

SCOMMM

#3: 7

...providing for instructional units for reading specialists under public school foundation program; and providing for an effective date.

COMMITTEE REPORT

HOUSE

2/3/76

STANLEY

Mr. Speaker:

Date _____

The Committee on SELECT COMMITTEE ON EDUCATION has had HB 791

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT
CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____
COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:
_____ recommends:

_____ Chairman

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE -- SECOND SESSION

A BILL

For an Act entitled: "An Act providing for instructional units for supplementary programs under the public school foundation program; and providing for an effective date."

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

*Section 1. AS 14.17.061(a) is amended to read:

(a) In addition to the amounts authorized to be paid to city or borough school districts and Regional Education Attendance Areas under this chapter, funding of supplemental programs, on the same basis as determined in the computation of state aid for the applicable districts, may be recommended by the commissioner.

*Section 2. AS 14.17.061(b) is amended to read:

(b) Applications for supplemental program funds shall be submitted by each city or borough school district and Regional Education Attendance Area to the commissioner by September 30 of the pre-fiscal year in the form prescribed by the commissioner. Supplemental funds shall be used for programs to prevent and correct student deficiencies in basic skill areas including but not limited to reading, computation, and writing. Where such programs are recommended by the commissioner a minimum of one instructional unit shall be allowed each city or borough school district or Regional Education Attendance Area. A second instructional unit shall be allowed when the city or borough school district or Regional Education Attendance Area has 100 students served in an approved program. Thereafter an additional instructional unit shall be allowed for each additional instructional unit shall be allowed for each additional 150 students served in an approved program.

20
*Section 3. AS 14.17.061(c) is repealed and re-enacted to read:

(c) The Department of Education shall promulgate regulations which are necessary to carry out the provisions of this section.

*Section 4. This Act takes effect July 1, 1976.

Introduced: 2/9/76
Referred: Special Committee
on Education and Finance

1 IN THE HOUSE

BY MILLER AND DUNCAN

2 HOUSE BILL NO. 701

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for instructional units for reading
7 specialists under the public school foundation program;
8 and providing for an effective date."

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

10 * Section 1. AS 14.17.031(a) is amended by adding a new paragraph to read:

11 (5) the number of units for reading specialists determined
12 from sec. 41(e) of this chapter as approved by the department; however,
13 a reading specialist employed by a school district under this program
14 must meet the qualifications established by the department by regula-
15 tion.

16 * Sec. 2. AS 14.17.041 is amended by adding a new subsection to read:

17 (e) Reading specialist schedule: one instructional unit shall be
18 allowed for each elementary and each secondary school in the school
19 district, or one instructional unit for each 250 pupils or major frac-
20 tion thereof, in Full-Time Equivalent ADM, whichever yields the greater
21 number of instructional units; however, the number of instructional
22 units allowed for reading specialists may not exceed the number of
23 reading specialists actually employed by the district.

24 * Sec. 3. This Act takes effect July 1, 1976.

DEPARTMENT OF EDUCATION
AGENCY COMMENTS

HB 701

~~SB 779~~



An Act providing for instructional units for reading specialists under the Public School Foundation Program; and providing for an effective date.

BACKGROUND

The status of reading in the public schools has become an increasing concern, not only in Alaska but nationally. The results of a statewide pilot assessment, appraising the performance of 640 grades 4-6 Alaskan students' reading competencies, done in January of 1974, revealed that more than 50% had not mastered reading comprehension skills.

THE DEPARTMENT'S CONCERN IS EXPRESSED BY THE FOLLOWING:

1. A program of a statewide assessment in reading and math is now near the implementation stage.
2. The Criteria for Excellence for Reading Programs was developed and adopted by the State Board in 1975.
3. A Program Assessment Instrument based on the above criteria was developed for use by the local districts to define needs.
4. Based on results of a survey of the needs of approximately 800 upper grade and high school teachers, a Content Reading In-Service package was developed to train those teachers in using the reading process to teach comprehension of their subjects more effectively. It is in the initial stages of implementation. More reading specialists are needed for full implementation and follow-up.
5. The supply of qualified reading specialists in Alaska is inadequate to satisfy the demand.
6. The number of reading specialists positions allowed in the proposed legislation, Sec. 2, AS 14.17.04(e), is far beyond what could be used effectively.

CONCERNS OF OTHER GROUPS:

A position paper urging districts to employ qualified reading specialists was presented at the State Reading Conference in October of 1975.

A similar resolution was adopted by the Association of Alaskan School Boards in October of 1975.

WHAT THE PROPOSED LEGISLATION WOULD ACCOMPLISH:

The proposed legislation, SB 749, if enacted could place as many as approximately 400 reading specialists throughout the State of Alaska, and provide additional monies for other support to the reading program.

SPECIAL PROBLEMS:

Under the general structure of the State School Finance Program, decisions concerning the curricular offerings in special subject areas are left to the local board of education. Passage of the proposed legislation, with its heavy emphasis on reading as a special curricular area, could lead to an imbalanced curriculum in conflict with the general philosophy of local decisions concerning the curricular offerings. There is no question that reading is very important; however, that fact should be recognized at the local school district level, and resources available to the school district through the state's school financing program should be channeled into the reading effort to fulfill the need.

AGENCY RECOMMENDATIONS:

The Department of Education recognizes the need for an analysis, and most probably increased emphasis in other areas, particularly computational skills. The department is presently developing a student assessment program to be used in the areas of reading and math initially, with a probable extension to all the basic curricular areas. The department would recommend an approach to funding which recognizes compensatory needs in any of the curricular areas. This could be approached through the offering of additional financial support where test results show there are compensatory needs which cannot be met with existing revenues.

I. REQUEST

Bill No. HB #701
 Title: Providing instructional units for reading specialist under the Foundation Prog.
 Requested by: House Finance Committee Date: Feb. 17, 1976
 Return Date Requested: _____
 Agency: Education Program: Pre, elementary & secondary Education

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Financial Programs

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		10,240.2	10,547.4	10,863.8	11,189.7	11,525.4
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		10,240.2	10,547.4	10,863.8	11,189.7	11,525.4
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assume 3% growth in succeeding fiscal years.

IV. ATTACHMENTS

V. DATE: 2/17/76 PREPARED BY: William A. Brown

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

WHEREAS reading is a top priority instructional goal in schools throughout the state, and

WHEREAS the reading process is an integral part of the total instructional program and permeates all areas of the curriculum, and

WHEREAS foundation monies are provided for basic instructional programs,

THEREFORE be it resolved that we assure ^{all} ~~our~~ students the right to read at their highest potential by providing specialized help in reading.

Be it further resolved that the State Foundation Act be amended to include:

One (1) reading specialist who meets the special qualifications as specified in regulation for each building with a minimum of 250 students and 10 teachers for a unit.

Pro-rated funds will be provided for districts with less than 250 students

Monies from this formula must be used for instructional purposes only and are not to be used to meet administrative costs.

And further, that the regulatory provisions specify the following:

1. Supervision is to be under building administrators
2. Teacher qualifications: Reading specialist
 - a. Complete a minimum of three years of successful classroom teaching in which the teaching of reading was an important responsibility of the position.
 - b. Complete a planned program for the Master's Degree from an accredited institution, to include

- (1) a minimum of 12 semester hours in graduate level reading courses with at least one course in each of the following:
 - (a) Foundations or survey of reading--a basic course whose content is related exclusively to reading
 - (b) Diagnosis and correction of reading disability
 - (c) Clinical or laboratory practicum in reading
- c. Complete at undergraduate or graduate level
 - (1) Measurement or evaluation
 - (2) Child psychology
 - (3) Psychology
 - (4) Literature for children
- d. Fulfill the remaining portions of the program from related areas of study.
- e. Exceptions: A teacher with five years of classroom experience with graduate work in the following:

(Same as @ 2. b.)

Role: Reading Specialist

1. Works with teachers, administrators, other professionals and para-professionals to improve and coordinate the total reading program of the school.
2. Works directly and indirectly with those pupils who have either failed to benefit from regular classroom instruction in reading or those pupils who could benefit from advanced training in reading skills

Copies for [unclear]

Call Jim Education

Introduced: 2/13/76
Referred: Select Committee on
Education and Finance

*3/4
Hearing
Wed.*

1 IN THE HOUSE

BY OSTERBACK

2 HOUSE BILL NO. 763

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to instructional unit allotments
7 under the public school foundation program."

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

9 * Section 1. AS 14.17.051(a)(6) and (8) are amended to read:

10 (6) if the district or area is in that part of the state ly-
11 ing within the boundaries of election district [12,] 13 or 18, the
12 district or area shall receive 126.25 per cent of the base instructional
13 unit allotment;

14 (8) if the district or area is in that part of the state ly-
15 ing within the boundaries of election district 12, 15, 16 (north of the
16 Arctic Circle), or 17, the district or area shall receive 133.75 per
17 cent of the base instructional unit allotment.

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TO: Representative Alvin Osterback

DATE:

FILE NO:

FROM: Arthur H. Hamilton

SUBJECT: Requested Adjustment of
Basic Instructional Unit

page 3

Excessive travel costs caused by distance, unfavorable weather, and wait-time between schools increases maintenance expenditures greatly.

You will notice that nothing is mentioned about other high-cost factors such as electricity, per diem, leases, costly trips to Anchorage and Juneau, unreimbursed costs of Vocational Education due to small schools, etc. But the items mentioned here should be conclusive enough even without delineating the other high cost factors.

Finally, one more desperate need exists. Each school room has high fixed costs just to open its doors. All school locations should received a certain number of basic units of instruction (presently valued at \$25,000 each for 1976-77) as a floor or minimum amount so that at least operating expenses can be covered.

Perhaps you will want further information that we can supply. If it is needed, we will try to get it to you. It is heartening to see your support of the education of our children and the young people of all Alaska. With your knowledge of the Aleutian Region we hope you will support the increase from 126.25% to 133.75% of the base instructional unit for our schools.

Sincerely,

Arthur H. Hamilton

Arthur H. Hamilton
Regional Superintendent
Aleutian Region AUBSD

TO: Representative Alvin Osterback
House of Representatives
Pouch V
State Capitol
Juneau, Alaska 99811.

DATE: February 17, 1976

FILE NO:

FROM: Arthur H. Hamilton,
Regional Superintendent
Aleutian Region, AUBSD
Cold Bay, Alaska 99571

SUBJECT: Requested Adjustment of
Basic Instructional Unit

Dear Mr. Osterback:

In line with our conversation in Juneau on February 13, we are forwarding to you explanations of a few of the many exceptionally high costs of public education in the Aleutian Region. We expect that this information will show the need for an increase of the educational allotment to the Aleutian Region public schools from 126.25% to 133.75% of the base instructional unit paid to low-cost areas. The 126.25% figure used at present is based on election districts as designated in the "Governor's Proclamation on Reapportionments and Redistricting" and is not an equitable basis for 1976 or later allocations to the Aleutian Region.

First, as matter of interest on revenues, the Aleutian Region schools - eight on the lower Alaska Peninsula and the Aleutian Islands and two more in the Pribilof Islands - must operate only on funds received from state appropriations for education. No additional revenues are received from any outside agency of the State or Federal government except for special educational programs that cost extra money.

On the matter of costs, salaries form the great majority of costs in any school budget. Because of isolation, weather difficulties and the very high cost of living, Aleutian Region teachers must be paid at the highest level on the state scale (Pay Area IV). However, with the low level of funding (126.5% of base) now recommended, the need for high salaries required is not recognized. About half of the entire \$95,000 that would arise from an increased base is necessary to cover just the extra salaries required belonging to Pay Area IV.

Isolation, weather difficulties, and the high cost of living affects other items besides salaries such as:

Travel -

Each two-day school board meeting is expected to cost about \$5,000.

An average of two weeks lost time per board meeting is required by several board members, four weeks for others, and will add a great deal to housing as a factor of school costs.

MEMORANDUM

TO: Representative Alvin Osterback

DATE:

FILE NO:

FROM: Arthur H. Hamilton

SUBJECT: Requested Adjustment of
Basic Instructional Unit

page 2

One evaluation or service trip to Atka (which must be reached by charter service) costs about \$2,400 for air fare alone, or a month must be taken for an uncertain trip on a Navy tug across 130 miles of open sea. Eight areas cannot be reached by scheduled transportation at all or only on a possible once-a-week schedule: in two cases, no regular mail service is provided to the communities. One location has no land, air or sea service and must be reached by chartered boat only. A four day field trip from the Pribilofs costs over \$6,000 for ten students and an instructor.

Freight -

Only three Aleutian regions have roads; it costs \$2,350 to have one car delivered at those places.

Delivery of materials takes 2-5 months after order from Seattle by ship.

All deliveries from Anchorage must come by air freight or by parcel post.

Fuel oil incurs additional costs beyond the regular price; 20% for barreling, plus high-hazard water freight, manual loading and unloading, the skiff or lighter to take the fuel from ship to shore, and handling after the barrels are unloaded on the beach.

The above problems have caused the payment of double freight in most cases. An example is a mobile office delivered to Cold Bay. Freight from Seattle to Kodiak was \$5,000. Freight from Kodiak to Cold Bay cost \$10,500. Cost in other areas of the region would run much greater.

Maintenance -

Contract services must come from Anchorage: a serviceman receives \$200 per day (portal to portal) plus air fare and all expenses. If in a distant school, the service call could easily cost \$3,500 for a two day job.

MEMORANDUM

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House of Representatives
Pouch V
State Capitol
Juneau, Alaska 99811

DATE: February 17, 1976

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Regional Superintendent
Aleutian Region, AUBSD
Cold Bay, Alaska 99571

SUBJECT: Requested Adjustment of
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HB 763

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SUBJECT: Requested Adjustment of
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Sincerely,

Arthur H. Hamilton

Arthur H. Hamilton
Regional Superintendent
Aleutian Region AUBSD



Home of the "Eagles"

Adak Region Schools

Adak, Alaska

Date: February 27, 1976

Fred L. Lau
Superintendent
AHS Box no. 34
FPO Seattle 98791

to: Representative A. Osterback ~~subject:~~ Capital Improvements
State Assembly Bldg.
Rm. 203-A
Juneau, Alaska 99801

First, let me thank you for your introduction of the bill which would raise the percentage of foundation support for Aleutian education. We all hope that this legislation is received favorably.

Second, as you are probably aware, the Adak Schools have experienced a great amount of difficulty concerning capital improvements. A recently submitted proposal through the Alaska Unorganized Borough School District for a six unit addition on Adak was apparently rejected by the governor's budget committee. As this addition is vital to the expansion of our existing program and to accommodate increased enrollment, I urge you to initiate legislation which would restore this item to the governor's capital budget request. If you require any additional information please contact myself or the AUBSD central office in Anchorage.

Thank you for your continued support of Adak Schools.

Fred L. Lau
Regional Superintendent
Adak Region Schools

ls

TELEGRAM

1976 MAR 2 PM 11 02

BCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

02 108 POM ANCHORAGE ALASKA 15 03-02 0121P AST

PMS REP CHARLES PARR

JUN

ANCHORAGE COUNSEL PTA REPRESENTING 39 SCHOOLS VOTED

UNANIMOUSLY TO SUPPORT HR 701 AND ENCOURAGES PASSAGE THEREOF

CAROLINE LEWIS PRESIDENT ANCHORAGE COUNSEL OF PTA

SRA BOX 339 ANCHORAGE 99502

TELEGRAM

CA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

1976 MAR 4 AM 2 14

02544 POM ANCHORAGE ALASKA 15 03-03 0730P AST

PMS REP MIKE MILLER

JUN

HB 701 RE: READING TEACHERS NEEDED DESPERATELY

GLENN AND SANDRA VANDERGAW SRA BOX 1419K ANCH 99502

TELEGRAM

1976 MAR 4 AM 12 33

CA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99901

02372 POM ANCHORAGE ALASKA 15 03-03 700P AST

PMS REP MIKE MILLER

JUN 0274

WE SUPPORT HB 701 WE SEE A DEFINATE NEED FOR READING TEACHERS
IN ANCHORAGE

LARRY TAYLOR AND ELAINE TAYLOR 6451 CARLOS COURT

TELEGRAM

CA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

#

1976 MAR 4 AM 1 27

02437 POM ANCHORAGE ALASKA 15 03-03 625P AST

PMS REP MIKE MILLER

2135

JUN

PLEASE SUPPORT HB701 REGARDING READING TEACHERS AND

URGE IMMEDIATE APPROVAL

WALT AND CAROLYNN KEPHART 3810 BALCHEN DR

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

#

1976 MAR 4 AM 2 12

02541 POM ANCHORAGE ALASKA 15 03-03 0700P AT

PMS REP MIKE MILLER

2138

JUN

TUR NAGAIN SCHOOL STAFF OF 23 SUPPORT HB 701 RE: READING

TEACHERS DESPERATELY NEEDED

TUR NAGAIN ELEMENTARY STAFF

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 522-2440

JUNEAU, ALASKA 99901

1976 MAR 4 AM 1 16

02418 POM ANCHORAGE ALASKA 15 03-03 0615P AST

PMS REP MIKE MILLER

JUN

2120

I SUPPORT HB 701 REGARDING READING TEACHER URGENTLY NEEDED

MIKE BRADEY 8413 CORBIN

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

1976 MAR 4 AM 1 16

#

02417 POM ANCHORAGE ALASKA 15 03-03 0615P AST

PMS REP MIKE MILLER

JUN

1119

WE SUPPORT HB 701 REGARDING READING TEACHERS URGENTLY NEEDED

MR AND MRS CHARLES VANDERGAW 7740 BRENTWOOD DR

February 20, 1976
Box 131
Nome, Alaska 99762

AB 707

Dear Mr. Pan,

Attached is a proposed bill that will enable schools of 250 or more pupils to receive funding for a Reading Specialist. The teachers listed below from the Nome Elementary-Junior High School highly support this bill and would like your help in seeing it passed.

Thank you.

Sincerely,

Nome Public School
Elementary-Jr. High School
Box 131
Nome, Alaska 99762

Susan Hanson

Mrs. Nancy Carson

Ms. Carolyn Satre

Jane Koyuk

Mary J. Ballard

Pat Cunningham

Michael Carson

Cathy McCorquodale

Guarita Ashby

Eileen Karp

Francine Alexander

Lucy Poling

Joseph A. Murphy

Gretchen Robinson

Jay Satterfield

Jessie W. Wynn

Perry Taylor

David E. Gault

Suzanne Taylor

Henry Sanyk

Karen Herder

Roman Charles

Nancy Bradburn

Alicia McDougall

Introduced: 2/9/76
Referred: Special Committee
on Education and Finance

1 IN THE HOUSE

BY MILLER AND DUNCAN

2 HOUSE BILL NO. 701

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for instructional units for reading
7 specialists under the public school foundation program;
8 and providing for an effective date."

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

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15 tion.

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18 allowed for each elementary and each secondary school in the school
19 district, or one instructional unit for each 250 pupils or major frac-
20 tion thereof, in Full-Time Equivalent ADM, whichever yields the greater
21 number of instructional units; however, the number of instructional
22 units allowed for reading specialists may not exceed the number of
23 reading specialists actually employed by the district.

24 * Sec. 3. This Act takes effect July 1, 1976.

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE
 Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill No. 518
 Title: A bill revising the receipting of University of Alaska Permanent Fund
 Requested by: Senate Finance Committee Date: January 16, 1976
 Return Date Requested: January 21, 1976
 Agency: Revenue Program: Treasury

II. FISCAL DETAIL

Budget Request Unit(s) Affected: None

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

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

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There is no fiscal impact that may be measured related to this measure.

IV. ATTACHMENTS

V. DATE: Jan. 21, 1976

PREPARED BY: Lawrence C. Eppenbach

Lawrence C. Eppenbach

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE OF ALASKA

DEPARTMENT OF REVENUE

TREASURY DIVISION

JAY S. HAMMOND, Governor

POUCH SB--JUNEAU 99801

February 2, 1976

The Honorable Frank Ferguson
Member, Senate Finance Committee
Alaska State Capitol
Juneau, Alaska 99811

Dear Senator Ferguson:

This letter will outline some of the reasons for introducing Senate Bill No. 518 and amplify comments contained in the Governor's letter of transmittal.

The Department of Revenue recognized last summer its receipting responsibility for monetary gifts made to the University of Alaska under Title 14.40.280. The Department wrote to the University requesting a list of any restricted gifts received and the immediate transmittal of all unrestricted gifts. The Department discussed this matter with Budget and Management, Legislative Audit, and disclosed the entire matter to the Budget and Audit Committee in a letter to its Chairman dated November 6, 1975. I have attached a copy of that letter and all documents appended thereto.

Senate Bill No. 518 provides an opportunity for potential benefactors of the University to donate gifts to the University of Alaska Permanent Fund which is invested by the Department of Revenue. This would insure that the value of such gifts would be received by the University in the form of an endowment. The Department of Revenue seeks to make permissive a statute which heretofore required the University to deposit all monetary gifts received. Other changes in Sections 280 and 400 are housekeeping in nature to eliminate archaic language.

There is one issue that SB 518 does not address: The Department of Revenue discussed with Legislative Audit the implication that monetary gifts received by the University may be used to initiate programs which would, in the future, require appropriations. The Department believes that this is an issue deserving legislative review and judgment and not that of the Department.

Sincerely,

Lawrence C. Eppenbach
Deputy Commissioner, Treasury

LCE:ge
Enclosure
cc: R. D. Stevenson

November 6, 1975

The Honorable Edward F. Naughton
Chairman
Legislative Budget and Audit Committee
P. O. Box 1097
Kodiak, Alaska 99615

Dear Mr. Naughton:

This letter discloses the action taken by the Department of Revenue following its discovery last summer of receipting responsibility contained in Title 14 of the Alaska Code. AS 14.40.280 requires that the Department of Revenue receipt all monetary gifts to the University of Alaska and deposit them in the University of Alaska Permanent Fund. The Department of Revenue was not at the time receipting and depositing such gifts and had no record of ever having made such deposits.

When the Department recognized its responsibility under AS 14.40.280 an official wrote to the Comptroller of the University and asked for a listing of restricted monetary gifts received during fiscal year 1975 as well as for a direct transfer to the Treasury of all unrestricted monetary gifts. The distinction between restricted and unrestricted gifts was made by the Department of Revenue recognizing the practical problems of transferring late in the fiscal year funds already committed for a particular purpose. After additional correspondence with the University, the Department of Revenue was informed that no unrestricted monetary gifts were received during fiscal year 1975.

The University of Alaska did transmit to this Department a listing of all gifts, bequests, and bequeaths, both monetary and in kind. That listing has been reviewed and pared down to the attached list which we believe contains the monetary gifts and bequests that are not directly related to the performance of any contracted service provided by the University. This is admittedly a subjective judgment based on less than sufficient information and the attachment should be viewed as only broadly representative of the nature of monetary gifts, bequests, and endowments.

November 6, 1975

The Department of Revenue has also discussed this issue with the Legislative Auditor and has requested the Attorney General to review the Department's responsibilities under AS 14.40.280 as opposed to Section 250 of the same chapter which appears to confer to the Board of Regents the power to receive and invest funds.

In addition, the Department of Revenue is presently preparing draft legislation for review by the Governor. If introduced and passed it would provide for the Department to receive and deposit monetary gifts in the University of Alaska Permanent Fund when requested by the donor. This would offer a source of permanent investment for monetary gifts as an endowment option available to a donor without directly interfering with the University's relationship to benefactors.

If you have any questions regarding this matter please don't hesitate to call us.

Sincerely,

Lawrence C. Eppenbach
Deputy Commissioner, Treasury

LCE:ge

Enclosure

cc: The Honorable Jay Hammond, Governor
Commissioner Sterling Gallagher
The Honorable Avrum Gross, Attorney General
Dr. Robert Hiatt, President, University of Alaska
M. M. Hullinger, Vice President, Finance & Comptroller
Gary Peska, Legislative Auditor

<u>Amount</u>	<u>Project</u>	<u>Granted By</u>
\$ 6,000	Graduate Fellowship Support, D. Hood	Union Oil
72,000	Foundation Support Grant D. Coon	Ford Foundation
9,060	Self Support Course, L. Helms	Various
1,500	Geology Scholarship, D. Hawkins	Standard Oil Company
2,000	Lions Scholarship, I. Greiner	Pt. Barrow Lions Club
4,507	ASUA Talent Grant Program, I. Greiner	A.S.U.A.
76,000	Petroleum Tech Scholarship, T. Wagoner	B.P. Alaska
7,000	Student Research Grant, J. Peterson	Atlantic Richfield Oil Co.
3,000	Berry Family Scholarship	Berry Holding Company
200	Nellie Trigg Memorial	Paul Sterling II, President Kuyanna House, Inc.
200	J. Theodore "Ted Crites Scholarship for Skiing"	Kenneth Crites
1,000	Pt. Barrow Lions Club Scholarship	Dr. Larry S. Underwood
94	Daniel Cucurull Memorial Fund	Mrs. Donald C. Douglass
1,000	Northern Commercial Foundation	Mr. Volney Richmond, Jr., President Northern Commercial Company
200	Presser Foundation	Mr. John Ronald Ott, President
445	Talent Grant-Music	Mr. Charles Davis, Head of the Department of Music, U of A
3,000	Alumni Association Talent Grant	Mrs. Alice Mikami Snodgrass
300	Alumni Association Scholarship	Mrs. Alice Mikami Snodgrass
73	Margaret P. Harris Memorial Fund	
100,000	Foundation Support Grant, F. Darnell	Ford Foundation
5,000	Native Arts Festival, T. Tomczak	Private
500	Engineering Scholarship Fund, L. Behlke	Union Oil Company
5,985	Alaska Adult Literacy Lab, J. Irany	Private
12,119	Early Childhood Development Center, E. Short	Private
87	George & Mine Makimi Memorial Scholarship	Mrs. Alice Snodgrass
5,165	Anonymous String Scholarship	Mr. Robert H. E. Lauer
97	Emily Brown Scholarship Fund	Mrs. Ida Knoebel
10	Music Talent Grant	Jimmy Bedford
500	Quota Club of Fairbanks	Mrs. Sally Murphy
485	University Day Scholarship	Mrs. Shelia Herriott
1,000	Alaska Magazine Natural Resource Award	Mr. Robert Henning
1,000	UV Industries Scholarship	Mr. Robert Baldwin
225	University Women's Association	Mrs. Jan Turner
100	Blue & Gold Club & Talent Grant	A. W. Baker
100	Blue & Gold Club & Talent Grant	Mr. Randy Clapp
100	Blue & Gold Club & Talent Grant	Floyd Dericux
100	Blue & Gold Club & Talent Grant	Sharon Griffis
100	Blue & Gold Club & Talent Grant	James M. Hackett
100	Blue & Gold Club & Talent Grant	R. Michael Jens
100	Blue & Gold Club & Talent Grant	Mark Klaich
100	Blue & Gold Club & Talent Grant	Angie Kruckenber
100	Blue & Gold Club & Talent Grant	James L. McCarthy
100	Blue & Gold Club & Talent Grant	Richard J. Mealey
100	Blue & Gold Club & Talent Grant	Urban E. Rahoi
100	Blue & Gold Club & Talent Grant	Jack Shives
2,000	Recruiting, Mineral Engineering	Mineral Industry Education Foundation
1,000	Student Scholarships, Mineral Engineering	UV Industries, Inc.
144	F. Wayne Jones Scholarship, Mineral Engr.	F. Wayne Jones
1,500	Unrestricted, Geology	Marathon Oil Company

<u>Amount</u>	<u>Project</u>	<u>Granted By</u>
\$ 500	Student Scholarship, Geology	Union Oil Company
25	Mary and John Doyle Emergency Loan Fund	Marie Hoffman
520	Scholarship Fund	American Society of Women
25	Jackie Robinson Loan Fund	Accountants c/o Carol Rude
100	Women's Basketball Team	Air Force Sergeants Assn., # 605
15	Women's Basketball Team	F. J. Phillips, M. D.
10	Women's Basketball Team	Theresa's Bakery
5	Women's Basketball Team	Jones & Bosser, Accountants
150	Women's Basketball Team	Harland W. Davis, Attorney
50	Women's Basketball Team	Marathon Oil Company
100	Women's Basketball Team	National Bank of Alaska
10	Women's Basketball Team	Roosevelt Hotel
10	Women's Basketball Team	Automotive Parts & Equipment
50	Women's Basketball Team	R. Collin Middleton
25	Women's Basketball Team	Black Orchid Brothers'
25	Women's Basketball Team	Enterprises, Inc.
10	Women's Basketball Team	Sheffield Enterprises, Inc.
20	Women's Basketball Team	Rabbit Creek Inn
10	Women's Basketball Team	Alaska Stationers
5	Women's Basketball Team	Polar Reproductions
50	Camille Marie More Music Scholarship Fund	Rabbit Hutch
5	Camille Marie More Music Scholarship Fund	M. L. Nicholson
10	Camille Marie More Music Scholarship Fund	Mrs. Marilyn Yonley
25	Camille Marie More Music Scholarship Fund	Mrs. C. O. Arnecke, Jr.
10	Camille Marie More Music Scholarship Fund	Major & Mrs. E. P. Frey
5	Camille Marie More Music Scholarship Fund	The Matyas Family
1,100	Sandra Flothe Memorial Scholarship Fund	Mrs. Joan S. Newhouse
5,500	Surveying and Mapping Scholarship	Mrs. Sara Langton
545	Kevin Robbins Memorial Scholarship Fund	Mr. and Mrs. Milo Flothe
210	Dental Hygiene Scholarship	Sidney J. Henderson, Jr.
2,500	Grant	Latter Day Saints Church
		Dentral Assisting Program
		Mr. Larry Howland, Director
		ITT Arctic Services, Inc.

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 518

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the functions of the Department
7 of Revenue regarding monetary gifts, to the University
8 of Alaska; and providing for an effective date."

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

10 * Section 1. AS 14.40.280 is amended to read:

11 Sec. 14.40.280. ENDOWMENTS AND DONATIONS. All monetary gifts,
12 bequests or endowments which are made to the university for the pur-
13 pose of the separate trust fund created under sec. 400 of this chapter
14 shall be transferred [OTHER THAN STATE APPROPRIATIONS AND FEDERAL
15 ALLOTMENTS, RECEIVED FOR THE UNIVERSITY EXPANSION PROGRAM OR OTHER USE
16 SHALL BE TURNED OVER] to the Department of Revenue. The Department of
17 Revenue shall manage that money in accordance with [SHALL DEPOSIT THEM
18 IN THE SEPARATE FUND ESTABLISHED AND MAINTAINED UNDER] sec. 400 of
19 this chapter. Title to and control or possession of [TO] land, [AND]
20 personal property, and all money other than that transferred to the
21 Department of Revenue [MONEY], which is devised, bequeathed or given
22 to the university shall be taken by the university in its corporate
23 capacity acting by and through the regents or an authorized agent, and
24 shall be entered in the perpetual inventory of the university.

25 * Sec. 2. AS 14.40.400(a) is amended to read:

26 (a) The Department of Revenue shall establish a separate fund in
27 which all money derived from the sale or lease of the lands granted
28 under the Act of Congress approved January 21, 1929, and in which all
29 monetary gifts, bequests or endowments made to the university for the