services Provided

This component provides services to the department in payroll, personnel, training, budget preparation and implementation, federal and state reporting, accounting, procurement and contracting services. The Finance and Accounting Unit processes budget transactions, revised programs, payments, grant awards, RSA's and certification of transactions input at the central or decentralized offices. The Supply and Procurement Unit processes mail, makes deliveries, processes delivery orders, provides bidding and procurement for supplies, professional services contracts and requests for quotations and proposals, reconciles invoices to deliverables prior to payment and is responsible for the department's inventory and lease contact. The Human Resources Unit provides support for all payroll and personnel activities for the department. This unit provides collective bargaining services, ADA guidance, and employee training.

Component Goals and Strategies for FY2000

1. Timely and accurate financial management services
 - * Budget preparation and implementation
 - * Revenue collection
 - * Federal and state reporting
 - * Process and certify payments
 - * Grant awards
 - * Reimbursable services agreements
2. Timely and accurate personnel/payroll services
 - * Payroll
 - * Recruitment
 - * Training
3. Purchasing and procurement services within state and federal requirements
 - * Purchasing of supplies
 - * Contracting for professional services
 - * Inventory and leasing
 - * Mail services

Key Component Issues for FY1999 – 2000

Continuing to improve service delivery in support of department programs.

Major Component Accomplishments for FY1998

- * Maintained timely and accurate financial management services
- * Conducted quarterly division staff/training meetings
- * Provided professional level procurement services
- * Maintained high level of timely and accurate payroll services
- * Provided training opportunities for managers, supervisors and employees
- * Developed performance standards and measures for employees

Statutory and Regulatory Authority

4 AAC 27	AS Title 39
AS Title 14	AS 28.05.104
AS Title 23	
AS Title 37	

Component: Information Services

Component Mission

To facilitate delivery of all departmental programs by providing information technology support services.

Component Services Provided

This component provides services to the department in data processing and state reporting. It provides overall support for the data processing functions on the department's AS/400, Local Area Network (LAN), and PC levels. The component has oversight responsibilities for education data collection and reporting. Existing education data criteria are maintained as well as new data requests developed and reviewed. Data requested from school districts are coordinated by this unit.

Component Goals and Strategies for FY2000

1. Reliable, efficient computing resources.
2. Computer literate workforce.
3. Improve electronic communications via E-mail and Internet access.
4. Streamline electronic data collection activities.

Key Component Issues for FY1999 – 2000

Key issues for this component include Y2K software and hardware inventory and replacement, and continuing to improve computing resources and computer literacy of workforce to enhance service delivery.

Major Component Accomplishments for FY1998

1. Provided high level data processing support including:
improved electronic communications via E-mail and Internet access
maintained department standard hardware and software.
2. Applied uniform departmental standards for the collection and analysis of data collected by the Department of Education.

Statutory and Regulatory Authority

AS 14.03.030	AS 14.45.100-200	34CFR 74-76, 78, 80, 85
AS 14.03.040	AS 14.07.010-030.170	34CFR 200-201
AS 14.03.120	4 AAC 06.160	
AS 14.30.350	4 AAC 06.700-770	

Budget Request Unit: School Finance

BRU Mission

To provide financial and technical support for the operation of Alaska's public schools.

BRU Services Provided

The School Finance BRU applies for and distributes state and federal funds to school districts in support of public education. The Foundation Program provides the primary financial support to the 53 school districts, Mt. Edgecumbe and Alyeska Central School for K-12 education. Supplementary program funds such as boarding home, tuition, and pupil transportation serve to provide student access to comparable educational opportunity.

Through the collection, analysis and compilation of timely, uniform educational program and finance data, the division monitors fiscal accountability of school districts in the utilization of local, state and federal resources. Fiscal and non-fiscal data collection and analysis support reporting requirements to the US Department of Education, its sub-contractors and other federal agencies in order to assure continued access to federal funds and compliance with program requirements. Audit coordination, review and monitoring provide further accountability of funds, standardization of financial reporting and assurances of compliance with grant objectives and direct pass through funds.

The BRU provides statewide oversight for educational facilities renovation and construction and evaluates and ranks bond reimbursement and capital project grant requests. The BRU also has the responsibility for administering the Donated Commodities program.

BRU Goals and Strategies for FY2000

- * To provide a credible system of fiscal accountability for schools.
- * To provide an adequate and secure source of funding for schools.
- * To provide an adequate level of funding to meet school district's school construction and major maintenance needs.
- * To provide timely and accurate payments to school districts.
- * To provide technical assistance to school districts.
- * To improve the quality and consistency of reported data.

Key BRU Issues for FY1999 – 2000

In 1998, legislation passed that significantly changed public education in Alaska. The new law requires that schools be held accountable for student performance through a comprehensive student assessment system. The law also changed the way the funding is allocated to public schools and provided additional resources to support school districts in implementing standards based curriculum and assessments.

The new school funding law changed the funding formula from an instructional unit basis to an adjusted student basis. The first year of funding, FY99, was a transitional year to the new formula. In FY2000, the requested funding level is based on the full funding estimate under the new formula. Additional resources are also included to implement the provisions of the law relating to fiscal accountability, monitoring and updating cost factors, and providing specific reports to the legislature.

Major BRU Accomplishments for FY1998

- * Updated regulations governing school district chart of accounts to improve the quality and consistency of reported data.
- * Updated regulations governing reimbursement of pupil transportation costs.
- * Began implementation of new school funding law.

Component: District Support Services

Component Mission

To provide efficient and effective distribution of, and accounting for, resources utilized in the operation of public schools throughout the state and to provide quality technical assistance and training to the 53 school districts, Mt. Edgecumbe Boarding School, and Alyeska Central School.

Component Services Provided

District Support Services manages the distribution of public school foundation, tuition, boarding home, youth in detention, pupil transportation, cigarette tax, USDA donated commodities, and impact aid program funds through the collection, analysis and aggregation of educational program support data. Staff provide technical assistance to the field level through telephone, on-site and scheduled group training and manage over \$700 million in state programs for less than one tenth of one percent. Staff comply with the federal Common Core of Data collection and reporting activities, which enables the state to participate in federal education funding programs. The audit section monitors grantees (sub-recipients) for compliance with federal and state laws regarding the use of public funds distributed by the department and requires corrective action when instances of noncompliance are identified. AS 28.05.104 provides for twice annual safety and mechanical inspections of all public school buses. AS 14.07.020 provides for pre-service training of public school bus drivers. AS 14.09.025 provides for development of an alcohol and drug testing program for public school transportation providers.

Component Goals and Strategies for FY2000

- * To provide management support for the formula programs under K-12 Support and Donated Commodities.
- * To provide technical assistance to school districts related to state statutes and regulations.
- * To provide for mechanical and safety inspections of approximately 1,000 school buses twice annually.
- * To provide for the safe transportation of students through school bus driver training and drug and alcohol testing for school bus drivers.
- * To provide timely and accurate payments to school districts.
- * To improve the quality and consistency of reported data.

Key Component Issues for FY1999 – 2000

In 1998, legislation passed that significantly changed public education in Alaska. The new law requires that schools be held accountable for student performance through a comprehensive student assessment system. The law also changed the way the funding is allocated to public schools and provided additional resources to support school districts in implementing standards based curriculum and assessments.

The new school funding law changed the funding formula from an instructional unit basis to an adjusted student basis. The first year of funding, FY99, was a transitional year to the new formula. In FY2000, the requested funding level is based on the full funding estimate under the new formula. Additional resources are also included to implement the provisions if the law relating to fiscal accountability, monitoring and updating cost factors, and providing specific reports to the legislature.

Major Component Accomplishments for FY1998

- * Updated regulations governing school district chart of accounts to improve the quality and consistency of reported data.
- * Updated regulations governing reimbursement of pupil transportation costs.
- * Began implementation of new school funding law.

Statutory and Regulatory Authority

AS 14.07.020-030

AS 14.50

4 AAC 40

AS 14.07.060

4 AAC 09

4 AAC 51

AS 14.09 4 AAC 27

4 AAC 52.700

AS 14.11 4 AAC 31

AS 14.17 4 AAC 33

Component: Educational Facilities Support

Component Mission

To provide services that promote safe facilities which support a quality education program.

Component Services Provided

This component provides oversight for the statewide school construction program. The unit develops the annual public school CIP budget for the Governor and the Legislature, calculates the state share of debt retirement, administers the school construction grant program, and provides assistance to school districts and other agencies upon request.

The primary responsibility of the component is to provide service and technical assistance to local school districts, the Governor, the Legislature and the public regarding school construction issues and projects statewide. This includes: 1) evaluation of annual capital improvement grant applications submitted by the school districts according to the criteria established by Chapter 83, SLA 93, 2) on site review of selected facilities, 3) development of the department's annual CIP budget request for the State Board of Education, the Governor and the Legislature, 4) technical assistance in preparation of six year plans, 5) development of criteria and methods of construction, project analysis, evaluation, and approval/disapproval, 6) review of educational specifications and documentation of code compliance, 7) calculation of the state's share of debt retirement, payments for reimbursement of bond indebtedness and local revenue projects approved by the department, 8) calculation and payment of CIP grants, 9) research and development of proposals for more effective ways of financing school construction, 10) review of district match documentation for cash or local in-kind contributions, calculation of payment upon approval of documentation, and 11) prioritization of debt retirement projects.

Component Goals and Strategies for FY2000

- 1) Payment of all reimbursement requests within 30 days of receipt.
- 2) To provide additional enhancements to the method of project evaluation and publish evaluation criteria to school districts, prior to April 1.
- 3) To provide the Governor's Office a copy of the CIP list by November 1 as per statute.
- 4) To provide school districts with a copy of the CIP list by November 5 as per statute.
- 4) To provide the Legislature a copy of the CIP list during the first ten days of the session as per statute.
- 5) To provide statewide debt service projections during the first ten days of the session.
- 6) To secure an adequate level of funding to meet school districts school construction and major maintenance needs.

Key Component Issues for FY1999 – 2000

Continuing issues include:

- * improving the annual ranking process for capital project and bond reimbursement requests.
- * developing school construction standards.
- * securing a long-term stable source of funding for school construction and major maintenance projects.

Major Component Accomplishments for FY1998

- * Completed annual CIP prioritized list in accordance with statute.
- * Provided training to school districts on CIP application and evaluation process.
- * Provided timely payments to school districts.

Statutory and Regulatory Authority

AS 14.03.140 - .150
AS 14.07.020(11)
AS 14.07.030(4)
AS 14.07.030(6)
AS 14.08.111
AS 14.08.151
AS 14.11
AS 14.11.011
AS 14.14.065
AS 14.14.090
AS 37.15.11
AS 37.16
AS 43.50.140
4 AAC 31

Component: Donated Commodities

Component Mission

To provide USDA commodities to school districts, child care centers, nutrition programs for the elderly, soup kitchens, summer food service programs as well as charitable and correctional institutions.

Component Services Provided

Conduct on-site reviews of recipient agencies participating in the commodity program as required by federal regulations. Attend technical assistance workshops and conferences pertaining to the commodity program. Provide workshops to recipients. Provide transportation company with directions for distribution of commodities statewide. Provide school districts with an opportunity to purchase commodity processed foods to help reduce their meal costs.

Component Goals and Strategies for FY2000

- * Increase commodity processing on behalf of school districts in order to reduce food service expenditures.
- * Order and distribute USDA food products economically and efficiently.
- * Provide technical assistance workshops for program participants.
- * Hold state food distribution advisory council meetings

Key Component Issues for FY1999 – 2000

Continuing to provide USDA commodities to schools and other agencies in an efficient, cost-effective manner and improving the quality of commodities available for distribution.

Major Component Accomplishments for FY1998

- * Distributed \$1,354,801 in USDA commodities to 45 school districts statewide.
- * Provided commodities training and technical assistance to 20 school districts.
- * Approximately 50% of Alaska School Districts took advantage of Commodity Processing during FY98, which enabled districts to save money for their food programs by obtaining products that normally are purchased through distributors.

Statutory and Regulatory Authority

7CFR250

Current

Topics . . .

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List

STATE AND MUNICIPAL PRIVATIZATION (Update)

No. 58
11/96

Copies of the following titles may be requested from the State Library by placing a check mark next to the title(s) needed and returning the list to the Library, MS 0571. In compiling this list, our research staff has collected other materials and bibliographies which you may also find useful. Every effort has been made to select current, pertinent articles on the subject. If you wish to locate additional materials or need research assistance, please contact LuAnn Fisher at 465-2944 or FAX 465-2665.

1. ___ Fryklund, Inge. **Privatization American Style.** *Business Forum*, v. 19, no. 1-2, p. 4, Winter/Spring 1994.

"Many of the failures of American privatization result from public managers proceeding under the misapprehension that they are denationalizing a service when they are really outsourcing it."

2. ___ Wessel, Robert H. **Privatization in the United States.** *Business Economics*, v. 30, no. 4, p. 45, October 1995.

"Privatization offers attractive business opportunities, but it should be justified on the grounds of efficiency and productivity rather than become a fad to solve business and governmental problems."

3. ___ Silverstein, Kenneth. **Federal Regs Fight Privatization Trend.** *American City & Country*, v. 111, no. 6, p. 12, May 1996.

Federal regulations often block efforts to privatize state and local services. These regulations can limit the cost effectiveness of privatizing local services or apply more regulations to privately owned companies that provide those services.

4. ___ Greene, Jeffrey D. **Cities and Privatization: Examining the Effect of Fiscal Stress, Location, and Wealth in Medium-Sized Cities.** *Policy Studies Journal*, v. 24, no. 1, p. 135, Spring 1996.

Examines the reasons why some medium-sized cities choose to use privatization in their "management portfolios" and why some do not.

5. ___ Hass, Nancy. **Psst, Wanna Buy a Bridge?** *Financial World*, v. 162, no. 16, p. 30, August 3, 1993.

"The new willingness to sell off government assets has been hastened by the cities' and states' forays into the privatization of services. While governments are only now exploring asset sales, they have embraced the outsourcing of a wide range of municipal functions for nearly a decade."

6. __ Barak-Erez, Daphne. **A State Action Doctrine For an Age of Privatization.** *Syracuse Law Review*, v. 45, no. 4, p. 1169, 1995.

"This article is aimed to shed light on another dimension of the subject, the constitutional angle, concentrating on the possible influence of privatization on the constitutional standards applied in the operation of important social services."

7. __ Lighthizer, O. James. **The Pros & Cons of Privatization.** *State Government News*, v. 37, no. 2, p. 27, February 1994.

Uses the example of the Maryland State Department of Transportation to show that "privatization makes sense when the private sector can do a job substantially better and cheaper than state government, but does not make sense when there would be risk to the vitality of an economic asset."

8. __ Hellbusch, Ron and Andy Mead. **Same Service, New System.** *Public Works*, v. 126, no. 10, p. 72, September 1995.

The emphasis is on "Alternative Service Delivery", not only privatization, in this explanation of how the Dept. of Public Works in the City of Westminster, Colorado addressed the effective use of public funds to provide efficient service.

9. __ Kodrzycki, Yolanda K. **Privatization of Local Public Services: Lessons for New England.** *New England Economic Review*, p. 31, May/June 1994.

"The limited scope of privatization by New England local governments in particular defies explanation, suggesting that communities in the region may wish to reexamine their choices of how to provide services, if they have not done so recently."

10. __ Hirsch, Werner Z. **Factors Important in Local Governments' Privatization Decisions.** *Urban Affairs Review*, v. 31, no. 2, p. 226, November 1995.

"In this article, the author builds a model of local governments' decisions to contract out residential solid waste disposal services and empirically tests this model by using a new dependent variable—proportion of expenditures on a service that goes to expenses other than payroll."

11. __ Grønbjerg, Kirsten A., et al. **Child Welfare Contracting: Market Forces and Leverage.** *Social Service Review*, v. 69, no. 4, p. 583, December 1995.

Examines "patterns of privatization in the Illinois child welfare system using data from state payment records and a survey of organizational providers."

12. __ Sherman, Rexford B. **Privatization of Seaports?** *Transportation Quarterly*, v. 49, no. 3, p. 93, Summer 1995.

A discussion of the differences between privatization of seaports that has taken place in countries worldwide, and the possible effects of seaport privatization in the United States.

13. __ Semmens, John. **Privatizing Vehicle Registrations, Driver's Licenses and Auto Insurance.** *Transportation Quarterly*, v. 49, no. 4, p. 125, Fall 1995.

Proposes a model by which the state of Arizona could privatize all of the functions of the Motor Vehicles Department.

14. __ Mehdi, Haririan and Thomas A. Bonomo. **Privatization and the Emergence of For-Profit Prisons.** *Central State Business Review*, v. 15, no. 1, p. 11, Winter 1996.

Regional socio-economic factors, specifically unionization rates and wages of correctional employees, play a significant role in the location and success of for-profit prisons.

15. __ Russo, Charles J. and J. John Harris. **Buyer Beware: State Controls over Privatization.** *School Business Affairs*, v. 62, no. 5, p. 17, May 1996.

"Begins by briefly examining background issues on privatization along with reviewing arguments regarding its adoption. The second section notes the virtual lack of governmental controls and regulation of privatization. The final portion raises lingering legal questions that remain in the apparently head-long rush to privatization."

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COMMISSION ON PRIVATIZATION

Department of Education and Early Development

Subcommittee on Executive Administration

September 20, 1999

Jim Hickel, Chairman
Privatization Commission Subcommittee of Education
1010 W. Fireweed Street
Anchorage, AK 99503

Dear Chairman Hickel:

It has become apparent that the main function of the sub-committee is to take a close look at its particular Budget Request Unit (BRU) and present a layout of that BRU that the Education Subcommittee can further scrutinize and make recommendations to the full Privatization Commission.

These are areas of general concern that we believe need to be applied to the department in general. Consolidation of contracts and scrutiny of interagency receipts may reveal that the State has expended a lot of man hours accounting for these interagency transfers and a close review of the contract rates may very well reveal a need for privatization of those services. A recent example was the Department of Public Safety in Fairbanks paying DOTPF \$80.00 for an oil change when they could go across the street and have it done for \$30.00.

Our recommendations overlap into other BRU's but this is because of the above reasons.

Recommendation #1:

Privatize services provided by Alyeska Central School.

Passed by a vote of 2 to 1

Those supporting the recommendation said that there are several private sources already available and several school districts offer home school curriculum. It seems redundant for the state to be providing services already available in the private sector.

The no vote felt Alyeska Central School was needed by Alaskans who live in remote areas and was not sure the existing private sources and school districts operating home school programs had proven successful.

I. Agency & Department Name

This is the privatization summary for the education agency for the State of Alaska, the Department of Education (DOE). The subcommittee, chaired by Jim Hickel, developed the process of reviewing the DOE. It was decided that because the K-12 Support funding and the School Debt Retirement funding was pass through money that did not require positions or direct expenditures of DOE, these categories would not be reviewed by the subcommittee. The subcommittee as a body of the whole received an overview of each component of DOE. The final overviews were presented to the committee on August 30th. The subcommittee then split into smaller subcommittees, working groups, to review each budget component.

II. BRU and Component Names as listed in state budget

A BRU is a budget request unit that is a group of components or program activities combined to achieve a specific goal. The BRU "Executive Administration" is comprised of four components: State Board of Education, Commissioner's Office, Administrative Services, and Information Services. Currently, there are no formula programs in Executive Administration.

The Governor appoints the State **Board of Education** in Alaska. The nine-member board includes a military advisory member and a student advisory member. The Board meets four times a year. When a special issue requires board actions before the next scheduled quarterly meeting, the Board meets by teleconference.

Administrative Services includes payroll, drawing down federal revenues, and developing budgets.

Information Services manages the Department of Education website. Information Exchange is the Department's newsletter which is published weekly while school is in session, except at Christmas and Thanksgiving, by the Alaska Department of Education & Early Development. ***OASIS (On-line Alaska School Information System is operated by the Office of Assessments and Student Information in the Division of Teaching and Learning Support. OASIS collects, analyzes and publishes student and education information. The Privatization Commission should look into the possible consolidation of OASIS and Information Services.***

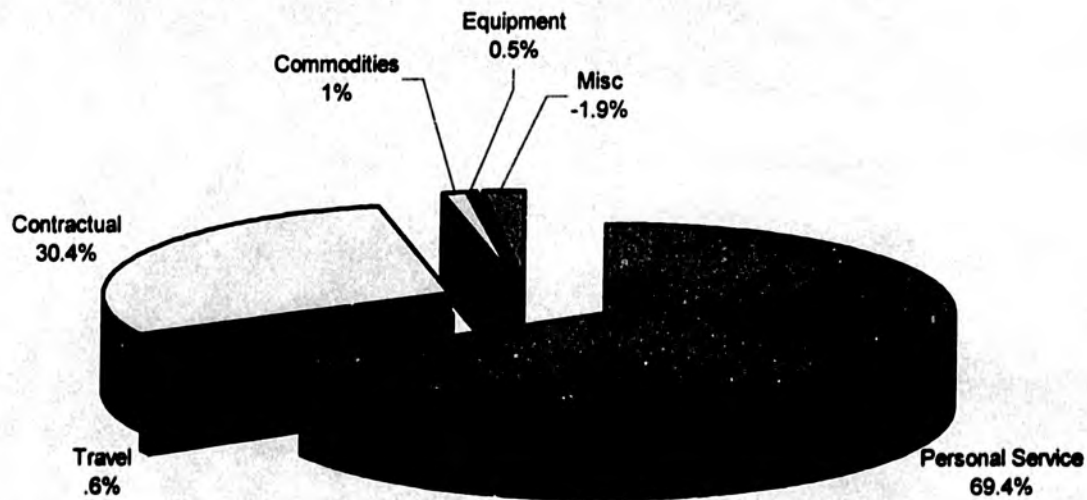
District Support Services has a grant administrator who is familiar with federal regulations and provides technical assistance to school districts.

Donated commodities consists of USDA food commodities used in the Child Nutrition program.

III. Total Budget, all funds

The total budget for Executive Administration is \$4,488,500. The division spends \$3,115,000 on personal services, \$27,000 on travel, \$1,366,500 on contractual services, \$45,800 on commodities, and \$21,700 on equipment. The Conference Committee on the Operating Budget made three miscellaneous reductions: \$20,000 in the Commissioner's Office; \$20,200 in Administrative Services; and \$47,300 in District Support Services. By placing the reductions in the miscellaneous line, the department has to "spread" that reduction to other line items in the budget through what is called a revised program. *Find out where those reductions were made by the department.*

EXECUTIVE ADMINISTRATION - FY '00



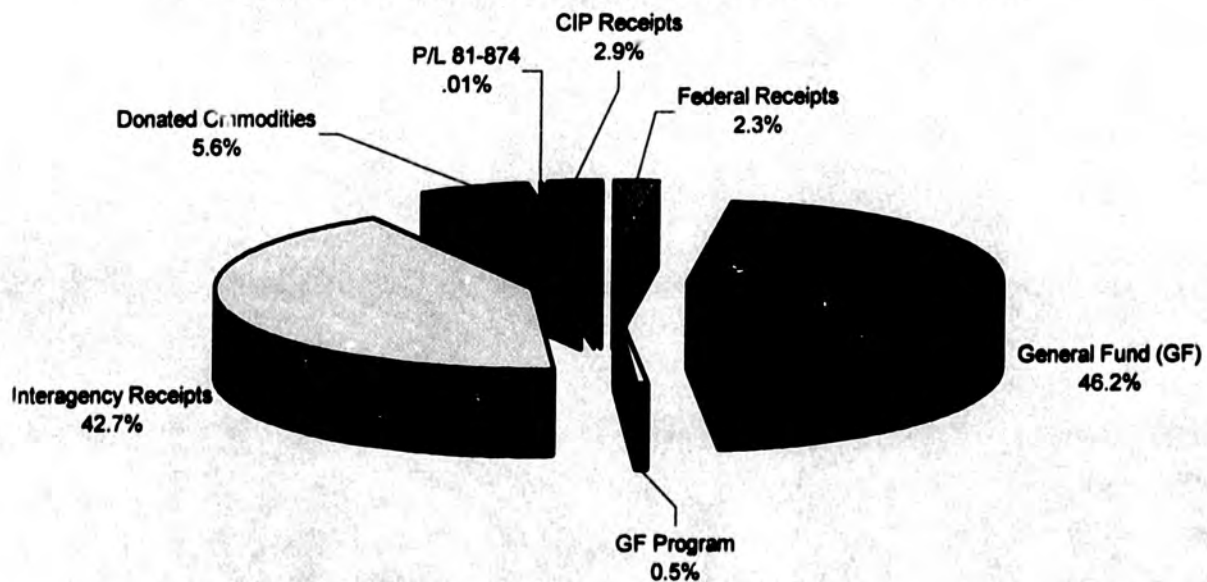
Total Expenditures \$4,488,500

IV. Total Revenue derived

The total revenues for Executive Administration in FY'00 is \$4,488,500. Federal receipts for this program total \$351,500 or 7.83% of the component revenues. Federal receipts include Public Law 81-874 funds, donated commodities, and federal receipts.

<u>Revenues by Source:</u>	<u>Revenues</u>	<u>% of Total</u>
Federal Receipts	\$ 7,101,200	2.3%
General Fund	2,071,700	46.2%
GF Program Receipts	21,300	.5%
Interagency Receipts	1,915,100	42.7
Donated Commodities	250,000	5.6%
P/L 81-874	300	.01%
CIP Receipts	<u>128,900</u>	<u>2.9%</u>
Total Projected Revenues	\$ 4,488,500	100 %

EXECUTIVE ADMINISTRATION - FY '00



Total Revenues \$4,488,500

V. Identify Constitutional and Statutory Provisions Governing Agency Operation

The word education does not appear in the United States Constitution, therefore, we must go to the **Tenth Amendment**:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Article VII, Section 1. Of the Alaska State Constitution establishes a public school system:

"PUBLIC EDUCATION. The legislature shall by general law establish and maintain a system of public schools open to all children of the State, and may provide for other public educational institutions. Schools and institutions so established shall be free from sectarian control. No money shall be paid from public funds for the direct benefit of any religious or other private educational institution."

Alaska Statute (AS) 14.03.010: establishes in the state a system of public schools to be administered and maintained as provided in Title 14.

AS 14.03.015 establishes that it is *"the policy of this state that the purpose of education is to help ensure that all students will succeed in their education and work, shape worthwhile and satisfying lives for themselves, exemplify the best values of society, and be effective in improving the character and quality of the world about them."*

The remainder of Title 14 provides the mechanism for administering the public education system.

VI. Agency Mission, Goals and Objectives

The Division of Executive Administration is responsible for providing leadership and support to divisions and programs within the Department of Education and Early Development. The division's **mission** is to lead and support the development of responsible, economically viable, lifelong learners and citizens.

The **goals** and **objectives** of the division are as follows:

1. Have clear, rigorous, credible standards and assessments.
 - a. Develop a standards-based comprehensive system of student assessments
 - b. Develop student profiles for each kindergarten and first grade child.
 - c. Implement Alaska Benchmark Examinations
 - d. Implement High School exit exam
2. Have a credible system of academic and fiscal accountability for students, professionals, schools and districts.
 - a. Issue Quality School grants for school to implement local solutions to student learning.
 - b. Rate schools as distinguished, successful, in decline or in crisis and take appropriate action for each.
 - c. Incorporate Quality Schools Standards in cooperation with Northwest Association of Schools & Colleges to accredit Alaska schools.
 - d. Encourage culturally responsive school standards for local school boards.
3. Have highly qualified professionals who have met rigorous and credible standard and assessments.
 - a. Provide rigorous school standards for district evaluation of professionals.
 - b. Provide funding for national board certification.
 - c. Develop and administer a standards-based licensure system for educators.
 - d. Encourage culturally responsive school standards for local school boards.

4. Have schools in which students, staff, families and communities are active partners in learning.
 - a. Promote school-based Family Involvement Centers (1-877-FOR-KIDS)
 - b. Launch Statewide Reading Initiative for K-3
 - c. Promote School-to-Work Initiative and Employability Standards.
5. Have an adequate and secure source of funding for schools
 - a. Maintain an accountable system of high quality public schools.
 - b. Meet school districts' school construction and major maintenance needs.

**Overview
of
Executive Administration's
Eight
Functioning
Components**

- objectives
- revenues
- staffing
- expenses
- contracts

CORRECTION

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



Rev. 6/98

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

**Overview
of
Executive Administration's
Eight
Functioning
Components**

- objectives
- revenues
- staffing
- expenses
- contracts

BOARD OF EDUCATION

The Board of Education provides leadership for educational policy in the State of Alaska and is responsible for adopting regulations required to implement statutory requirements. The sole source of **revenues** is interagency receipts.

This component provides funding for travel and meeting costs for the Board of Education. The component has **one full-time employee**, Secretary to the Board of Education (Range 14), who coordinates board activities, meeting notices and is the support staff for the Board. The personal expense for this position is \$49,400.

The **goals and objectives** are to:

1. Provide a public forum to communicate and exchange information about education in the state.
2. Provide statutory requirements to implement policy and action in support of:
 - rigorous standards and assessments;
 - a credible system of academic and fiscal accountability for students, professionals, schools and others.
 - highly qualified school professionals who meet the standards and assessments requirements.
 - schools where active partners in learning include students, staff, families and communities.

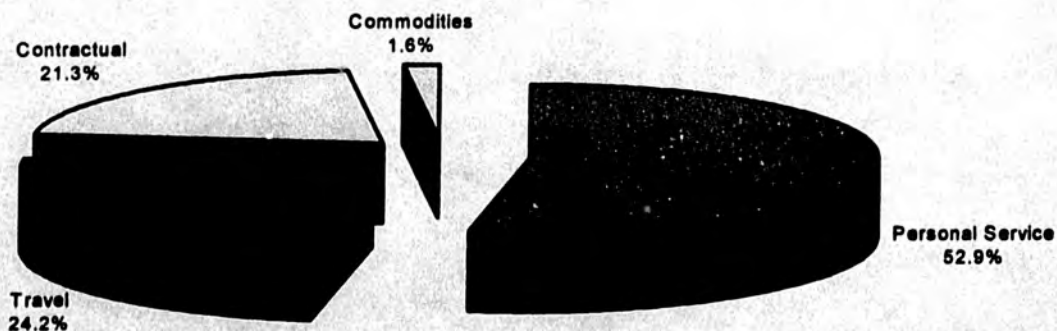
Board of Education Expenditures & Revenues					
Expenses			Revenues		
Personal Service	49,400	52.9%			
Travel	22,600	24.2%	Interagency Receipts	93,400	100%
Contractual	19,900	21.3%	TOTALS	93,400	100%
Commodities	1,500	1.6%			
TOTALS	93,400	100.0%			

Existing Contractual Activity:

Communications	Telephone, fax and postage	\$ 5,000
Transportation	Messenger, freight, and express	2,500
Adv Print & Bind	Printing, binding, advertising, legal	
	Notices, and clipping services	5,000
Rentals/Leases	Meeting space rental fees	3,500
Machinery & Equip	Pro rated share of copier, fax, and	
	Postage meter leases	1,000
Other Rentals/Leases	PC repair and maintenance costs	1,500
Other Expend/Svcs	Other expenditures for insurance,	
	Bonds, registration and subscription	
	Fees	<u>1,400</u>
	TOTALS	\$ 19,900

Most of these contracts appear to be with other state agencies and do not necessarily reflect privatization services.

Board of Education Expenditures - FY '00



COMMISSIONER'S OFFICE

The mission of the Commissioner's Office is to provide leadership and support to Alaska's education system through efficient and effective management of educational programs in the Department of Education and Early Learning.

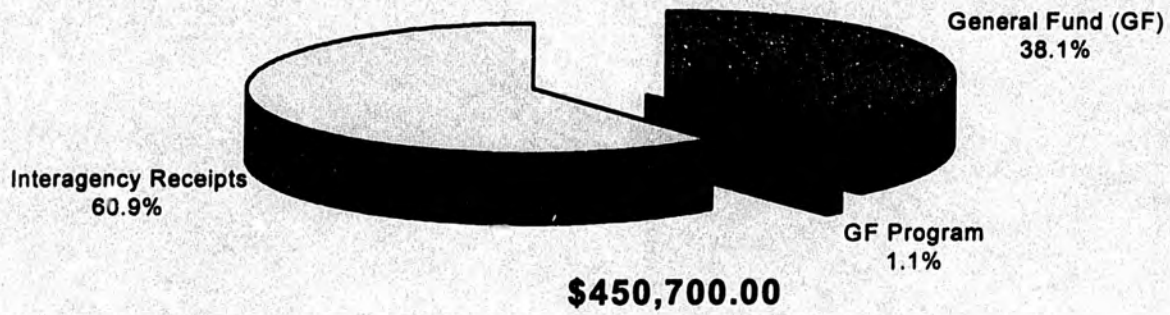
The Commissioner's Office has four permanent full-time positions: the Commissioner and Deputy Commissioner at a Range 28, an Executive Secretary at a Range 16, and a Secretary II at a Range 11. There is also a Special Assistant to the Commissioner in a part-time (9 month) position at a Range 23.

The **goals and objectives** are identical to those goals and objectives of the department.

- Have clear, rigorous, credible standards and assessments.
- Have a credible system of academic and fiscal accountability for students, professionals, schools and districts.
- Have highly qualified professionals who have met rigorous and credible standard and assessments.
- Have schools in which students, staff, families and communities are active partners in learning.
- Have an adequate and secure source of funding for schools

Commissioner's Office - Expenditures & Revenues						
Expenses			Revenues			
Personal Service	374,300	83.0%				
Travel	26,300	5.8%	General Fund (GF)	171,500	38.1%	
Contractual	65,000	14.4%	GF Program	4,800	1.1%	
Commodities	5,100	1.1%	Interagency Receipts	274,400	60.9%	
Equipment	0	0.0%	TOTALS	450,700	100.0%	
Misc	-20,000	-4.4%				
TOTALS	450,700	100%				

COMMISSIONER'S OFFICE REVENUES - FY '00

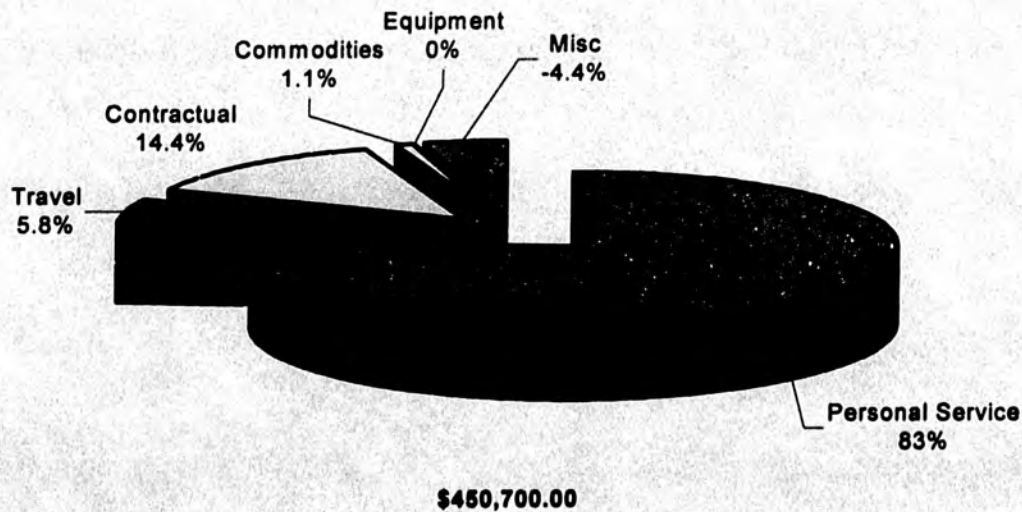


Existing Contractual Activity:

Professional Services	Publishing services	\$ 31,500
RSA/DOA	Core Services	10,500
RSA/DOA	Risk Management	<u>23,000</u>
TOTALS		\$ 65,000

Most of these contracts appear to be with other state agencies and do not necessarily reflect privatization services.

COMMISSIONER'S OFFICE EXPENDITURES - FY '00



ADMINISTRATIVE

The mission of Administrative Services is to provide payroll, personnel, training, budget preparation and implementation, federal and state reporting, accounting, procurement and contracting services to the Department of Education and Early Learning.

Administrative Services has twenty-three permanent full-time positions:

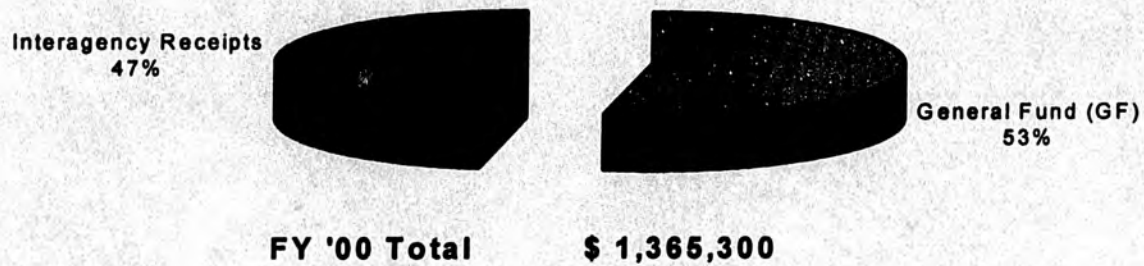
Administrative Services Personnel - FY '00

Job Class	Range	Positions	Anchorage	Fairbanks	Juneau	Other
Accounting Clerk II	9	1	0	0	1	0
Accounting Supervisor II	18	1	0	0	1	0
Accounting Tech I	12	2	0	0	2	0
Accounting Tech I	16	1	0	0	1	0
Accounting Tech II	25	1	0	0	1	0
Accounting Tech II	14	2	0	0	2	0
Accounting Tech III	16	1	0	0	1	0
Adm Clerk II	8	2	0	0	2	0
Admin Clerk III	10	1	0	0	1	0
Adm Svcs Mgr	23	1	0	0	1	0
Division Director	26	1	0	0	1	0
Human Resources Mgr II	22	1	0	0	1	0
Mail Clerk Carrier II	9	1	0	0	1	0
Personnel Asst I	12	1	0	0	1	0
Personnel Asst II	14	1	0	0	1	0
Personel Specialist I	18	1	0	0	1	0
Procurement Spec I	14	1	0	0	1	0
Procurement Spec III	18	1	0	0	1	0
Prog Budget Analyst I	13	1	0	0	1	0
Secretary I	10	1	0	0	1	0
TOTALS		23	0	0	23	0

The **goals and objectives** are: Have clear, rigorous, credible standards and assessments.

- Timely and accurate financial management services.
- Timely and accurate personnel/payroll services.
- Purchasing and procurement services within state and federal requirements.

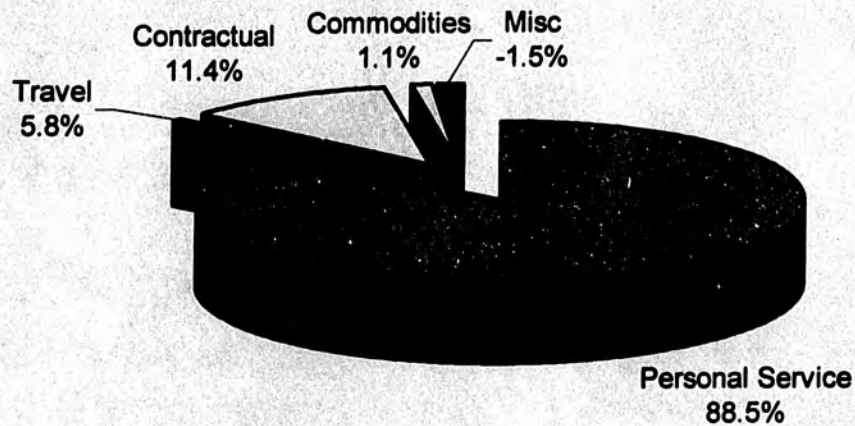
ADMINISTRATIVE SERVICES REVENUES - FY '00



Administrative Services Contracts - FY '00

Account	Expenditures	Cost
RSA/DOA	Core Services chargeback	43,000
RSA/DOA	Rick Management	11,500
RSA/DOA	Line costs, mainframe usage and hubs	20,500
RSA/DOA	EEO investigations	6,600
Communications	Telephone, internet connect fees, state network fees, long distance, fax, and postage	48,600
Adv Print & Bind	Advertising regulations, RFP's, and legal notices	10,000
Machinery & Equip	Pro rated department share of copier, fax and postage meter leases	8,000
Other	Other insurance, bonds, registration fees, training	3,000
Expend/Services	Records storage transfer	4,300
Other		
Expend/Services		
	TOTALS	\$ 155,500

ADMINISTRATIVE SERVICES EXPENDITURES



FY '00 Total \$ 1,365,300

Administrative Services					
Expenses			Revenues		
Personal Service	1,208,100	88.5%			
Travel	7,400	0.5%	General Fund (GF)	724,700	53%
Contractual	155,500	11.4%	Interagency Receipts	<u>640,600</u>	<u>47%</u>
Commodities	14,500	1.1%			
Misc	<u>-20,200</u>	<u>-1.5%</u>			
TOTALS	1,365,300	100%	TOTALS	1,365,300	100%

INFORMATION SERVICES

The mission of Information Services is to facilitate delivery of all programs by providing information technology support services to the Department. This component provides support for data processing functions of the department's AS/400, LAN and PC levels.

Information Services has eight permanent full-time positions:

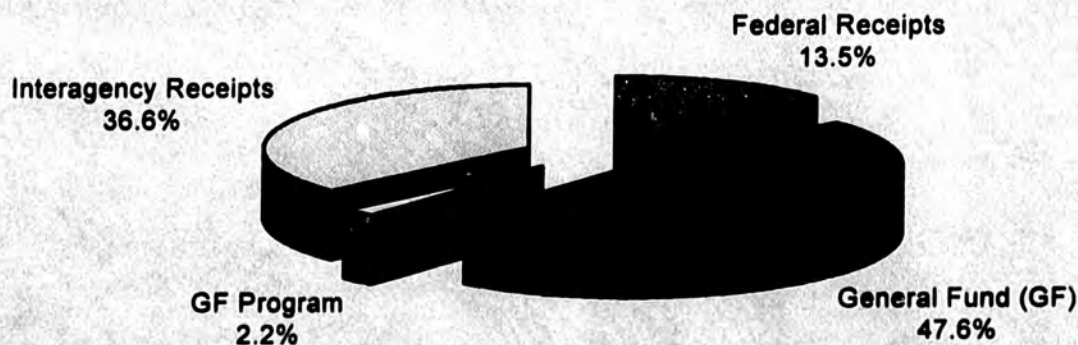
Information Services Personnel - FY '00

Job Class	Range	Positions	Anchorage	Fairban ks	Juneau	Other
Education Admin II	22	1	0	0	1	0
Publications Tech II	13	1	0	0	1	0
Micro/Network Tech I	16	1	0	0	1	0
Micro/Network Spec II	20	1	0	0	1	0
Micro/Network Spec I	18	3	0	0	3	0
Micro/Network Tech I	14	1	0	0	1	0
TOTALS		8	0	0	8	0

The goals and objectives are:

- Reliable, efficient computer and data processing resources.
- Computer literate department workforce.
- Improve electronic communications via E-mail and Internet access.
- Streamline electronic data collection activities.

INFORMATION SERVICES REVENUES - FY '00

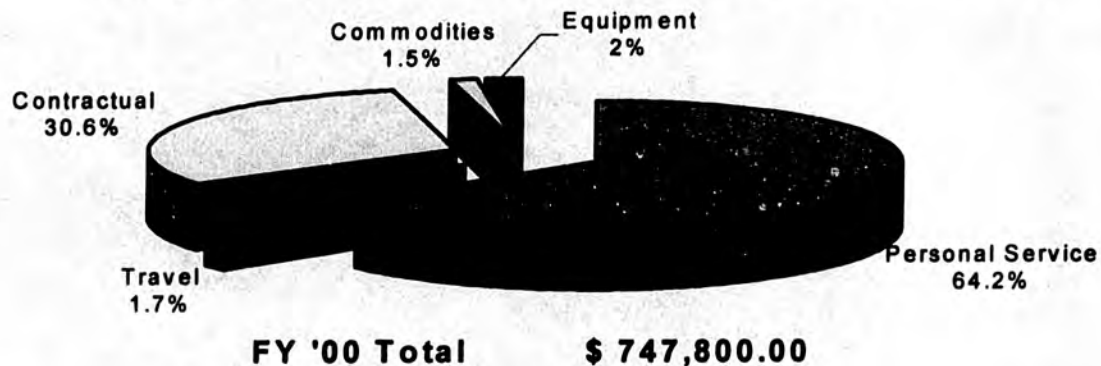


FY '00 Total \$ 747,800.00

Information Services Contracts - FY '00

Account	Expenditures	Cost
Professional Services	OASIS contract	50,400
Other Prof Services	Contracted services for programming.	44,500
Communications	Telephone, internet connect fees, state network fees, long distance, fax, and postage	60,500
Transportation	Freight, express and messenger service	1,700
Adv Print & Bind	Printing and binding of statistical reports and subscriptions to professional journals	1,500
Minr Repairs & Maint	Minor repair and maintenance	22,000
Rentals/Leases	Rental for land, buildings and space	1,200
Machinery & Equip	Lease cost for photocopying equipment	3,000
Other Rentals/Leases	LAN, PC maintenance and licensing costs	4,000
Other Expend/Services	Other expenditures, insurance, bonds, registration and employee training fees.	8,500
Other Expend/Services	Registration fees for conferences, educational meetings and training courses, membership dues.	3,700
	TOTALS	\$ 229,000

INFORMATION SERVICES EXPENDITURES - FY '00



Information Services					
Expenses			Revenues		
Personal Service	480,200	64.2%			
Travel	12,700	1.7%	Federal Receipts	101,200	13.5%
Contractual	229,000	30.6%	General Fund (GF)	356,200	47.6%
Commodities	11,200	1.5%	GF Program	16,500	2.2%
Equipment	14,700	2.0%	Interagency Receipts	273,900	36.6%
TOTALS	747,800	100%	TOTALS	747,800	100%

DISTRICT SUPPORT SERVICES

The mission of District Support Services is to provide financial and technical support for the operation of Alaska's public schools. The component manages the distribution of public school foundation, tuition, boarding home, youth in detention, pupil transportation, cigarette tax, USDA donated commodities, and impact aid program funds. It also is responsible for the collection, analysis and aggregation support data.

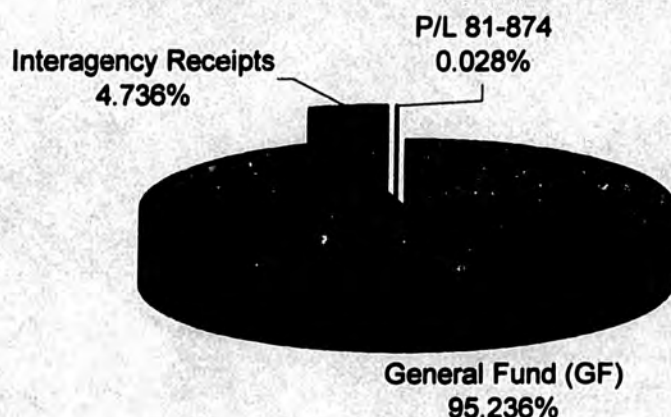
District Support Services has eight permanent full-time positions:

District Support Services Personnel - FY '00						
Job Class	Range	Positions	Anchorage	Fairban ks	Juneau	Other
Statistical Technician II	14	1	0	0	1	0
School Finance Spec III	21	1	0	0	1	0
School Finance Spec II	18	2	0	0	2	0
School Finance Spec II	16	1	0	0	1	0
Internal Auditor II	17	2	0	0	2	0
Internal Auditor II	19	1	0	0	1	0
TOTALS		8	0	0	8	0

The goals and objectives are:

- Provide management support for the formula programs under K-12 Support & Donated Commodities.
- Provide technical assistance to school districts dealing with state statutes and regulations.
- Provide mechanical and safety inspections of approximately 1,000 school buses twice annually.
- Provide bus driver training and drug and alcohol testing for school bus drives.
- Provide timely and accurate payments to school districts.
- Improve quality and consistency of reported data.

District Support Services Revenues



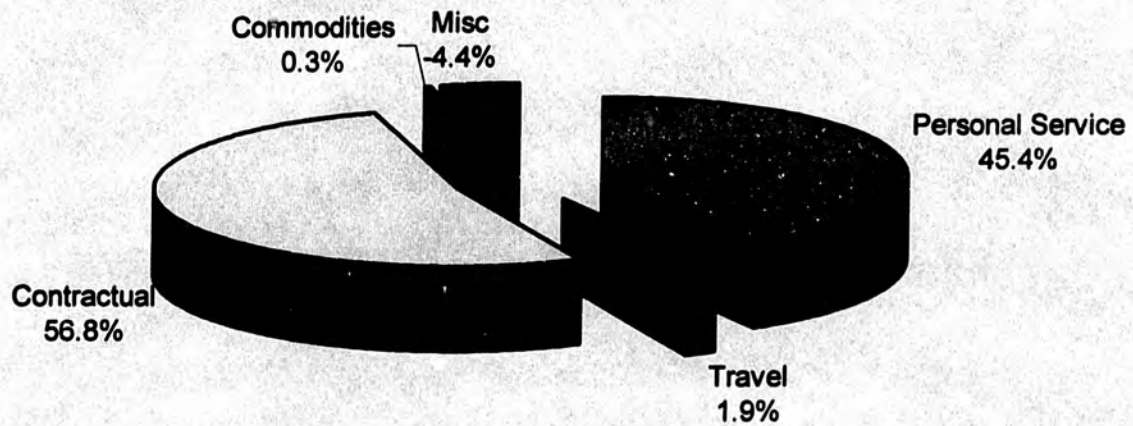
FY '00 Total

\$1,078,900

District Support Services Contracts - FY '00

Account	Expenditures	Cost
Professional Services	Professional Services contracts to provide t/a to the department. Litigation research and financial analysis services are needed as the state confronts challenges to Federal Impact payments in areas such as (1) the disparity test, (2) the state as recipient, and (3) declassification of special education	250,300
Other Prof Services	Contractual services to develop electronic data transfer between districts and AKDOE	8,100
RSAs	Dept of Law for K-12 and school legal issues	97,600
RSAs	DOE Information Services	14,900
RSAs	State Board of Education	28,100
Communications	Telephone, internet connect fees, state network fees, long distance, fax, and postage. Copying & distribution of reporting forms, informational items, court and litigation fees, hearings and presentation of new regs.	14,600
Adv Print & Bind	Advertising and printing of materials used by school districts for financial accounting and auditing purposes	3,800
Minr Repairs & Maint	Minor repair and maintenance of computers & printers	2,700
Rentals/Leases	Rental for land, buildings and space	2,500
Machinery & Equip	Rental for Machinery & Equipment	2,500
Other Expend/Services	Conference registration & membership dues for professional assoc. Tuition for employee training	3,000
	TOTALS	\$ 428,100

DISTRICT SUPPORT EXPENDITURES - FY '00



FY '00 Total \$ 1,078,900.00

District Support Services						
Expenses				Revenues		
Personal Service	490,000	45.4%				
Travel	20,000	1.9%		General Fund (GF)	1,027,500	95.24%
Contractual	612,700	56.8%		Interagency Receipts	51,100	4.74%
Commodities	3,500	0.3%		P/L 81-874	300	0.03%
Equipment		0.0%				
Misc	-47,300	-4.4%				
TOTALS	1,078,900	100%		TOTALS	1,078,900	100.00%

EDUCATIONAL FACILITIES SUPPORT

The mission of Educational Facilities Support is to provide oversight for the statewide school construction program and promoting safe facilities which support quality education.

District Support Services has eight permanent full-time positions:

Educational Facilities Support Personnel - FY '00

Job Class	Range	Positions	Anchorage	Fairban ks	Juneau	Other
Project Coordinator	18	1	0	0	1	0
Architectural Asst III	19	1	0	0	1	0
Architectural Asst I	14	1	0	0	1	0
Project Assistant	16	1	0	0	1	0
Tech/Eng I/Architect I	21	1	0	0	1	0
School Finance Spec I	16	1	0	0	1	0
Special Projects	24	1	0	0	1	0
Administrative Clerk	8	1	0	0	1	0
TOTALS		8	0	0	8	0

The goals and objectives are:

- Payment of reimbursement requests within 30 days of receipt.
- Assist districts in conducting and publishing an evaluation of school projects prior to April 1st of each year.
- Provide a copy of the CIP to the governor's office, the legislature, and the school districts by the deadlines set in state statute.
- Provide statewide debt service projections to legislature
- Secure adequate funding for school construction and major maintenance.

EDUCATIONAL FACILITIES SUPPORT REVENUES

CIP Receipts
18.8%

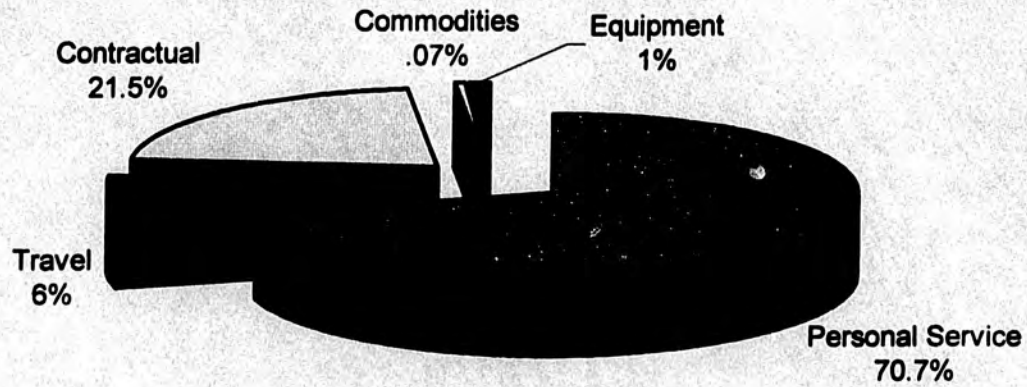


Interagency Receipts
81.2%

FY '00 Total \$ 685,600

Educational Facilities Support Contracts - FY '00		
Account	Expenditures	Cost
Professional Services	Funding for hearing officers and other professional services	36,000
RSAs	Dept of Law	50,000
RSAs	Eduction Support Services to provide management, human resooources, and accounting	37,500
Communications	Provide information to school districts, state agencies, federal agencies about CIP's by telephone, fees, long distance, fax, and postage.	15,000
Adv Print & Bind	Printing & binding of updated CIP publications	5,000
Minr Repairs & Maint	Minor repair and maintenance of office equipment	4,200
	TOTALS	\$ 147,700

EDUCATIONAL FACILITIES SUPPORT EXPENSES



FY '00 Total \$ 685,600

Educational Facilities Support					
Expenses			Revenues		
Personal Service	484,900	70.7%			
Travel	41,000	6.0%	Interagency Receipts	556,700	81.2%
Contractual	147,700	21.5%	CIP Receipts	<u>128,900</u>	<u>18.8%</u>
Commodities	5,000	0.7%			
Equipment	<u>7,000</u>	<u>1.0%</u>			
TOTALS	685,600	100%	TOTALS	685,600	100.0%

DONATED COMMODITIES

The mission of Donated Commodities is to provide school districts, child care centers, nutrition programs for the elderly, soup kitchens, summer food service programs, charitable programs, and correctional institutions with USDA commodities. In FY'98 this component distributed \$1,354,801 in USDA commodities to 45 school districts and provided training and technical assistance to 20 school districts.

Donated Commodities has two permanent full-time positions:

Donated Commodities Personnel - FY '00

Job Class	Range	Positions	Anchorage	Fairbanks	Juneau	Other
Project Coordinator	18	1	0	0	1	0
Supply Technician I	10	1	0	0	1	0
TOTALS		8	0	0	8	0

The goals and objectives are:

- Increase commodity processing in order to reduce food service expenditures of school districts.
- Order and distribute USDA food products economically and efficiently.
- Provide technical assistance workshops for program participants.
- Hold state food distribution advisory council meetings.

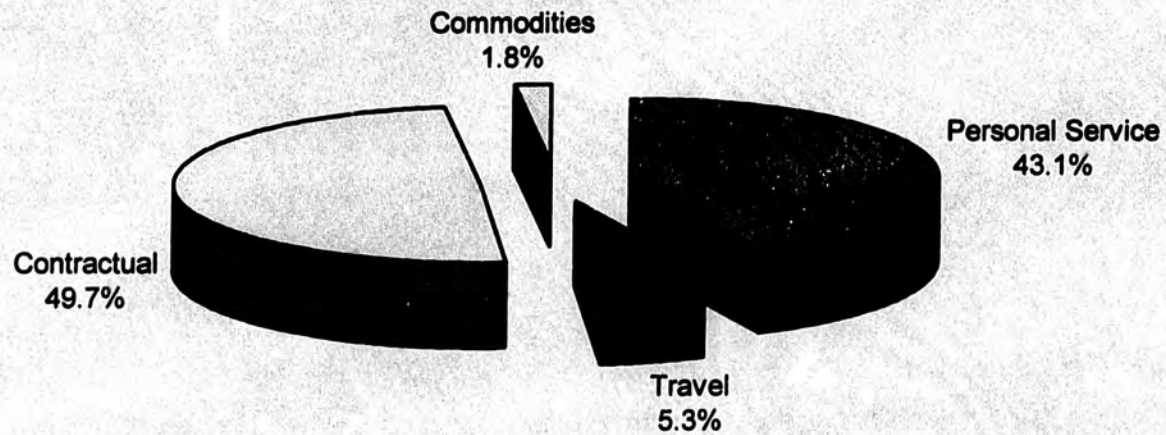
DONATED COMMODITIES REVENUES



FY '00 Total \$ 275,000

Donated Commodities Contracts - FY '00		
Account	Expenditures	Cost
RSAs	Eduction Support Services to provide management, human resooources, and accounting	2,000
RSAs	Information Services for commodities computer network support	5,000
Transportation	Freight carrier service in handling, transporting and distributing USDA commodities from Seattle, Washington to Alaska recipient agencies.	168,000
Adv Print & Bind	Duplicating and printing	10,500
Rents/Leases	Postage, telephone and computer expenses	25,100
Other Expend/Svcs	Conference registration and membership dues.	10,500
	Food commodities computer network fees.	
	TOTALS	\$ 221,100

DONATED COMMODITIES EXPENDITURES



FY '00 Total \$ 275,000

Educational Facilities Support					
Expenses			Revenues		
Personal Service	118,600	43.1%			
Travel	14,700	5.3%	Interagency Receipts	25,000	9.1%
Contractual	136,700	49.7%	Donated Commodities	<u>250,000</u>	<u>90.9%</u>
Commodities	<u>5,000</u>	<u>1.8%</u>			
TOTALS	275,000	100%	TOTALS	275,000	100.0%

VII. Describe Technology Used to Perform Mission

- Identify Specialized Equipment Needed for Mission

VIII. List Existing Agency Contracts including amount, contractor, purpose, term, and procurement method

IX. Make Recommendations per Section 5 in SB 33, including suggestions for new legislation.

Review and evaluate the policies and recommendations of other states that are studying or have implemented recommendations to transfer the provision of government services to other entities;

Review state contracting policy and procedures, including competitive bidding procedures;

Identification of state government functions capable of more efficient performance in the delivery of government services, and determine whether those identified functions could most effectively be provided by:

A. transferring to the private sector or contracting out;

Recommendation #1:

Privatize services provided by Alyeska Central School.

Passed by a vote of 2 to 1

Those supporting the recommendation said that there are several private sources already available and several school districts offer home school curriculum. It seems redundant for the state to be providing services already available in the private sector.

The no vote felt Alyeska Central School was needed by Alaskans who live in remote areas and was not sure the existing private sources and school districts operating home school programs had proven successful.

B. transferring to local governments or regional service organizations;

C. the federal government;

D. consolidation or other efficiency changes; or

E. a combination of the approaches under (A) - (D) of this paragraph;

State government functions that should be eliminated;

Identify present state government services that are most effectively and efficiently delivered by the state and that should remain a responsibility of the state;

Solicit public comment about the delivery of state government services.

Written report of its findings and recommendations to the governor and the legislature. The report must include suggested legislation that may be needed to accomplish the recommendations.

State functions should be transferred to the private sector or contracted out;

State functions should be transferred to local governments or regional service organizations;

State agencies or functions should be consolidated or otherwise made more efficient;

State functions that should be performed by the federal government;

State functions that should be eliminated as functions of state government.

X. Explain rationale for each recommendation, the number of votes for and against it.

XI. List problems or barriers to implementing.

ARTS IN PUBLIC PLACES - FY'99			
Agency	Project Title	Al/Ap	Total Funding
Education	Craig City Schools - New Craig Secondary School	AP	\$ 9,110,605.00
Education	Cordova City Schools - Junior/Senior High School	AP	\$ 3,574,652.00
Education	Northwest Arctic Borough Schools - Ambler High School	AP	\$ 1,690,400.00
Education	Northwest Arctic Borough Schools - Kiana High School	AP	\$ 2,228,511.00
Education	Northwest Arctic Borough Schools - Noorvik High School	AP	\$ 2,319,598.00
Education	Copper River - Kenny Lake Elementary School Replace	AP	\$ 4,071,274.00
Education	Lower Yukon - Pilot Station K-12 Replacement	AP	\$ 839,585.00
Education	Lower Yukon - Kotlik K-12 Expansion	AP	\$ 849,928.00
Education	Bering Strait - Golovin School Upgrade and Addition	AP	\$ 408,219.00
Education	Bering Strait - Elim School Upgrade and Addition	AP	\$ 458,209.00
Education	Southwest Region - Replacement of Togiak School	AP	\$ 880,011.00
Fish & Game	Juneau Indoor Shooting Range and Hunter Edu Facility	AP	\$ 1,500,000.00
HSS	Kenai Health Center	AP	\$ 1,705,000.00
HSS	Ketchikan Youth Facility	AP	\$ 1,518,300.00
HSS	Matanuska-Susitna Detention and Support Facilities,	AP	\$ 4,100,000.00
HSS	McLaughlin Youth Center Detention Unit/Probation Office	AP	\$ 5,297,000.00
HSS	Public Health Laboratory Non-Bondable Costs and Auth	AP	\$ 550,000.00
MVA	Juneau Armory Design and Construction	AP	\$ 6,360,000.00
MVA	Nome Armory Design and Construction	AP	\$ 5,712,500.00
MVA	Army Guard Statewide Planning and Construction	AP	\$ 2,000,000.00
MVA	Juneau Armory Design and Construction	AP	\$ 1,630,000.00
MVA	Nome Armory Design and Construction	AP	\$ 1,994,500.00
Public Safety	Statewide Academy Defer Main, Repair and Construct	AP	\$ 1,200,000.00
Revenue	Dillingham Senior Housing Project	AL	\$ 900,645.00
Revenue	Supplemental Housing Development Grants	AP	\$ 4,000,000.00
Revenue	Anchorage - Central Terrace/Fairmount Phase II	AP	\$ 1,300,000.00
Revenue	Nome Senior Housing Project	AL	\$ 718,650.00
Revenue	Mountain View - Phase I (Senior Units)	AP	\$ 2,120,000.00
Revenue	Park View Manor	AP	\$ 3,500,000.00
DOTPF	Coffman Cove Facility	AL	\$ 420,000.00
DOTPF	Marine Highway: Feeder Ferry Acquisition - Six Vessels	AL	\$ 9,000,000.00
DOTPF	Hyder: Marine Facility	AL	\$ 1,800,000.00
DOTPF	Chefornak Airport Reconstruction	AL	\$ 7,000,000.00
DOTPF	Chevak Airport Relocation	AL	\$ 7,000,000.00
DOTPF	Coffman Cove Facility	AL	\$ 2,380,000.00
DOTPF	Chitina Snow Removal Equipment Building Construction	AL	\$ 650,000.00
DOTPF	Clarks Point Airport Relocation	AL	\$ 4,200,000.00
DOTPF	Fairbanks International Airport Terminal Improvements	AL	\$ 2,030,000.00
DOTPF	Iliamna Airport Rescue and Fire Fighting Building Expansion	AL	\$ 1,000,000.00
DOTPF	Kwethluk Airport Relocation	AL	\$ 4,500,000.00
DOTPF	Willow Snow Removal Equipment Building Construction	AL	\$ 430,000.00
DOTPF	Wrangell Sand and Chemical Building	AL	\$ 1,700,000.00
U of A	Fairbanks Campus: Arctic Health Research Center	AL	\$ 8,709,100.00
U of A	Fairbanks Campus: Brooks Building	AL	\$ 4,180,500.00
U of A	Fairbanks Campus: Duckering Building	AL	\$ 3,737,800.00
U of A	UA-Juneau Fisheries Facility Planning/Match	AP	\$ 1,700,000.00
U of A	Fairbanks Campus: Fine Arts Building	AL	\$ 8,473,000.00
U of A	Physical Education Facility Design and Const - Juneau	AP	\$ 4,000,000.00
U of A	Fairbanks Campus: Rasmuson Library	AL	\$ 11,801,400.00
U of A	University Statewide Museum	AP	\$ 500,000.00
U of A	Hutchison Career Center	AP	\$ 1,600,000.00
U of A	Anch Campus: Library Facility Plan, Design, Site Constr	AP	\$ 9,530,000.00
Court System	Palmer Courthouse Expansion	AP	\$ 1,914,000.00
	TOTALS		\$ 170,793,387.00
	1% Projects		\$ 104,856,745.00
	1/2% Projects		\$ 65,936,642.00
	Proceeds for Art In Public Places		\$ 1,378,250.66

