

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86 / 2

1 SCOMM 3 : HOUSE SELECT COMM. ON EDUCATION 1976

SCOMM 3: HOUSE SELECT COMMITTEE ON EDUCATION, 1976  
LIST OF FILES (PAGE 1)

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1. SCR 88 (1976)
2. SB 203 am (1975-76)
3. HB 245 (1975-76)
4. SB 518 (1976)
5. no file with this number
6. HB 619 (1976)
7. HB 701 (1976)
8. HB 708 and HB 709 (1976)
9. HB 885 (1976)

SCOMM

#3:1

## FACT SHEET

### "A STUDY OF THE QUALITY, COST AND FINANCING OF PRE-HIGHER EDUCATION IN ALASKA"

#### BACKGROUND

Alaska's changing economic, political and social scenes all point to the need for a comprehensive review of how the State intends to meet its obligations for elementary and secondary public education. Agencies which have called for such a study include the State Board of Education; the Alaska Federation of Natives; and, the 1973-74 Legislative Interim Committee on Pre-Higher Education in the Unorganized Borough. In addition, the Alaska Association of School Boards; the Alaska Association of School Administrators; Alaska-NEA; and, Alaska Association of Secondary School Principals have asked for studies of selected aspects of school costs closely related to the school finance study.

#### REASONS FOR THE STUDY

The current study, which began in November 1974, has been made necessary for the following reasons:

1. The need to analyze the many views regarding State and local responsibilities for education.
2. The general lack of understanding about what constitutes basic education costs and full education costs; and,
3. The need for a periodic review of the Public School Foundation Act and other methods of financing education.

These needs as well as others identified during the next 18 months will be addressed in the process of study.

#### FORMAT AND ANTICIPATED RESULTS OF THE STUDY

During the remaining study period (through December 1977), the school finance study will include and focus on the following items.

1. The investigation and analysis of eight major topic areas reflecting the significant issues of school finance;
2. The involvement of citizens throughout the State in discussions to determine the kind of education programs they want for Alaska's children and to obtain the opinions of "consumers" about the financing of education in the State.
3. A process whereby suggestions regarding school finance issues are obtained from educational agency personnel; teacher groups; school board members; school administrators; legislators; business and civic representatives; and, other organized bodies.
4. A review of Federal, State and local responsibilities for elementary and secondary education;
5. An exploration of curriculum alternatives;
6. Identification of basic and full education program costs with consideration given to regional differentials, capital outlay and local discretionary programs;

7. Recommendations about the means and methods of financing schools in Alaska; and,
8. Suggested legislation as may be necessary and appropriate to implement the plan for financing Alaskan education which has resulted from this study.

#### ROLE OF CENTER FOR NORTHERN EDUCATIONAL RESEARCH

CNER is serving as the coordinating agency for the study. In this capacity, the Center:

1. Provides a central base of operations for the study;
2. provides direct professional assistance;
3. analyzes and factors the data obtained in the study,
4. manages project resources (financial support and contributed staff from the BIA and the U.S. Office of Education and of Community and Regional Affairs; from the Alaska Federation of Natives; from Rural CAP; and, from other interested groups); and,
5. prepares and issues the interim and final study reports.

FOR MORE INFORMATION about the study or to offer suggestions about issues to be addressed, write or phone the following:

#### In Fairbanks:

E. Dean Coon, Asst. Director (479-7143)  
or  
Jerry Waddell, Research Associate (479-7145)  
Center for Northern Educational Research  
University of Alaska  
Fairbanks, Alaska 99701

#### In Anchorage:

Anne Just, Research Affiliate (272-5522, ext. 151)  
Center for Northern Educational Research  
University of Alaska Sr. College  
2651 Providence Avenue  
Office #305, Sr. College Academic Bldg.  
Anchorage, Alaska 99504

#### In Juneau:

Nathaniel Cole, Deputy Commissioner (465-2800)  
or  
William Thompson, Director of Administration & Finance  
Alaska State Department of Education  
Pouch F  
Juneau, Alaska 99811

January 26, 1976

ALASKA EDUCATION COSTS  
FOR FISCAL YEAR 1974

Analysis of  
Current Operating Expenses  
of Elementary and Secondary Education  
in the Alaska State Operated  
Schools, Bureau of Indian  
Affairs Schools and District Schools

Prepared as a part of  
The Study on the Quality, Cost and  
Financing of Elementary and Secondary  
Education in Alaska

Center for Northern Educational Research  
University of Alaska  
Fairbanks, Alaska

January 1976

## EXPLANATION OF TABLES

As a part of the study on the Quality, Cost and Financing of Elementary and Secondary Education in Alaska, the attached tables are a first attempt to test the uniformity of data available for fiscal year 1974 by arranging the data in a comparable format.

Table 1, Alaska Education Costs for Current Operating Expense for Fiscal Year 1974. This depicts a crosswalk of expenditure categories for the Alaska State Operated School System and the schools operated by the Bureau of Indian Affairs as they relate to the expenditure categories of the District Schools of Alaska. Footnotes are provided to explain any major differences in expenditure classification.

Cost categories for Current Operating Expense (excluding capital outlay and debt service) are shown for each "school system" along with the associated cost per average daily membership. The "bottom line" totals each expenditure category and computes the costs for the combined average daily membership for all Alaska public and federal schools.

Table 2, Alaska Education Costs for Current Operating Expense Per Average Daily Membership for Fiscal Year 1974. This summarizes the expenditures and average daily membership costs from the previously described table.

Table 3, Alaska Education Revenue for Current Operating Expense for Fiscal Year 1974. This lists the revenues by source, Federal, State, and Local for the Alaska State Operated School System, the District Schools, and the Bureau of Indian Affairs Schools. Additionally, the revenues in these categories are reflected by Average Daily Membership and the percentage of each source to the total for the respective school system is shown. Revenue for current operating expense was derived by reducing total District School revenue by \$7,452,000 for State Sources and \$5,840,696 for Local Sources, the amounts reported for revenue for capital outlay and debt service by the Alaska Department of Education.

\* \* \* \* \*

Fiscal Year 1974 data was used for this analysis, because actual cost information was not yet available for FY 1975. The data shown in these tables were derived from the following:

1. Report of Audit, Alaska State Operated School System by Main LaFrentz and Company, Certified Public Accountants, Anchorage, Alaska, dated 7 December 1974.
2. Annual Report 74-75, Department of Education, Juneau, Alaska.
3. Report of Operating Budget, Bureau of Indian Affairs, as of 30 June 1974.

Private and parochial schools have not been included.

Table 1

## ALASKA EDUCATION COSTS FOR CURRENT OPERATING EXPENSE FOR FISCAL YEAR 1974

ALASKA STATE OPERATED SCHOOL SYSTEM	Adminis- tration	Instruc- tion	Auxiliary Services	Pupil Transpor- tation	Plant Opera- tion	Plant Mainte- nance	Fixed Charges	Food Service	Current Operating Expense	Average Daily Membership
District Office										
Instructional Services		180,943							180,943	
Instructional Media		304,140							304,140	
Board of Directors	46,469								46,469	
Superintendent	65,442								65,442	
Administrative Services	1,545,210								1,545,210	
Planning & Evaluation	53,195								53,195	
Rural Schools										
Early Childhood Development		145,402							145,402	
Basic Instruction		10,465,923							10,465,923	
Food Services								1,723,136	1,723,136	
Building Maintenance						1,258,712			1,258,712	
Building Operations					3,890,726				3,890,726	
Administrative Support	597,448								597,448	
Bilingual Education		733,406							733,406	
Pupil Transportation				435,156					435,156	
Exceptional Students		386,322							386,322	
Base Schools										
Early Childhood Development		294,863							294,863	
Basic Instruction		7,800,702							7,800,702	
Food Services								107,008	107,008	
Building Maintenance						443,862			443,862	
Building Operations					1,045,143				1,045,143	
Administrative Support	310,929								310,929	
Pupil Transportation				375,091					375,091	
Exceptional Students		296,480							296,480	
Other Programs [1										
Supplemental Programs		198,313							198,313	
Community Liaison	73,580								73,580	
School Board Development	10,200								10,200	
Vocational Education		58,587							58,587	
Adult Education		45,838							45,838	
Title I - ESEA		724,534							724,534	
Title II - ESEA		23,567							23,567	
Title III - ESEA		82,385							82,385	
Title VI - ESEA		13,444							13,444	
Title VII - Bilingual		156,305							156,305	
PL 89-313 Exceptional Students		850,154							850,154	
Title IV - Indian Education		540,718							540,718	
<b>Total ASOSS Costs</b>	<b>\$ 2,702,473</b>	<b>\$ 23,302,026</b>	[2	<b>\$ 810,247</b>	<b>\$ 4,935,869</b>	<b>\$ 1,702,574</b>	[2	<b>\$ 1,830,144</b>	<b>\$ 35,283,333</b>	<b>14,680</b>
<b>Costs Per ADM</b>	<b>184</b>	<b>1,587</b>		<b>55</b>	<b>336</b>	<b>116</b>		<b>125</b>	<b>2,403</b>	

Table 1 Cont.

	Adminis- tration	Instruc- tion	Auxiliary Services	Pupil Transpor- tation	Plant Opera- tion	Plant Mainte- nance	Fixed Charges	Food Service	Current Operating Expense	Average Daily Membership
DISTRICT SCHOOLS	\$ 4,368,111	\$ 76,677,246	\$ 6,299,873	\$ 6,137,164	\$ 7,448,330	\$ 4,595,715	\$ 7,011,510	\$ 1,374,354	\$ 113,912,303	68,440
Costs Per ADM	64	1,120	92	89	109	67	102	21	1,664	
BUREAU OF INDIAN AFFAIRS										
School Operations									205,309	
Juneau Area Office	205,309								292,267	
Agency Offices	292,267								488,546	
Administrative Support	488,546								237,771	
School Unit Supervision		237,771							5,272,902	
Instruction		5,272,902							276,362	
Pupil Transportation				276,362					3,993,879	
Plant Operations					3,993,879 [4]				17,592	
Indian Advisory School Boards	17,592								249,056	
Library & Material Centers		249,056							66,096	
School Social Work			66,096						1,373,209	
Food Services								1,373,209	2,141,338	
Plant Maintenance						2,141,338 [5]			33,708	
Research Develop. & Training	33,708								269,797	
Transportation of Things		269,797								
Title I										
Parent Counseling			22,054						22,054	
Dissemination	2,743								2,743	
Professional Staff		213,260							890,791	
Para-Professional		890,791							58,006	
In-Service Training		58,006							179,029	
Supplies		179,029							120,801	
Administration	120,801								22,275	
Title II - ESEA		22,275							82,061	
Title III - ESEA		82,061							25,000	
Title VI - ESEA		25,000							12,260	
Title III - NDEA		12,260								
Total BIA Costs	\$ 1,160,966 [6]	\$ 7,512,208	\$ 88,150	\$ 276,362	\$ 3,993,879	\$ 2,141,338		\$ 1,373,209	\$ 16,546,112	5,478
Costs Per ADM	212	1,371	16	50	729	391		251	3,020 [7]	
TOTAL ALL SCHOOLS [8]	\$ 8,231,550	\$ 107,491,480	\$ 6,388,023	\$ 7,223,773	\$ 16,378,078	\$ 8,439,627	\$ 7,011,510	\$ 4,577,707	\$ 165,741,748	88,598
Costs Per ADM	92	1,213	72	82	185	95	79	52	1,871	

Footnotes:

- [1] All ESEA program costs are reported under Instruction, Administration and other categories could amount to approximately 10 per cent.
- [2] Auxiliary Services and Fixed Charges not identifiable in ASOSS chart of accounts. These costs are included in the other categories shown.
- [3] Food Service expenditures for District Schools reflect the Districts' net costs (total operational expenses less revenue from sale of lunches and other reimbursements).
- [4] Adjusted to exclude non-educational costs charged to Plant Operations.
- [5] Adjusted to exclude non-educational costs charged to Plant Maintenance.
- [6] BIA administrative costs have been adjusted to eliminate BIA education programs not applicable to current operating expense for BIA schools such as Johnson O'Malley, Higher Education Scholarships, etc.
- [7] Costs for Home Living (Dormitory Operations) have been excluded for comparability and uniformity of data. These expenditures amounted to \$895,458 or \$164 per ADM.
- [8] Represents total expenditures for public and federally operated schools in Alaska, excluding capital outlay and debt service.

Table 2

ALASKA EDUCATION COSTS FOR CURRENT OPERATING EXPENSE  
PER AVERAGE DAILY MEMBERSHIP  
FOR FISCAL YEAR 1974

	State Operated Schools	District Schools	BIA	Total [1]
Administration	\$ 2,702,473 184	\$ 4,368,111 64	\$ 1,160,966 212	\$ 8,231,550 92
Instruction	23,302,026 1,587	76,677,246 1,120	7,512,708 1,371	107,491,480 1,213
Auxiliary Services	-----	6,299,873 92	88,150 16	6,388,023 72
Pupil Transportation	810,247 55	6,137,164 89	276,362 50	7,223,773 82
Operation of Plant	4,935,869 336	7,448,330 109	3,993,879 729	16,378,078 185
Maintenance of Plant	1,702,574 116	4,595,715 67	2,141,338 391	8,439,627 95
Fixed Charges	-----	7,011,510 102	-----	7,011,510 79
Food Services	1,830,144 125	1,374,354 21	1,373,209 251	4,577,707 52
Current Operating Expense	35,283,333 2,403	113,912,303 1,664	16,546,112 3,020	165,741,748 1,871

[1] Total Costs per Total ADM All Alaska Schools Excluding Private Schools.

Table 3

ALASKA EDUCATION REVENUE FOR CURRENT OPERATING EXPENSE  
FOR FISCAL YEAR 1974

	State Operated Schools	District Schools	BIA	Total
Federal	\$28,146,493	\$ 7,135,251	\$17,441,570	\$52,723,314
Per ADM	1,917	104	3,184	595
Per Cent	74	6	100	31
State	9,686,319	81,714,249	-----	91,400,568
Per ADM	660	1,194	-----	1,032
Per Cent	25	71	-----	53
Local	453,312	26,025,556	-----	26,478,868
Per ADM	31	380	-----	299
Per Cent	1	23	-----	16
<b>Total</b>	<b>38,286,124</b>	<b>114,875,056</b>	<b>17,441,570</b>	<b>170,602,750</b>
Per ADM	2,608	1,678	3,184	1,926
Per Cent	100	100	100	100

IN THE SENATE

BY THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 88 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

Relating to the public school foundation program.

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

WHEREAS the public school foundation program was initially implemented in 1962; and

WHEREAS many alterations to the program have been made since then to address the changing educational needs in the state; and

WHEREAS educational structure in the state has undergone rapid change with the emergencies of the rural educational attendance areas; and

WHEREAS inflationary pressures and the increasing requirements of more sophisticated utility support have placed severe strain upon education budgets;

BE IT RESOLVED by the Alaska State Legislature that it directs the Legislative Council, <sup>in cooperation with the U of A Center for Northern Educational Research</sup> to undertake a thorough study and evaluation of the public school foundation program (AS 14.17). The objectives of the study shall include but are not limited to: The manageability of the present program; applicability of the program to the needs of the rural educational attendance areas; simplification of the funding formulas to enhance forecasting; suitability of the funding formulas to address educational auxiliary and support costs; ability of local school districts to raise revenue for school support; and the acceptability of the program by all agencies presently affected by it. The study shall be completed no later than the first month of the Tenth Legislature, First Session, and submitted to the presiding officers of the Senate and House of Representatives; and be it

FURTHER RESOLVED that the Governor is respectfully requested to urge

1 the Department of Education to lend all necessary assistance to the Legisla-  
2 tive Affairs Agency to effect this study.

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UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

April 2, 1976

Representative Charles Parr  
Pouch V  
Juneau, Alaska 99801

Dear Representative Parr:

Thank you for calling us about Senate Concurrent Resolution No. 88. Our interpretation of the relationship of SCR 88 and the School Finance Study being coordinated by the Center for Northern Educational Research is explained below.

A study and evaluation of the Public School Foundation Program is one of the important aspects of the School Finance Study. The resources of the Legislative Council that would be available to examine the Foundation Program should SCR 88 be enacted would be a welcome and needed addition to the efforts under way now. The work to be done under the authority of SCR 88 could be coordinated quite easily with all other aspects of the School Finance Study which are noted on the attached Fact Sheet.

A January 1976 Status Report on the study is attached. Note on page 2 the tentative schedule of major events. Conduct of the Foundation Program Review during calendar year '76 would enable this aspect to be included in Report No. 2 at the end of the year.

Also included with this letter is a copy of the Analysis of Fiscal '74 Education Costs in Alaska. As I told you, we are now working on Fiscal '75 and Fiscal '76. The intent here is to provide a base of comparable information necessary for specific analysis and projections. The Public School Foundation Program is, of course, one important element of this analysis.

Just recently we were notified that the Governor's Office intends to provide some financial resources to the study in FY'77. Use of these funds will be coordinated with the Department of Education and will not conflict with or duplicate the work called for under SCR 88. Should you have additional questions about this, please do not hesitate to contact me or Marshall Lind.

Sincerely,

E. Dean Coon  
Assistant Director  
Center for Northern  
Educational Research

Enc.

cc: Marshall Lind  
Sue Greene

EDC/rg

PLEASE REPLY BY AIRMAIL

Back up  
to go into  
Charlie's

folder

ECR  
98



CENTER FOR NORTHERN EDUCATIONAL RESEARCH

UNIVERSITY OF ALASKA -- FAIRBANKS

January, 1976

A STATUS REPORT ON  
A STUDY OF THE QUALITY, COST AND FINANCING  
OF ELEMENTARY AND SECONDARY EDUCATION  
IN ALASKA

This is a report on major activities concerning the study which have occurred during the past six months. These activities fall under five major headings: (1) Resource Acquisition; (2) Planning and Development; (3) Data Collection and Analysis; (4) Presentations; and (5) Related Activities.

RESOURCE ACQUISITION. CNER, in cooperation with the Department of Education, has made or is making efforts to obtain funds and personnel with the following results:

1. The U. S. Office of Education has assigned Ms. Anne Just from its Bureau of School Systems to CNER for a two-year period which began September 1, 1975. Under provision of this Intergovernmental Personnel Act assignment, the USOE and CNER are each paying half of Ms. Just's salary.
2. In October, a request for \$11,650 for travel and per diem expenses for the contributed staff members and other related needs during the current year was submitted to the State Department of Education. The Department was unable to provide these funds from its FY '76 budget.
3. A request for a legislative appropriation of \$93,000 to support the study in Fiscal Year '77 has been developed and submitted to the Department of Education. The requested funds would be used to obtain the services of regional representatives, advisory specialists, and a staff assistant, as well as travel and support expenses of these persons and the contributed staff members already assigned.
4. Investigation of other sources of support continues. The most promising on a long-term basis is a proposed federal program of assistance to states for state equalization plans. This program, authorized in Section 842 of Title VIII of the Elementary and Secondary Education Act (as amended in 1974) would reimburse states for costs of developing state equalization plans which met specified criteria. Although no funds have been appropriated yet for Section 842, Alaska would be eligible for reimbursement of \$100,000. State applications of intent to develop such plans are due no later than July 1, 1977.

PLANNING AND DEVELOPMENT. A number of activities dealt with revision of the study calendar and in the development of preliminary materials as follows:

1. A comprehensive list of major questions was developed for each of the 9 study topics and analyzed according to (1) type of questions (informational, empirical, or conceptual); (2) source of information; (3) work days re-

quired; (4) agencies or groups involved, and (5) probable completion times.

2. A preliminary survey instrument with 35 questions was prepared, and limited field testing was conducted. The questions in this survey are being designed for use in the community participation phase of the study.
3. A Fact Sheet briefly describing the study was developed. Copies are available from CNER.
4. Proposed time schedules for events of the study were modified to reflect the available resources, information availability, and possible legislative involvement. The current tentative schedule of major events:

<u>Year</u>	<u>Event</u>
1975	Obtain Resources Begin Data/Information Collection Preliminary Analysis FY'74 Costs
1976	Report No. 1 Issued Data Collection--Analysis Involvement--Community, Agency, Regions, Forums Report No. 2 Issued
1977	More Involvement Activities Interim Legislative Committee Forums Report No. 3 Issued
1978	Legislative Alternatives Considered

DATA COLLECTION AND ANALYSIS. A continuing activity has been to collect base data and reports concerning the schools. Major tasks initiated or completed include:

1. An Analysis of FY '74 Education Costs in Alaska has been completed. This report examines comparable operating expenses for education programs operated by the Alaska State Operated Schools, Bureau of Indian Affairs, and District Schools. It was developed as a base for examining costs in subsequent fiscal years.
2. An analysis of revenues and expenses for elementary and secondary education in FY '75 and FY '76 is being prepared.

PRESENTATIONS. Study staff members attended several meetings to explain the study, to test the survey questionnaire, and to solicit suggestions. Meetings or groups addressed or to be addressed for these purposes include:

1. The State Board of Education at its regular meeting in Anchorage December 4, 1975. State Board support of the study was reaffirmed and Commissioner of

Education Marshall Lind suggested that a similar presentation be made to Governor Hammond in the very near future.

2. The Community Participation Conference in Anchorage on December 5, 1975. Delegates subsequently gave a "high priority" to support enactment of House Bill 229, which would provide funds to the Department of Education to support the study.
3. The Human Resources Committee of the Alaska Federation of Natives in Anchorage January 8, 1976. The Committee reaffirmed its support of the study in a resolution which stated, in part, ". . . that the Legislature and the State Department of Education provide additional assistance and support for the study to insure its successful completion."

Arrangements have also been made for presentations to Governor Hammond and to the staff of the State Department of Education.

RELATED ACTIVITIES. Several activities which will provide important information for the study are underway and include:

1. An inventory of school facilities in rural Alaska has become a priority project of the State Department of Education and the Bureau of Indian Affairs. These agencies expect to finish the inventory by June, 1976. The results of this project will be an important contribution to the study.
2. An intensive examination of current State laws and regulations which affect education of Alaska Natives is underway now. Attorney David Getches, formerly associated with the Native American Rights Fund, is doing this work under a grant from the Ford Foundation.
3. Orientation and training activities being scheduled for Regional Education Attendance Area board members may provide opportunity for finance study involvement. Especially important will be REAA goals and objectives, educational programs desired, and resources available.

FOR FURTHER INFORMATION about the study or to offer suggestions about issues to be addressed, write or phone the following:

In Fairbanks:

E. Dean Coon, Asst. Director (479-7143)  
or  
Jerry Waddell, Research Associate (479-7145)  
Center for Northern Educational Research  
University of Alaska  
Fairbanks, Alaska 99701

In Anchorage:

Anne Just, Research Affiliate (272-5522, ext. 151)  
Center for Northern Educational Research  
University of Alaska Sr. College  
Office #305, Sr. College Academic Bldg.  
2651 Providence Avenue  
Anchorage, Alaska 99504

In Juneau:

Nathaniel Cole, Deputy Commissioner  
or  
William Thompson, Director of  
Administration & Finance (465-2800)  
Alaska State Dept. of Education  
Pouch F  
Juneau, Alaska 99811

\*Copies of the previous progress report, dated July 28, 1975 are available from the Center for Northern Educational Research

# COMMITTEE REPORT

HOUSE

3/19/76

FINANCE

Mr. Speaker:

Date April 13 1976

The Committee on SELECT COMMITTEE ON EDUCATION has had 000 00 00

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:

<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>

Members NOT concurring in the Majority report:

<u>[Signature]</u>	recommends: <u>DO NOT</u>
<u>[Signature]</u>	recommends: <u>" "</u>
<u>                    </u>	recommends: <u>          </u>
<u>                    </u>	recommends: <u>          </u>
<u>                    </u>	recommends: <u>          </u>

[Signature] Chairman

A M E N D M E N T

OFFERED IN THE HOUSE:

By: Select Committee on Education

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

SENATE BILL No. SCR 84 am

PAGE: 2

LINE: 2

and

insert after the word "study" the following:

"and that the legislative study be coordinated with  
the present on-going Center for Northern Educational  
Research study"



UNIVERSITY OF ALASKA

FAIRBANKS, ALASKA 99701

April 2, 1976

Representative Charles Parr  
Pouch V  
Juneau, Alaska 99801

Dear Representative Parr:

Thank you for calling us about Senate Concurrent Resolution No. 88. Our interpretation of the relationship of SCR 88 and the School Finance Study being coordinated by the Center for Northern Educational Research is explained below.

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Sincerely,

E. Dean Coon  
Assistant Director  
Center for Northern  
Educational Research

Enc.

cc: Marshall Lind  
Sue Greene

EDC/rg

PLEASE REPLY BY AIRMAIL

Charlie —

HCR 88 file

Thought you might find this  
of interest.  
Warren Smith

## THE ART OF PLANNING

Harold L. Encarson

*Planning is definitely an art, but mostly a bad art. College and university administrators often become bogged down in the "techniques and tools" of planning systems, thereby losing sight of the real problems and goals. Encarson defines the errors that inhibit good planning and prefers to use a planning model for the future that he calls the "Lewis and Clark tour."*

I BELIEVE IN PLANNING ALL THINGS, large and small. And what I prescribe for myself and for my family I also prescribe for the cosmos and all persons and institutions privileged to occupy it. From extensive personal experience I know the penalties of not thinking ahead and not planning for tomorrow.

Take this season's trip to our cabin in the Colorado mountains as a case study in how not to plan. My wife and I drove more than 1,000 miles to reach the gate to our mountain meadow—only to discover that she forgot the key to the lock. (My wife and I resolve this with the problem-solving technique standard in such marital situations—mutual recrimination followed by prolonged, grim silence as I rip down part of the fence to gain entry to our property.)

Our day proceeds to deteriorate. We buy \$40 worth of groceries—only to discover on our return that we failed to pick up the following necessities: matches, fly swatters, Coors beer, mantles for the lamp, mouse traps, and staples to fix the fence I just tore down. The marital silence deepens.

The second day of vacation is an ordeal of compounding folly—all for want of planning. I saddle my horse to go inspect the thinning of ten acres of timber. The Department of Agriculture lists me as a cooperating

landowner, since I agreed to pay—at a "bargain" rate—\$450 for some thinning. The profit from the sale of the logs is all mine. The logs are neatly stacked, ready for sale. But exactly how am I to sell 40 cords of fresh timber, some of it quarantined because of pine beetle?

I ponder the prospect of loading the Volvo station wagon and parking on the outskirts of Boulder. In Walter Mitty fashion, I even think of a sign: Reduced Rates for Friends of the Big Ten Conference. No, that won't do. I do not even need an adding machine to conclude that thinning trees doesn't pay off. No sir, there is nothing like cost-benefit analysis—even after the fact. Indeed, I become so enchanted with the exquisite symmetry of cost-benefit analysis that upon unsaddling I fail to unbuckle the flank cinch—and have another painful lesson in the necessity of thinking ahead.

By now I am thoroughly repentant. On the back of an old and still unread university financial report, I write ten times the words of the Burnham gospel: "Make no little plans." And underneath I write a note to myself: "Get a case of Coors." So I retreat to the fugitive materials hastily tucked in my briefcase. It is dreary stuff: an Ohio Board of Regents report on student

credit hour production, a cost analysis of the OSU motor pool, a Big Ten report on intercollegiate athletics, and another on library costs (How did it get there?), a NCFHEMS report, a paper on computer models with the engaging title "Counter-intuitive Behavior of Social Systems," and Kenneth Boulding's paper, "The Management of Decline." Surely somewhere in this clutter lie great insights into the nature of planning—planning as an art form, that is. And so I read by lamplight, and with mounting disquiet I reflect on what I read and remember planning in higher education.

What in the literature and developments in state, regional, and national planning for higher education makes some of us troubled and uneasy? Management planning, planning by objective, systems management, systems dynamics, integrated information systems, cost relative to benefit. It all sounds so cool, thoughtful, and rational. The very words soothe, reassure; we are about to enter the promised land of "rational decision making."

#### New data

And who can quarrel with the need for more data, for comparable data, for exact measurement of cost, for analysis of benefits as against costs? Who can quarrel with the need for planning (long range as well as short range) for individual institutions and for states? And how can one reject the exciting potential of models and of the application of computer technology to management decision making?

Not only is there a new frontier of data collection and analysis, but there are rapidly expanding systems of coordination and management—state coordinating agencies and regional planning agencies. In all this, there is the promise—sometimes implicit, occasionally prideful and boasting—that the great enterprise of postsecondary education is at last to become manageable. And with this bright promise is the image of the new

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*Harold L. Enarson is president of the Ohio State University, Columbus. This article is adapted from a speech given 9 July 1975 in Minneapolis, Minnesota, to the Society for College and University Planning Conference.*

manager, flanked always by his computer terminal—Mr. Facts in full command. Suddenly there are echoes of the familiar—of McNamara's adoration of systems management and infatuation with the computer, of the Corps of Engineers' adventures in river politics masqueraded in the mystique of elaborate cost-benefit analysis, and of Taylor's "one best way" concept of factory management. These echoes provide reasons for one's sense of disquiet.

Too often our planning efforts display an obsessive preoccupation with whatever is fashionable. Only a few years ago institutional research was the "in" thing with its own professional literature and leaders and learned essays about the role and proper place of institutional research in the scheme of things. But early obsolescence is the fate of all fads, and now institutional research—as we knew it in the 1950s and early 1960s—has been eclipsed by other fashions of the day.

#### Computers

Now the word "systems" appears everywhere. How could one resist the "systems approach" or deny its purity and compelling logic? It is almost as if we warded off the sense of engulfing chaos by ritual incantation of magic words. Couple "system" with another strong, reassuring word such as "dynamics," and we have a new creed and a corporation to cry its praises and claim its profits. In all this, we risk the "triumph of technique over purpose"—a phrase made famous by Wallace Sayre in describing the defeat of sound personnel practices through the ritualism of "civil service."

Techniques and tools are important, and the fabled memory systems of computers are impressive until one learns of the even more impressive circuitry of the human brain. And the capacity of a computer to sort combinations of factors is even more impressive for the simple reason that the computer takes orders, while the human brain is quickly exhausted, even more quickly bored. Who wants to factor in one's own head the ideal combination of feed grain for cattle in a feed lot on the Great Plains? Let our patient computer do the drudgery. So plainly, the computer is a tool

to be used, just as the systems approach may represent a helpful grouping of problem-solving concepts.

#### The human factor

But let's take a very slow pause here, and note that techniques and tools tend *not* to be the neutral servants we describe them to be. Techniques and tools are used, always, by persons operating in time, place, circumstance, culture, and power relationships. The tools and techniques are, of course, neutral. But the persons who use them are never neutral, for, as human beings, we have as our burden and our pride the legacy of a congested bundle of ideas, faiths, opinions, preconceptions, goals, and aspirations. None of us is a disembodied soul, floating free in the cosmos, but we often pretend to be this neutral. Tools and techniques merge and meld with people and institutions. If we were truly curious about "system," we would explore the complex relationship which develops between the surgeon and his knives, the army general and his nuclear warheads, the manager and his operations management protocol, the agricultural extension agent and his chemical fertilizers, and the educational planner with his models, system, and advanced computer technology.

Our tools have a special allure for some of us, becoming part of our very identity. Horse and man combine to make the man different, more powerful. Motorcycle and adolescent combine to make the adolescent different, more powerful, something new under the sun. The computer, brilliant achievement and marvelous toy, has the same capacity to enthrall, captivate, and finally to imprison. And so it is that we witness an excess of faith in the tool and the technique. The temptation is to overkill. Overkill is understandable, since the tool and the technique exist to be used.

Some years ago, I visited the major university of a Central American country and observed an institution-building project. A massive exercise in institutional research was being undertaken under supervision of a major United States university. Masses of data were being accumulated. Presumably, the decision-makers would have all the information necessary to plan the future intel-

ligently. There was only one small flaw—the cost of the information gathering was roughly one-fourth of the entire budget. Here were sophisticated tools, sophisticated research, and sophisticated people—but a pathetic unawareness of absurd disproportion. I suspect that some of the research work currently being done suffers from a similar defect. I call this the "beagle fallacy." If you have never walked the woods with a beagle, you have missed a delightful experience. The beagle has a superb nose and follows the scent of the trail with total absorption. But the beagle has poor eyesight and seldom looks up to see the rabbit staring quietly (and I trust with amusement) at him.

#### Cost-benefit analysis

Some of our new tools may turn out to be more plausible than substantial—the cost-benefit analysis of the "inputs" and "outputs" of higher education, for example. What does one do with mountains of computer printouts on costs of instruction? I already know that physics costs more than poultry science (at least I think it does). I already know that the teacher-student ratio at a nearby private university is half that of Ohio State. So what. The teacher-student ratio is largely a function of resource availability. If a massive gift were made to a university doubling its resources, the ratio of faculty to students would soon double. And myth has it that quality would increase. But would it? You will search the literature in vain for evidence that the quality of learning varies proportionately with the teacher-student ratio.

No amount of cost-benefit analysis will help us decide whether to phase out a foreign language or whether to cut the library budget and increase the budget of the counseling service. And the value to society of a good plumber and a poor philosopher is truly beyond effective measure. Let the Corps of Engineers continue to play games with cost-benefit analysis, mesmerizing the Congress. But do not let the universities of this land fall into the trap of promising to show dollar value received for dollar spent.

The value of the truly educated person is

no more to be weighed and measured than is a sonnet or a smile. The true values we seek in higher education are, at bottom, matters of faith. Why pretend that the teaching-learning enterprise lends itself to simplistic analyses?

Planning—whether for a new academic program, a new university, or the “managed decline” of a conglomerate of universities captive in our new state systems—is definitely art, but mostly bad art. I think of at least five common errors in addition to the “beagle fallacy.”

#### Definition of problems

*Defining the problem too narrowly.* Health care requires nurses as well as doctors, ambulatory clinics as well as hospitals, dental hygienists as well as dentists. This diversity is commonly ignored. Everywhere we see the latest state study of “The Supply and Demand for Nurses” and “The Supply and Demand for Physicians.” The failure to define an appropriate framework of inquiry invites, even guarantees, enormous waste. In Ohio, the “doctor shortage” has generated a demand for a third new medical school in addition to the two new schools recently established. The predictably exorbitant costs of these new ventures will, in a few years, put these schools in direct, hurtful competition for the education dollar, and all higher education in Ohio will be poorer for it.

*Defining the problem too widely.* The computer model does splendidly when calculating how best to maximize the increase in the weight of feeder calves, but it groans and wheezes and spins out nonsense when it works on a problem involving almost endless variables, with assumption piled upon assumption—stacked dominoes reaching to the very heavens. Is it possible to identify all the variables that go into the demand for nurses nationwide twenty years from now? To begin, one is forced to make assumptions about population growth, income growth and distribution, spending habits, impact of new drugs, incidence of disease, efficiency of health care systems. The list of variables is literally endless. Such work is as insubstantial as skywriting. Yet there is just such a study now underway. The price tag

for the entire project is two and a half million federal dollars. The technique and tool were there, and the temptation to use both proved irresistible.

*Counting the “countable.”* It does not follow that because something can be counted it therefore should be counted. Student credit hour production can be counted; the cost of a student credit hour can be counted. All kinds of comparisons can be made from these data, but rarely are. No one knows how much money is spent on such counting. No one has counted that—which is curious. One might have expected a cost-benefit analysis . . .

In Ohio, and very likely in other states, we tabulate in painstaking detail the distribution of faculty time spent on a variety of activities. It’s all very impressive and mostly useless as a crude measure of academic imagination and puffery. (We have a tireless professor who regularly reports over 100 hours a week, and the computer dutifully accepts the figure.) Incidentally, the form provides no place to mark down hours spent staring at fireflies or standing transfixed under the shower. Yet it is just in such “idle times” that something occasionally clicks into place, and an idea is born. I think we call it creativity.

#### The counting game

Our love of counting the countable would be good clean fun were it not for the fact that it distracts from other tasks. A department chairman busy with such reports fails to find time for the common sense judgments which are his to make.

*Collecting more facts.* The researcher always hungers for more facts. He calls this “enlarging the data base.” Dr. Jay W. Forrester could have had education planners in mind when he wrote: “There seems to be a common attitude that the major difficulty is shortage of information and data. Once data is collected, people then feel confident in interpreting the implications. I differ on both of these attitudes. The problem is not shortage of data but rather our inability to perceive the consequences of the information we already possess.”<sup>1</sup>

<sup>1</sup> “Counterintuitive Behavior of Social Systems,” *Technological Review*, January 1971.

In the fifteen years that I have served as an academic administrator, I have stared helplessly at more reports than I dare remember. But I can recall few reports that contributed directly or even indirectly to what is pompously called the "decision making process." Our problem is not the shortage of facts, but our general inability to grasp the significance of the facts. We are also reluctant to do what needs to be done. The absence of nerve in university administration is far more serious than the shortage of information.

*Chasing rabbits.* This bit of western colloquialism may need explaining. The untrained hound dog in hot pursuit of a bobcat will turn off the trail as a rabbit crosses his path. So it is with much of our planning.

### Future planning

America is hardly a tidy place, and our universities and our people and our institutions are caught in the convulsions of change. Integrated data bases do not excite me, nor do "models," complete with software, compel my imagination. Too often these new tools and techniques create the illusion of planning and thus distract us from facing issues.

It is not our task to predict the future, but to shape our future to the greatest extent possible. If the "management of decline" is our new responsibility, then perhaps the new data bases will be useful in small ways. Trim a little here, trim a little there. Eliminate a few programs. Consolidate the enterprise. Point to small savings in huge budgets. But this is not enough, not nearly enough.

If we really embraced planning, we would be forced to define our ideal of the future. We would not be content with presiding over the status quo, with merely fronting for the entrenched vested interests of our institutions. Instead, we would turn, however reluctantly, to the long-neglected agenda.

Our head-in-the-sand view of the job market for our graduates won't do. If the Department of Labor studies are even partly correct, we face a growing glut of college graduates who will be unable to work at

jobs requiring college-level competencies. If the changing nature of the labor market is not explained to our students and our friends in the legislature, we risk flood tides of great resentment.

There are other compelling concerns: the revival of the liberal arts, the reconstitution of student counseling, the redefinition of institutional autonomy in the context of state systems, the development of remedial programs that really work. The agenda could be extended. Surely there is no want of major problems that we in education steadfastly ignore. And all the while the formal apparatus of planning grows.

Planning is inseparable from management, and both involve those elements we associate with art—intuition, creativity, discernment, command of the work tools and materials, an appreciation of the interaction of form and function.

There are planners and then there are planners—whether of mountain vacations or of state universities and state systems. There are at least two models: the Cook's tour model and the Lewis and Clark model. The Cook's tour defines a precise schedule on a well-defined route. "If it's Tuesday, this must be Belgium." The tour moves in orderly progression amid known landmarks. The name of the game is to so plan as to avoid contingencies. The unexpected is to be avoided. All is schedule, order, routine.

But I prefer the Lewis and Clark model with its sense of adventure as it explores new frontiers. Lewis and Clark envisioned their goal, assembled the minimum resources, and had the nerve and the courage to take the unexpected in stride. They knew in their bones that success depended upon painstaking completion of the smallest of plans—the building of the campfires, the fording of the stream, the delicate negotiations with the Indians. Their epic success was a triumph of small daily successes—all within the context of a goal and clear sense of direction.

The Cook's tour provides the illusion of planning in a world of imagined stability. The Lewis and Clark tour is an adventure into the unknown. Can there be any choice for us? □

SCOMM

#3:2



Pouch V  
JUNEAU ALASKA  
99811

Alaska State Legislature  
House

SELECT COMMITTEE ON EDUCATION

(907) 465-4951  
or  
(907) 465-3729

One hearing by SCOE

Stayed in House HESS  
for action (was hold-  
over from previous  
session).



Pouch V  
JUNEAU ALASKA  
99811

# Alaska State Legislature

## House

SELECT COMMITTEE ON EDUCATION

February 3, 1976

(907) 465-4951  
OR  
(907) 465-3729

### MINUTES

Present: Parr Davis  
Hackney Osterback  
Ostrosky Swanson

Absent: Wallis Sullivan  
Beirne

Testifying: Marshall Lind, Commissioner of Education; SB 203 am  
and HB 245  
Ernest Polley, Coordinator, Planning and Research;  
HB 245

Robert Van Houte, NEA-Alaska, Inc.; SB 203 am

Chairman Parr called the meeting to order at 3:10 pm.

SB 203 am - Relating to school attendance-Hohman

Parr-Hohman's reason for initiating the bill was because there was a problem with some of the school boards in approving an absence requested for participating in an educational experience.

Lind-Section 14.30.010 (Compiled School Laws) is being amended to add a ninth exemption from compulsory school. Department of Education offered no specific recommendation because they are reluctant to make statutory changes if existing sections cover the problem.

The Committee was unsure of the specific intent of the bill (for short absences, extended absences, etc.) and felt the language needed clarification. It appeared the bill was attempting to put into statute a decision which now exists in school board policy; it should remain the prerogative of the school board to decide if a trip is worthwhile to a student, educationally, and to excuse or not excuse the absence.

Mr. Lind-decision to excuse now rests with superintendent. If a school board overrides his decision he can follow a procedure to grieve the override decision. Felt the major obligation is that a decision not be contradictory to existing statute or law. Requests of this type are few.

Van Houte-would support the bill-on the grounds that an absence of this type should be allowed but if it is allowable now under existing law would agree that the bill is not necessary.

Mr. Lind -felt most teachers and administrators would agree that an educational experience is another way of learning. Felt it would be difficult for the Department of Education to determine whether the absence was excusable, not being familiar with the student, his grades, etc.

Rep. Swanson made a motion, asking for unanimous consent, that the bill be laid on the table. So ordered.

HB 245-Evaluation & planning in the Department of Education-HESS

Mr. Lind -will be a videotape available in a week having to do with the satellite effort being planned as well as other phases of the proposed program. An assessment program is being worked on in the critical areas of math and reading which will also serve as an assist to the teachers in diagnosing problems in specific areas. Are also looking at high school graduation requirements and evaluating results being achieved with students. The study would assist the Department of Education in tying together efforts (collection of data, managing this information, planning and design work, and evaluation). Would require new money or a provision from the legislature enabling the Department to take it out of another area (Student Instruction Support program). Program would allow standards to be set and districts would be evaluated against these standards. Would be a way of planning on a statewide basis not possible through local school districts.

Polley-existing standardized tests do not allow teachers to derive any conclusion (merely separates people on a curve) but Criterion Reference testing would tell what specific skills are necessary to achieve the intended result, where specifically the student is lacking, and would provide prescriptive support for corrective action.

Rep. Parr-didn't Right to Read project do this?

Polley-program was much too vulnerable; depended too much on the individual skills of the teacher. Program would include the necessary support system (materials and instructions to teachers, etc.). Can only provide this assistance; districts would decide if they should use it. Felt it would be beneficial to discuss the program with superintendents when they are in Juneau next week to get their views.

Rep. Swanson-it would add to the bureaucracy, instead of doing what Chapter 124 intended; to have the Regional Education Attendance Area Board Members make the decisions on standards and then do what has to be done to meet them.

Polley-outlined the technological communications proposed. Said they felt the methods would be faster and more dependable (than mail service) and would cut down on much of the paper work now required resulting in lower expenses. Also much can be accomplished through computer based instruction, one way and two way audio, tapping into satellites, etc. which can not otherwise be offered. A pilot program is the only way to see if these methods will work.

Rep. Hackney-opposed the cost of the study over the period of time proposed. Asked why they couldn't have the pilot program where hardware now exists.

Polley-explained why they had selected the villages they had for the pilot program; low cost and an area where the need is great, for meaningful evaluation (Skagway, Angoon & Kake).

Mr.Lind -not imposing something new or creating an additional layer of bureaucracy on the school districts and not adding new people to the Department of Education, but instead an attempt of looking for better ways to use the funds now allocated for education and to better utilize the dollars going into the hardware (earth station and satellite) regardless of what is done in education. Will get better return on money being put out now. Individual districts can not accomplish the same because of lack of funds, etc. Students in larger communities have an advantage over smaller villages; would help equalize educational capabilities. The proposed program is a vehicle to enable the Department and the Legislature to do planning and evaluating on those things they feel are significant.

Rep. Osterback- supports program because of what it can do in the villages (thru telecommunications, etc.) to bring in new material on a regular basis.

The Committee agreed they should view the videotape the Department of Education had put together with the Telecommunications Office and should talk with the superintendents to get their views on the bill.

Mr.Lind-asked the Committee to ask the superintendents their views on SB 203 am as well.

There being no objection, HB 245 was ordered held in abeyance until a later date.

Chairman Parr adjourned the meeting at 4:30 pm.

Introduced: 2/26/75  
Referred: Health, Education  
and Social Services

1 IN THE SENATE

BY HOHMAN

2 SENATE BILL NO. 203 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to school attendance."

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

8 \* Section 1. AS 14.30.010(b) is amended by adding a new paragraph to  
9 read:

10 (10) is equally well-served by an educational experience  
11 approved by the school board as serving his educational interests despite  
12 an absence from school, the request for excuse is made in writing by  
13 his parents or guardian, and approved by the principal or administrator  
14 of the school he attends.  
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# COMMITTEE REPORT

## HOUSE

1/19/76

HESS

Mr. Speaker:

Date \_\_\_\_\_

The Committee on Select Comm. on Ed. has had SB 203 am

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

Introduced: 2/26/75  
Referred: Health, Education  
and Social Services

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POSITION PAPER

SB # 203

SB #203 "relating to school attendance."

BACKGROUND

Practices and policies concerning student excused and unexcused absences from compulsory school attendance varies widely among districts.

WHAT THE PROPOSED LEGISLATION WOULD DO

The proposed legislation would add an additional exemption to the compulsory school statute, and would codify what is currently practiced by the districts through school board policies or administration rules and regulations.

AGENCY COMMENT

Is it necessary to place this provision in statute?

AGENCY POSITION

No recommendation.

Chapter 30. Pupils.Article

1. Compulsory Education (Sec. 14.30.010--14.30.050)
2. Physical Examinations (Sec. 14.30.065--14.30.125)
3. Education for Exceptional Children (Sec. 14.30.180--14.30.350)

Article 1. Compulsory Education.Section

10. When attendance compulsory
20. Violation
30. Report of violations and procedures

Section

45. Grounds for suspension or denial of admission
47. Admission or readmission, when cause no longer exists
50. Truant officers

Sec. 14.30.010. When attendance compulsory. (a) Every child between seven and 16 years of age shall attend school at the public school in the district in which the child resides during each school term. Every parent, guardian or other person having the responsibility for or control of a child between seven and 16 years of age shall insure that the child is not absent from attendance.

(b) This section does not apply if a child

(1) is provided an academic education comparable to that offered by the public schools in the area, either by attendance at a private school in which the teachers are certificated according to AS 14.20.020 or by tutoring by personnel certificated according to AS 14.20.020;

(2) attends a school operated by the federal government;

(3) has a physical or mental condition which a competent medical authority determines will make attendance impractical;

(4) is in the custody of a court or law enforcement authorities;

(5) is temporarily ill or injured;

(6) has been suspended or denied admittance according to sec. 45 of this chapter;

(7) resides more than two miles from either a public school or a route on which transportation is provided by the school authorities, except that this subsection does not apply if the pupil resides within two miles of a federal or private school which he is eligible and able to attend;

(8) is excused in writing signed by a majority of the members of the school board of a district, or by the director of state-operated schools for a child in such a school, or

(9) has completed the 12th grade.

(10) is enrolled in a full-time program of correspondence study approved by the department; in those school districts providing an approved correspondence study program, a student may be enrolled either in the district correspondence program or in the centralized correspondence study program.

(Sec 37-7-1 ACLA 1949; am Sec 10 ch 98 SLA 1966; am Sec 5 ch 71 SLA 1972; am Sec 5 ch 190 SLA 1975)

SELECT COMMITTEE ON EDUCATION

SB 203 am

Senator Hohman:

Why do you think Sec. 14.30.010 does not have adequate provisions for excused absences from school?

Could you give us some specific examples which could substantiate the need for this legislation.

SCOMM

#3:3



Pouch V  
JUNEAU ALASKA  
99811

Alaska State Legislature  
House

SELECT COMMITTEE ON EDUCATION

(907) 465-4951  
or  
(907) 465-3729

One hearing by SCOPE  
Stayed in House HESS  
for action (was hold  
over from previous  
session).



Pouch V  
JUNEAU ALASKA  
99811

# Alaska State Legislature

## House

SELECT COMMITTEE ON EDUCATION

February 3, 1976

(907) 465-4951  
or  
(907) 465-3729

### MINUTES

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Hackney Osterback  
Ostrosky Swanson

Absent: Wallis Sullivan  
Beirne

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Rep. Swanson made a motion, asking for unanimous consent, that the bill be laid on the table. So ordered.

HB 245-Evaluation & planning in the Department of Education-HESS

Mr.Lind -will be a videotape available in a week having to do with the satellite effort being planned as well as other phases of the proposed program. An assessment program is being worked on in the critical areas of math and reading which will also serve as an assist to the teachers in diagnosing problems in specific areas. Are also looking at high school graduation requirements and evaluating results being achieved with students. The study would assist the Department of Education in tying together efforts (collection of data, managing this information, planning and design work, and evaluation). Would require new money or a provision from the legislature enabling the Department to take it out of another area (Student Instruction Support program). Program would allow standards to be set and districts would be evaluated against these standards. Would be a way of planning on a statewide basis not possible through local school districts.

Polley-existing standardized tests do not allow teachers to derive any conclusion (merely separates people on a curve) but Criterion Reference testing would tell what specific skills are necessary to achieve the intended result, where specifically the student is lacking, and would provide prescriptive support for corrective action.

Rep. Parr-didn't Right to Read project do this?

Polley-program was much to vulnerable; depended too much on the individual skills of the teacher. Program would include the necessary support system (materials and instructions to teachers, etc.). Can only provide this assistance; districts would decide if they should use it. Felt it would be beneficial to discuss the program with superintendents when they are in Juneau next week to get their views.

Rep. Swanson-it would add to the bureaucracy, instead of doing what Chapter 124 intended; to have the Regional Education Attendance Area Board Members make the decisions on standards and then do what has to be done to meet them.

Polley-outlined the technological communications proposed. Said they felt the methods would be faster and more dependable (than mail service) and would cut down on much of the paper work now required resulting in lower expenses. Also much can be accomplished through computer based instruction, one way and two way audio, tapping into satellites, etc. which can not otherwise be offered. A pilot program is the only way to see if these methods will work.

Rep. Hackney-opposed the cost of the study over the period of time proposed. Asked why they couldn't have the pilot program where hardware now exists.

Polley-explained why they had selected the villages they had for the pilot program; low cost and an area where the need is great, for meaningful evaluation (Skagway, Angoon & Kake).

Mr.Lind -not imposing something new or creating an additional layer of bureaucracy on the school districts and not adding new people to the Department of Education, but instead an attempt of looking for better ways to use the funds now allocated for education and to better utilize the dollars going into the hardware (earth station and satellite) regardless of what is done in education. Will get better return on money being put out now. Individual districts can not accomplish the same because of lack of funds, etc. Students in larger communities have an advantage over smaller villages; would help equalize educational capabilities. The proposed program is a vehicle to enable the Department and the Legislature to do planning and evaluating on those things they feel are significant.

Rep. Osterback- supports program because of what it can do in the villages (thru telecommunications, etc.) to bring in new material on a regular basis.

The Committee agreed they should view the videotape the Department of Education had put together with the Telecommunications Office and should talk with the superintendents to get their views on the bill.

Mr.Lind-asked the Committee to ask the superintendents their views on SB 203 am as well.

There being no objection, HB 245 was ordered held in abeyance until a later date.

Chairman Parr adjourned the meeting at 4:30 pm.

Introduced: 3/3/75  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 HOUSE BILL NO. 245

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to evaluation and planning in the  
7 Department of Education."

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

9 \* Section 1. AS 14.07 is amended by adding a new section to read:

10 Sec. 14.07.025. EVALUATION AND PLANNING. The department shall  
11 conduct studies to evaluate the quality of education available in the  
12 public schools and to plan methods for the improvement of public school  
13 education in the state. One-fourth of one per cent of the annual budget  
14 of the department shall be used to conduct the studies, and the commis-  
15 sioner shall annually report the results of the studies to the legisla-  
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#

DEPARTMENT OF EDUCATION

AGENCY COMMENTS

HB 245

BACKGROUND

Under AS 14.07.020, Duties of the Department of Education, the Department is directed to "study the conditions and needs of the public schools of the state and adopt or recommend plans for the improvement of education". However, until the advent of significant federal funding for state departments of education in the late 1960's, the Department had no internal planning and research capabilities through which it could fulfill this duty.

In the early years of the Research and Planning Section of the Department, funding for personnel and auxiliary services directed toward research and planning activities was totally supplied from federal sources. As late as Fiscal Year 1972, the budget of the section, which totalled \$302.4, was primarily federally-funded, with only \$23.4 of the total supplied from state funds.

Since FY 72, the state's share of the resources allocated to educational planning and research has steadily increased, until, in the FY 75 budget of \$352,200, total, \$208,960 is general fund. Of the general fund contribution, however, \$200,000 was earmarked for a special research and planning project in statewide student skill level assessment.

DISCUSSION

Over the past five years, several movements on both the national and state level have had considerable impact on the direction of the Department of Education. The nationwide thrust for educational accountability -- that is, accountability by professional educators for the results of educational programs -- puts tremendous pressure on the state departments of education both to describe the present status of their educational programs, and to develop plans to move education from where it is to where it should be, in terms of results. The Department's student assessment program addresses the first need, that is, the need to get an accurate description, in terms of student achievement, of the present educational program. The second charge, to design educational programs which achieve or approximate the results desired by the state for its citizens, has not yet been fully addressed in Alaska. Nor will significant steps be taken to improve educational programs until the planning and development functions are recognized and sufficient resources allocated to such functions.

Statewide, the creation of the new rural districts, expanded secondary programs, continuing education for adults, and educational uses of an operational satellite system are areas which require careful analysis and planning if the solutions to

these problems are to be more successful than present practice. Again, within the limits of the present DOE budget for research and planning, such planning and analysis cannot occur on an organized and effective basis.

The strategy outlined in HB 245 appears a reasonable approach to the problem of inadequate resources. It follows a commonly accepted practice in private industry, that of expending a stable percentage of the agency's total operating resources on research, planning and development functions directed toward product improvement.

ACTIVITYESTIMATED COST

## 1. Data

Work would commence immediately on the design and implementation of a basic minimal data support system to be used for management and instruction.

- |  |           |
|--|-----------|
| a. Design and pilot the initial software for the date-processing of state and district reporting.  | \$ 55,000 |
| b. Establish a technological communication link between the Department and 3 small districts. Prepare a carefully designed research project on the cost-benefits of computer based instruction | \$ 86,000 |

## 2. Planning and Design

Under the description of Statewide Instructional Support Systems (SISS) there are various sub-systems requiring careful and thorough design. It is felt that it is critically important to insure that the sub-systems are integrated in cost-conscious and mutually supportive manner.

The major sub-systems requiring extensive design work are:

- |  |             |
|--|-------------|
| (a. Student Assessment *   | \$ 180,000) |
| b. Regional Resource Centers   | 40,000      |
| c. Satellite Telecommunications and educational technology               | 200,000     |
| d. Staff training and evaluation (through the staff development center). | 15,000      |

## 3. Evaluation

Funds will be used to disseminate information and train district staff on state guidelines for the evaluation of educational programs

25,000

\* The funds for student assessment are appropriated as a separate identifiable program.

## 4. Research and Reporting

On the basis of existent requests, funds are urgently needed for the gathering and analysis of information and the subsequent technical and informational reporting of same

\$ 37,000

Total 458.000

RECOMMENDATIONS

The agency recommends that HB 245 be passed as submitted, with the planning and development monies authorized being placed in the budget of the Office of the Commissioner and with reports on planning, research and development activities within the Department made annually to the Legislature.

Name: Ernest Polley

Title: Coordinator

Date: 3/3/76

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

REVISED

Second Session - Ninth Legislature

I. REQUEST

Bill No. H.B. #245  
 Title: "Relating to evaluation & planning in DOE"  
 Requested by: House Pass Date: 1/30/76  
 Return Date Requested: ASAP  
 Agency: Education Program: Pre-elementary & Secondary Ed.

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Executive Administration

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		434.0	477.4	525.1	577.6	635.4
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND		434.0	477.4	525.1	577.6	635.4
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

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

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

- (a) FY 77 DOE budget  $\$245,617.2 \times .025 = \$614.0$   
 (b) Less student assessment 180.0 (already included in DOE Executive Administration BRU).  
 $\$614.0 - 180.0 = \$434.0$
- Assume 100% growth in DOE budget in succeeding years.
- Assumption: That the program evaluation would be conducted on individual program basis which are short term in nature, thus not requiring additional personnel in the DOE. Existing personnel would coordinate and conduct long-range planning.

300 Contractual Services  
 380 Professional Services 434.0

IV. ATTACHMENTS

V. DATE: 2/3/74 PREPARED BY: William D. Thomas

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

SELECT COMMITTEE ON EDUCATION

HB 245

Could you explain what kind of "technological communication link between the Department and three small districts" is proposed (computers, T.V., radio, etc.)?

What are some of the specifics of the student assessment?  
Will they be a uniform test such as Iowa Basics, a student questionnaire, or etc?

In column C, Part 2, there is \$200,000 allocated for satellite telecommunications and educational technology. What kind of "extensive design work" do you have planned?

SCOMM

#3:4

Act relating to the functions of the Department of Revenue regarding monetary gifts to the University of Alaska; and providing for an effective date."

# COMMITTEE REPORT

HOUSE

1/30/76

FINANCE

Mr. Speaker:

Date 3-12-76

The Committee on SELECT COMMITTEE ON EDUCATION has had SB 518

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:

<u>Wm Jackson</u>	<u>DO PASS</u>	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

<u>Stephen Steady</u>	recommends:	<u>do not pass</u>
<u>Leslie ...</u>	recommends:	<u>do not pass unless amended</u>
<u>...</u>	recommends:	<u>...</u>
_____	recommends:	_____
_____	recommends:	_____

Chairman

Introduced: 1/15/76  
Referred: Finance

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

1 purpose of the fund, shall be held in trust.

2 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
3 10.070(c).

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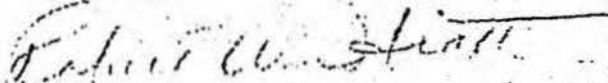
January 20, 1976

Ms. Fran Ulmer  
Legislative Assistant  
to the Governor  
State of Alaska  
Office of the Governor  
Juneau, Alaska 99801

Dear Ms. Ulmer:

The attached Fiscal Note is returned per your instructions. Thank you for keeping us informed of the progress of the drafted legislation regarding monetary gifts to the University. We support the proposed change to 14.40.280.

Sincerely,



Robert W. Hiatt  
President

RWH/mt

cc: Mr. V. Kent Dawson  
Division of Budget & Management

FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. To be assigned
Title: An act relating to the functions of the Department of Revenue, etc
Requested by: Governor Date:
Return Date Requested:
Agency: University of Alaska Program: Endowments and Donations

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Statewide Administration

A. EXPENDITURES: (Thousands of dollars)

Table with columns: OBJECT, FY 76, FY 77, FY 78, FY 79, FY 80, FY 81. Rows include: 100 PERSONAL SERVICES, 200 TRAVEL, 300 CONTRACTUAL, 400 COMMODITIES, 500 EQUIPMENT, 600 LAND & STRUCTURES, 700 GRANTS, CLAIMS, ETC., and TOTAL. A large handwritten 'NONE' is written across the expenditure rows.

B. FUNDING: (Thousands of dollars)

Table with columns for funding categories: GENERAL FUND, FEDERAL FUNDS, OTHER, and columns for fiscal years FY 76 through FY 81.

C. POSITIONS:

Table with columns for position types: PERMANENT/TEMPORARY, MAN MONTHS (P./T.), and columns for fiscal years FY 76 through FY 81.

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

IV. ATTACHMENTS

V. DATE: 20 January 1976 PREPARED BY:

M.M. Hullinger, Vice President for Finance and Comptroller

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

**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.						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**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  
 Budget and Management  
 Prime Sponsor (First Legislator Named)



UNIVERSITY OF ALASKA  
FAIRBANKS, ALASKA 99701

March 2, 1976

Representative Hugh Malone, Chairman  
House Finance Committee  
House of Representatives  
Pouch V  
Juneau, Alaska 99801

Dear Hugh:

Following a meeting in Juneau last week with the Finance Committee and Select Education Committee, Mr. Hullinger phoned me and stated that you and Mr. Parr wanted copies of the audit proposal and acceptance agreement.


I am enclosing for your information the following documents from our files:

April 18, 1972	Request for Audit Proposal
May 4, 1972	Ray Kohler and Company Proposal
May 18, 1972	Letter accepting proposal
May 5, 1975	Letter amending Kohler arrangement

Although the request for proposal carries the words "University of Alaska Bid No. 2015 " for identification, bid law, as we understand it, does not require actual "bids" for professional services. However, good practice involves giving prospective providers of service an opportunity to submit proposals. You will note that acceptance of the proposal was acted upon by the Board of Regents.

If there are other questions you have or additional information you require, please let me know. Mr. Hullinger is currently on leave but we will do our best to provide necessary information from his files.

Sincerely yours,

  
Don M. Dafoe  
Executive Vice President

DMF/mt

cc: Representative Charles Parr, Chairman ✓  
Select Committee on Education  
President Hiatt  
Regent Brundin

Enclosures

PLEASE REPLY BY AIRMAIL

April 18, 1972

University of Alaska  
Bid No. 2015

Gentlemen:

The University of Alaska desires to select an auditor for the purpose of examining the records and transactions of the University for fiscal year ended June 30, 1972, in accordance with generally accepted auditing standards prescribed by the American Institute of Certified Public Accountants and in conformity with the generally accepted principles of institutional accounting. The report of audit shall be transmitted to the University within 120 days of the end of its fiscal year.

The scope of the audit will include all transactions and areas of operation necessary to accomplish the report as included in the enclosed financial report of the University. In addition, the University is to receive a letter of comment outlining such matters as the auditor was not fully satisfied with and identify areas where improvement in operation or policy could be made.

If your firm elects to submit an audit proposal, you are invited to attend a pre-award conference to be held on April 26, 1972, at 2 p. m. in Room 101 of the Bunnell Building on the University of Alaska campus at Fairbanks for the purpose of obtaining all information deemed necessary to submit your formal audit proposal which must be received by this office on or before 2 p. m., May 9, 1972. Selection of auditor will be announced within 20 days following the date prescribed for submission of the formal audit proposal.

*the* A detailed price proposal will be in sufficient detail to indicate:  
The number of audit man days; the cost per man day; the total man day costs; travel costs; other costs, if any; and the total estimated cost for the entire proposal.

April 18, 1972

Page Two

The proposal must list recent accounts audited by your organization in Alaska, the experience of your company in auditing university accounts, the names of the auditors to be assigned to this account and their specific background in college and university auditing, and such other data that would assist in the review of your firm.

The proposals will be evaluated by the staff of the Vice President for Finance and Comptroller. The evaluation will include the review of the proposer's plans and associated costs and determine which proposal, if accepted, would be in the best interests of the University. The final award will be subject to approval of the Board of Regents of the University.

The term of this contract pertains to the 1972 fiscal year, but this contract may be renewed for subsequent audits by mutual agreement in writing of the parties hereto subject to approval in the same manner as this instrument. However, in no event will such renewal exceed a period of five years from the date of the original contract.

The University may accept within the time specified herein any proposal whether or not there are negotiations subsequent to its receipt. Any subsequent negotiation shall not constitute a rejection or counter offer on the part of the University.

The University reserves the right to reject any or all proposals and to waive informalities and minor irregularities in the proposals received. It is contemplated that an agreement will be awarded to that responsible offerer whose proposal will be most advantageous to the University. The right is reserved to accept other than the lowest proposal.

Award may be made by acceptance of the most favorable proposal received without further negotiation or bargaining. Initial proposals submitted in response to this solicitation should therefore be set forth in the most favorable terms that the offerer is willing to agree. An acceptance of proposal mailed to the successful offerer within the time for acceptance and upon the terms specified in the proposal shall be deemed to result in a binding agreement without further action by either party.

Payment to the successful firm will be made upon receipt of monthly invoices with the final payment to be rendered upon receipt of the reports and a final invoice for such services.

April 18, 1972  
Page Three

The auditor in being awarded this engagement is to be fully aware that the University has no obligation to engage the auditor for future work to implement any of the recommended changes in procedures and policies revealed during the course of the audit. In addition, there is no obligation on the part of the University to consider the firm for any other management or feasibility studies designed to improve the accounting, organizational or administrative procedures of the University.

Sincerely,

M. M. Hullinger  
Vice President for Finance  
and Comptroller

MMH/alh

Enclosure

RAY KOHLER & CO.  
CERTIFIED PUBLIC ACCOUNTANTS  
P. O. BOX 607  
FAIRBANKS, ALASKA 99707

May 4, 1972

M. M. Hullinger  
Vice-President for Finance  
and Comptroller  
University of Alaska  
College, Alaska 99701

Dear Mr. Hullinger:

The firm of Ray Kohler & Co., Certified Public Accountants, is pleased to present this proposal to examine the records of the University of Alaska for the fiscal year ending June 30, 1972. Our examination will be conducted in accordance with generally accepted auditing standards prescribed or accepted by the American Institute of Certified Public Accountants. The financial statements, upon which our report will be based, are to be prepared in accordance with generally accepted accounting principles applicable to state supported Universities. With respect to such principles, our firm considers "College and University Business Administration" to be the most authoritative literature available for the purpose of defining generally accepted accounting principles applicable to your organization.

In the conduct of the engagement we will utilize the services of Hickman & Kautzky, Certified Public Accountants, our correspondent firm with offices in Anchorage.

OUR APPROACH

It is the philosophy of our firm that an image of independence in the auditors you select is of primary importance in maintaining the confidence of the public and legislative bodies in the integrity of the institution. Since there is adequate expertise available in many firms to perform systems and other special engagements, we consider it unnecessary for our firm to extend services into areas which could adversely affect our image of independence. Accordingly, if selected as your auditors, you are advised that we would not extend services beyond the following functions:

- (1) The audit or "attest" function and related work thereto.
- (2) Assistance in preparing requests for proposals for special engagements, (if requested by you).
- (3) Assistance in evaluating proposals, (if requested by you).

With respect to our staffing, we have appended hereto the resumes of the key personnel who will be involved in the engagement. Set forth under our fee estimate below is the number of man days we expect each such individual to devote to the engagement, based on our estimate of total time involved.

In addition to our report on the financial statements of the University, addressed to the Board of Regents, we will issue a separate "Auditors' Observation Report" in narrative form, setting forth weaknesses in internal control, suggested changes in accounting procedures, and such other matters as we consider appropriate to comment on as a result of our observations during the examination. Such narrative report may be addressed to the chief financial officer of the University, the Board of Regents, or such other authority as may be designated by the University in its proposal acceptance.

As noted in the preceding paragraph, the implementation of any changes based on our observations is considered to be a responsibility of the University and we would not be available for services beyond that previously outlined.

#### OUR QUALIFICATIONS

The firm of Ray Kohler & Co. is the largest local independent public accounting firm in Interior Alaska. The senior member of our firm has been engaged in public accounting in the area since 1942. The three lead personnel we propose to assign to the engagement have a combined total of 47 years accounting and auditing experience. As indicated by their attached resumes, they bring to bear on this engagement significant experience with colleges and universities both within and without the State of Alaska. In addition to these individuals, who will complete the major portion of the engagement, two assistants will be assigned as required. The assistants assigned will have previously completed at least three years as public accountants.

#### TIMING

We have prepared time estimates for the examination and have scheduled assigned individuals for task performance within the 120 day time constraint imposed by you. We will accept responsibility for having the designated individuals available during the time frame and for completion of the assigned tasks within the estimates we have provided. Assuming the University can provide account analyses or reconciliations and the required supplementary schedules within the time frames established by us, our report will be available to the printer on or before October 23, 1972. To assist in monitoring our mutual progress, we would propose the following joint monitoring devices:

- July 6, 1972 - A written progress report by us, presented in conference, reporting on progress to date and anticipated problem areas. Your comments may be verbal or written.
- August 24, 1972 - A written progress report by us, presented in conference, reporting on progress to date. At this time a list of all unreconciled accounts and incomplete schedules will be presented and responsibility for reconciliation and completion within a 30-day period assigned.
- October 2, 1972 - A written report by us, presented in conference, reviewing progress to date and timing of delivery of report to printer, review of brown line and report signing.

OUR FEE

We have reviewed the current status of the University accounting records, evaluated the degree of assistance which we can reasonably expect from your staff (assuming no key personnel changes) and estimate the number of audit man days to be 160 to 175. The number of man days we would assign to the personnel involved in the engagement is as follows:

R. P. Kautzky, resume attached	10
Bill B. Hickman, resume attached	45
Jean B. Schmitt, resume attached	45
Assistant accountants (2), resumes provided upon request	<u>60 - 75</u>
Total estimated man days	<u>160 -175</u>
Cost per man day	<u>\$ 190.00</u>
Estimated engagement cost	<u>\$30,400.00 to \$33,250.00</u>

We assume that the University will provide postage for confirmations, clerical assistance in report and confirmation typing and the costs of report printing. Other costs such as travel, supplies, and our internal operating costs will not be added to the engagement cost. Therefore the engagement cost arrived at by multiplying estimated man days by our charge per man day is to be considered the total estimated cost for the engagement.

M. M. Hullinger

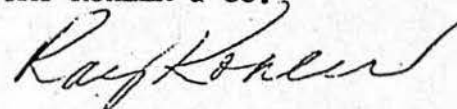
Page 4.

\* \* \* \* \*

We are pleased to present the above information for your consideration and thank you for the opportunity to do so. If you have any questions or further inquiries regarding our proposal, we welcome the opportunity to discuss them with you.

Very truly yours,

RAY KOHLER & CO.



Ray Kohler, Partner

gms

RESUME OF R. P. KAUTZKY

Experience

Mr. Kautzky has been in public and private accounting since 1946. From 1962 through 1971 he was employed by the Anchorage office of an international accounting firm. Duties with that firm have included:

Overhead cost study for Alaska Methodist University.

Manager in charge of management consulting activities for both private and governmental bodies.

Review of the Alaska Tax Structure for the State of Alaska.

Auditing and/or consulting engagements for:

The City of Seward

The City of Anchorage

The City of Kodiak

Greater Anchorage Area Borough and School District

The City of Fairbanks

Fairbanks North Star Borough and School District

Greater Ketchikan Borough

City of Nome

City of Cordova

Professional

Mr. Kautzky is a member of the American Institute of Certified Public Accountants and also serves as a Representative of the State of Alaska to the governing Council of that organization. He is President of Alaska Society of Certified Public Accountants.

RESUME OF BILL B. HICKMAN

Education

Mr. Hickman is a graduate of the University of Oklahoma with a major in Accounting and a minor in Business Law.

Experience

Mr. Hickman qualified as a Certified Public Accountant in 1959, at which time he was employed by a local public accounting firm in Oklahoma. In 1962 Mr. Hickman joined an international public accounting firm outside and transferred to Alaska with that firm during 1967. Effective January 1, 1972, Mr. Hickman joined R. P. Kautzky, Certified Public Accountant, to form the partnership of Hickman & Kautzky.

General governmental accounting experience of Mr. Hickman has included:

Auditor-in-charge	- - -	City of Anadarko, Oklahoma
	- - -	City of Lindsay, Oklahoma
Engagement manager	- - -	City of Anchorage, Alaska
Engagement manager	- - -	Greater Anchorage Area Borough and School District

Specific College and University auditing experience includes:

Engagement supervisor	- - -	Central State College (Oklahoma) enrollment approximately 8,000
Engagement supervisor	- - -	Alaska Methodist University (1967-68 and 1968-69 fiscal years)
Engagement manager	- - -	University of Alaska

Professional

Mr. Hickman is a member of the American Institute of Certified Public Accountants and the Alaska Society of Certified Public Accountants. He is a past member of the Insurance Accounting and Statistical Association and Systems and Procedures Association. He has served as a speaker at the annual meeting of the Oklahoma Society of C.P.A.'s and as an instructor of their professional development courses. Mr. Hickman recently participated as a panelist on Phase II at a meeting of the Alaska Society of Certified Public Accountants.



May 18, 1972

Ray Kohler & Co.  
P. O. Box 607  
Fairbanks, Alaska 99701

Dear Mr. Kohler:

The proposal to examine the University records as submitted by your firm and in accordance with University of Alaska bid No. 2015 has been accepted by the Board of Regents.

The arrangements for the conduct of the audit engagement will be worked out with Mr. A. B. Frol, Associate Comptroller, by June 1, 1972.

We appreciate your submitting a proposal for the examination of the University records and look forward to working with the members of your firm.

Sincerely,

M. M. Hullinger  
Vice President for Finance  
and Comptroller

MMH/alh  
cc: Mr. A. B. Frol

RAY KOHLER & CO.  
CERTIFIED PUBLIC ACCOUNTANTS  
P. O. BOX 507  
FAIRBANKS, ALASKA 99707

May 5, 1975

M. M. Hullinger  
Vice President for Finance and Comptroller  
University of Alaska  
Fairbanks, Alaska 99701

Dear Mr. Hullinger:

In accordance with our previous discussions, this letter is to present our proposal for a fee adjustment on our audit contract with the University.

As you know, our original proposal was at \$190 per man day without any charge to the University for travel, housing or per diem. This is the fee arrangement that has been in effect for the past three years. During this period we have all experienced sharply increased costs, particularly in personnel costs. We feel that we cannot continue to meet the increased personnel costs and other charges at our three-year old rate. We hereby request an increase to \$228 per man day. This proposed rate represents a 20% increase, an amount which we feel is less than the general inflation factor we have experienced in the same period. We would continue to pay other costs such as travel and per diem.

However, because of the uncertainties concerning costs and availability of desirable housing in Fairbanks, we request assistance from the University in this area. ~~We propose that we will pay the first \$1,000 of our housing costs. If they should exceed that amount, we consider reimbursement by the University for 50% of that excess to be an equitable arrangement. In addition, University assistance in arranging suitable housing will be appreciated on campus.~~ *Must*

Your favorable consideration will be appreciated. If you agree to the above proposal please sign in the space provided below and return one copy to us.

Very truly yours,

RAY KOHLER & CO.

*Jean B Schmitt*  
Jean B. Schmitt, Partner

The above proposal is accepted

*M. M. Hullinger*  
\_\_\_\_\_

gmf  
enc.

*5/20 Copy to Frae*

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 99811

February 3, 1976

Honorable Charles Parr  
Chairman  
Select Committee on Education  
Alaska State Legislature  
State Capitol Building  
Juneau, AK 99811

Re: Senate Bill No. 518

Dear Mr. Parr:

Senate Bill No. 518, an Act relating to the functions of the Department of Revenue regarding monetary gifts to the University of Alaska was introduced in the House on January 29, 1976 and was referred to the House Select Committee on Education and the House Finance Committee.

For the consideration of the House Select Committee on Education, I am enclosing a copy of a fiscal note prepared by Lawrence Eppenbach, Deputy Commissioner, Department of Revenue on the proposed legislation along with copies of a letter dated February 2, 1976 from Mr. Eppenbach to the Honorable Frank Ferguson, Member, Senate Finance Committee and a letter dated November 6, 1975 from Mr. Eppenbach to the Honorable Edward F. Naughton, Chairman, Legislative Budget and Audit Committee concerning the proposed legislation.

If you or any members of the House Select Committee on Education have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Eppenbach to submit further material or testify at a hearing.

Very truly yours,



R. D. Stevenson  
Special Assistant

cc: The Honorable Hugh Malone  
Chairman  
House Finance Committee

Lawrence C. Eppenbach  
Deputy Commissioner, Treasury  
Department of Revenue

# 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

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

File w/ Bill  
JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 99811

February 3, 1976

Honorable Charles Parr  
Chairman  
Select Committee on Education  
Alaska State Legislature  
State Capitol Building  
Juneau, AK 99811

Re: Senate Bill No. 518

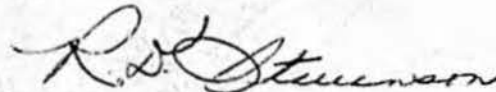
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For the consideration of the House Select Committee on Education, I am enclosing a copy of a fiscal note prepared by Lawrence Eppenbach, Deputy Commissioner, Department of Revenue on the proposed legislation along with copies of a letter dated February 2, 1976 from Mr. Eppenbach to the Honorable Frank Ferguson, Member, Senate Finance Committee and a letter dated November 6, 1975 from Mr. Eppenbach to the Honorable Edward F. Naughton, Chairman, Legislative Budget and Audit Committee concerning the proposed legislation.

If you or any members of the House Select Committee on Education have any questions on the material submitted, please telephone the writer at 465-2397 and I will contact Mr. Eppenbach to submit further material or testify at a hearing.

Very truly yours,



R. D. Stevenson  
Special Assistant

cc: The Honorable Hugh Malone  
Chairman  
House Finance Committee

Lawrence C. Eppenbach  
Deputy Commissioner, Treasury  
Department of Revenue

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

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.

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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:

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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 Derieux
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 Kruckenberg
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
		Dental Assisting Program
		Mr. Larry Howland, Director
		ITT Arctic Services, Inc.

Introduced: 1/15/76  
Referred: Finance

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