

158

HCRA

SB 120

-

SB 127

CSSB 120

# TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

1975 MAR 18 AM 1 58

02117 NL ANCHORAGE ALASKA 50 03-17 1040P ADT

PMS REP SAM COTTON

**1602**

JUN

DEAR REPRESENTATIVE COTTON THE REVENUE SHARING APPROACH TO A  
DAY CARE SUBSIDY WILL NOT WORK. THERE IS NO TAX BASE IN THE  
BUSH BASED ON A PER CAPITAL DISTRIBUTION SMALL VILLAGES WOULD  
NOT GET ENOUGH TO MEET NEED PLEASE SUPPORT CSSB120AM IN  
COMMITTEE AND OUT ON THE FLOOR

ELAINE HULTENGREN CHAIRPERSON HUMAN RESOURCE COMMITTEE

ANCHORAGE LEAGUE OF WOMAN VOTERS PO BOX 377 99510

SB120

# TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

1975 MAR 18 AM 1 48

02108 POM ANCHORAGE ALASKA 15 03-17 944P ADT

PMS REP SAM COTTON

1598

JUN

THINK OF CHILDREN MOVE COMMITTEE SUBSTITUTE SB120 OUT OF

COMMITTEE

UNA TUCK 1822 CINDYLEE LANE 99507

CSSB120

# TELEGRAM

BCA ALASKA COMMUNICATIONS, INC.  
PHONE: 586-6440  
JUNEAU, ALASKA 99801

1975 MAR 18 AM 1 47

02106 POM ANCHORAGE ALASKA 15 03-17 916P ADT

PMS REP SAM COTTON

JUN

PLEASE GET CSSB120AM TO THE FLOOR WITH A DO PASS

IMMEDIATELY

HEATHER FLYNN HUMAN RESOURCES CHAIRPERSON LEGAUE OF

WOMAN VOTERS OF ALASKA 918 R ST 99501

# TELEGRAM

**MCA ALASKA COMMUNICATIONS, INC.**

**PHONE: 586-6440**

**JUNEAU, ALASKA 99801**

#

02021 POM ANCHORAGE ALASKA 15 03-26 1155P ADT

PMS REP SAM COTTON

JUN

2934

URGE YOUR SUPPORT VITALLY NEEDED

CSSB120

JEAN STASSEL 911 R ST 99501

975 MAR 27 AM 4 06

1975 MAR 25 PM 10 49

TELEGRAM

AGA ALASKA COMMUNICATIONS, INC.

PHONE 846-6140

TUNELAG, ALASKA 99601

3227 NL ANCHORAGE ALASKA 50 03-25 730P ADT

PMS REP SAM COTTON

2652

JUN

URGE YOUR IMMEDIATE DO PASS OUT OF COMMITTEE ON CSSB120.

REVENUE SHARING IS NOT WORKABLE FOR DAYCARE AS IT WOULD

DELUTE THE DOLLARS AVAILABLE AND WOULD NOT PROVIDE THE

IMPORTANT LICENSING STANDARDS. AFTER DAYCARE NEEDS ARE

ASSESSED AND THE PROGRAM IS ESTABLISHED AND WORKING, REVENUE

SHARING MAY BECOME FEASIBLE

SUSAN CONNOLLY CHAIRPERSON DAYCARE COMMITTEE THE GOVERNORS

ADVISORY BOARD TO THE DF AND CS BOX 1032 ANCHORAGE 99510

March 31, 1975

Dear

The day care legislation being considered in this Committee has, I feel, been looked upon favorably. There is no real delay except that we now have all the pending bills and can look at them collectively. I expect the day care package to pass out of this Committee early in the week of March 31,

Thank you for writing and showing your interest in some very important action this body is about to undertake.

Sincerely,

Sam R. Cotten

SRC:asg

March 31, 1975

Dear

The day care legislation being considered in this Committee has, I feel, been looked upon favorably. There is no real delay except that we now have all the pending bills and can look at them collectively. I expect the day care package to pass out of this Committee early in the week of March 31,

Thank you for writing and showing your interest in some very important action this body is about to undertake.

Sincerely,

Sam R. Cotten

SRC:asg

Thank  
the week of March 31.



SB 120

# UNIVERSITY OF ALASKA

SOUTHCENTRAL REGION  
2651 PROVIDENCE AVENUE  
ANCHORAGE, ALASKA 99504

March 4, 1975

Senator Bill Ray  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99801

Senator Ray:

We the undersigned, student/parents attending the University of Alaska, Anchorage and currently using the USUAA Student's Child Care Service, STRONGLY support Senate Bill No. 120. We believe this bill is to our benefit and applaud the recognition for more child care facilities and financing.

NAME	ADDRESS
<i>Hilda Anstetter</i>	<i>ERA 572-X Anchorage 99507</i>
<i>Paul &amp; Lee</i>	<i>1836 Thunderbird Rd Anchorage 99504</i>
<i>Susan Rhodes</i>	<i>1419 Turpin Rd. Anchorage 99504</i>
<i>Rexetta Simons</i>	<i>1932 Bartlett Dr. Anchorage 99507</i>
<i>Judy Libby Propst</i>	<i>3840 Patricia Lane 99504</i>
<i>Karen Lokon</i>	<i>3209 Denali St 99502</i>
<i>Angel Olson</i>	<i>700 W 53rd Apt 1 99503</i>
<i>Lori Brown</i>	<i>1275 E 9 #1082 99501</i>
<i>Judy Lee</i>	<i>2330 Homestead Ct 99507</i>
<i>Hughary Nilsson</i>	<i>99504</i>
<i>Mandy Peterson</i>	<i>5645 Gatzke Dr 99504</i>
<i>Lili Fredrickson</i>	<i>2324 Glacier St. 99503</i>
<i>Arthur Phalen</i>	<i>3511 W. 31st 99503</i>

PLEASE REPLY BY AIRMAIL

*R*



# UNIVERSITY OF ALASKA

SOUTHCENTRAL REGION  
2651 PROVIDENCE AVENUE  
ANCHORAGE, ALASKA 99504

Continued

Page 2

NAME	ADDRESS
Maxine Farrell	625 C Street Anch. 99501
Katherine A. Johnson	4300 Arctic Blvd. S859 Anch. AK. 99502
Clarence Tolero	3155 E. 19th Ct. Anch. - 99504
Hilda Roberts	1401 Rich Vista apt #129 Bldg #6 99501
Valerie Lemieux	30-341 1/2 Cherry Dr. Elmendorf AFB 99506
Kathy Sings	537 E. 15th Street #4 Anchorage, Ak 99501
Joe Sheldon	1275 E 9th #1080 Anchorage Ak
Mrs Marnie Tiffany	303 E. 9th Ave. Anchorage, AK. 99501
Jack Schoppert	Box 481; Anch. 99510
Diana Rutter	2434 Ingra 99524
Condor Sutton	PO Box 76 Eagle River
John Lipscomb	402 1/2 Mumford

# League of Women Voters of Alaska

21 March, 1975

Representative Sam Cotton, Chairman  
House Community and Regional Affairs Committee  
Pouch V, State Capitol  
Juneau, Alaska 99801

re: CSSB 120am - Day Care Subsidy

Dear Representative Cotton:

We assume you have received the League's telegram regarding the day care subsidy bill and have been fully informed of our position by our lobby corps.

However, in a recent conversation with Elaine Hultengren, a member of the Governor's Advisory Commission to the Division of Family and Children's Services, she indicated that in a joint meeting of your committee and that of House Health and Social Services, you asked why a day care care subsidy should not be handled by revenue sharing, and gave the impression to those in attendance that your committee would recommend just that. No one in attendance, including Elaine, was prepared to respond to you question fully at that time. The purpose of my letter is to indicate League's opposition to revenue sharing for the purpose of day care.

One must look carefully at the original philosophy and design of revenue sharing, both at the federal and state levels. While the idea of returning revenue to those areas which pay heavy taxes is a noble one, it is now, and perhaps always will be, eminently unfair to not only the rural areas of the state, but even the smaller cities. Here in Anchorage, schools, public safety, fire protection, water and sewer systems, and all manner of other services is largely supported by the local tax base, which, as you know, is substantial both in residential and commercial property. Where is the tax base in rural Alaska? All too often it is simply nonexistent.

If I were concerned only with my own personal need, I might favor a revenue sharing approach, not only to day care, but virtually every service provided by government. However, the League of Women Voters of Alaska is concerned with the needs of all Alaskans and realizes that many services do not now lend themselves to the revenue sharing approach. Practically speaking, revenue sharing would force the allocated dollars to be spread so thinly that it is doubtful anyone would benefit except possibly Anchorage.

We have recommended that the Department of Community and Regional Affairs administer the day care subsidy program because, having the responsibility of disbursing pipeline impact funds, they are probably more closely attuned to the needs of the entire state. Which department, for example is better able to coordinate the needs of Emmonak, where a large portion of those persons who would otherwise work the canneries in the summer, will be working on rural housing construction this summer and next, thereby forcing many mothers of young children into the cannery work force and creating a need for seasonal day care.

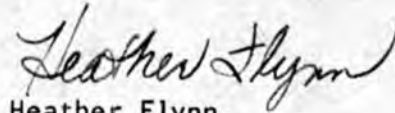
Mr. Cotton  
page 2

We hope you will carefully rethink the whole subject of revenue sharing. In a time when the State of Alaska is experiencing a severe fiscal pinch, "them that gots...gets" is a poor philosophy of meeting the needs of all Alaskans.

Thank you for your consideration of CSSB 120 am. We hope to see it on the floor and passed very soon.

Very truly yours,

LEAGUE OF WOMEN VOTERS OF ALASKA



Heather Flynn,  
Human Resources Chairperson

C: Rep. Susan Sullivan  
Sen. Bill Ray  
Rep. Hugh Malone

CSSB 120

# TELEGRAM

HCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

UNEAU ALASKA 99801

1975 APR 14 PM 10 59

02061 NL ANCHORAGE ALASKA 50 04-14 522P ADT

PMS REP SAM COTTON

**1321**

JUN

ACCORDING TO YOUR LETTER DATED MARCH 31 1975 THE DAY  
CARE PACKAGE WAS TO PASS OUT OF YOUR COMMITTEE BY THE END  
OF THE WEEK OF MARCH 31. IT IS MY UNDERSTANDING THAT  
CSSB:20-121 ARE YET TO BE APPROVED BY YOUR COMMITTEE.  
IT IS NOW APRIL 14 1975. WHAT HAPPENED?

ELAINE HULTENGIEN JEFFERSON HUMAN RESOURCES COMMITTEE

ANCHORAGE LEAGUE OF WOMEN VOTERS BOX 377

# Alaska State Legislature

REPRESENTATIVE  
SAM R. COTTEN  
P.O. BOX 205  
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811



CHAIRMAN  
COMMUNITY & REGIONAL  
AFFAIRS COMMITTEE

MEMBER  
JUDICIARY COMMITTEE

## House of Representatives

April 16, 1975

Elaine Hultengren  
Box 377  
Anchorage, Alaska 99501

Dear Elaine:

Regarding your telegram of April 14, CSSB 120am and SB 121 were passed out of the Community and Regional Affairs Committee on April 1. The bills were passed out with individual recommendations, with three do passes: Kathryn Ostrosky, Al Ose and myself. I don't know where you got your information concerning the status of these bills, but sometimes sources are not as accurate as they could be.

As of today these two bills are in the House Finance Committee and are tentatively scheduled for a hearing this Saturday. May I suggest that you address any further correspondence concerning this to Hugh Malone, Chairman of that committee.

Sincerely,

A handwritten signature in cursive script that reads "Sam".

Sam R. Cotten

SC/AG

# TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

1975 MAY 13 AM 2 33

02119 NL ANCHORAGE ALASKA 53 05-12 829P ADT

PMS REP SAM COTTON

JUN **1106**

I WISH TO APOLOGIZE FOR MY TELEGRAM DATED APRIL 24 1975

REGARDING SFFS120 AND 121. AGAIN, I DID INDEED HAVE MY INFORMATION

BACKWARDS. NEXT TIME I WILL CERTAINLY DOUBLE CHECK THE STATUS  
BEFORE RESPONDING. I DO APPRECIATE YOUR SUPPORT FOR THOSE TWO  
BILLS AND THE COMMITTEES SWIFT RESPONSE TO ACTING ON THEM  
ELAINE HILTENGREN

Alaska State Legislature

Day Care  
SB 120

REPRESENTATIVE  
SAM R. COTTEN  
P.O. BOX 298  
EAGLE RIVER, ALASKA 99577



CHAIRMAN  
COMMUNITY & REGIONAL  
AFFAIRS COMMITTEE

MEMBER  
JUDICIARY COMMITTEE

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99511

House of Representatives

February 18, 1975

Sandra H. Larson  
Center Director  
Chugiak Children's Services  
P.O. Box 233  
Chugiak, Alaska 99567

Dear Sandra:

Thank you for your letter. I too support SB 120 and can report progress on this measure. Today, February 18, the Senate Committee on Community and Regional Affairs amended and passed this bill out to the Finance Committee. Further progress is, of course, dependent upon their action.

I agree that further legislation must be considered, however we all feel that this is a positive step in the right direction.

Your center provides a needed service for our community and again I appreciate your interest and thank you for your letter.

Sincerely,

A handwritten signature in cursive script that reads "Sam".

Sam R. Cotten

SW:ag  
Enclosure SB120am

# CHUGIAK CHILDREN'S SERVICES, inc.

Post Office box 233  
Head Start-Day Care-Enrichment

Chugiak, Alaska 99567  
phone 688-2660

February 10, 1975

*Day Care*

Senator W. E. "Brad" Bradley  
Alaska State Senate  
Pouch V  
Juneau, Alaska

Dear Senator Bradley:

I wish to express my support for Senate Bill #120, providing day care assistance for some low-income families who do not receive aid to families with dependant children.

This bill is a step in the right direction, but I feel obligated to point out that it overlooks the need for before and after-school care for children ages six through eleven, as well as overlooking the fact that in many two parent families, both parents must work to provide support at a low-income level.

I would like to see sliding-scale day care subsidies for all families, based on size of family and family income, plus direct support to licensed day care facilities allowing them to upgrade their daily services. Recent national estimates put the actual cost of providing quality center care at \$200 - per month for one child! Our own center calculated our cost last year at \$175.00 per child per month, yet parents found fees of \$135.00 per month difficult to meet. (We re-opened our day care program last month due to the availability of CETA employees, but have found a quality day care operation cannot support itself.)

Working parents are a reality, whether dictated by financial need or personal choice, and provision for quality day care is no less an investment in society's future than public school education.

Sincerely,

Sandra M. Larsen  
Center Director

cc: State Representatives Sullivan, Kelly, Cotten and Bradley

# Alaska State Legislature

REPRESENTATIVE  
SAM R. COTTEN  
P.O. BOX 296  
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU  
FOUCH V  
JUNEAU, ALASKA 99811



CHAIRMAN  
COMMUNITY & REGIONAL  
AFFAIRS COMMITTEE

MEMBER  
JUDICIARY COMMITTEE

## House of Representatives

March 25, 1975

Karen Hedland  
SRA Box 4122  
Anchorage, Alaska 99502

Dear Karen:

I am not a reluctant supporter of CSSB 120. I support the idea of providing day care in those very obvious areas of need. I know the Bill sped through the Senate and don't really think the measure will have any trouble in the House. I hope you will understand that I'm taking my job and responsibility very seriously and will consider this Bill very carefully. I have explored other methods of more efficiently distributing the funds for this project and have concluded that the methodology in CSSB 120 is probably the best. I would have thought myself to be irresponsible had I merely rubber-stamped the speedy action of the Senate.

As far as the ERA amendment is concerned, I'm not sure if our resinding our action to ratify would even be valid, but whatever, I plan to vote NO to HJR 26.

Thanks for the mail,

A handwritten signature in cursive script that reads "Sam".

Sam R. Cotten

SRC:asg

SRA, Box 4122  
Anchorage, Alaska 99502  
March 19, 1975

Representative Sam Cotten  
House of Representatives  
Pouch V  
Juneau, Alaska, 99811

Dear Sam:

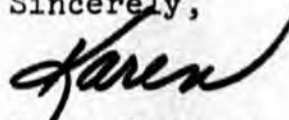
I would like to take this opportunity to tell you first of all that you're doing a good job.....However, I will think it even better once you get moving on the day care legislation.

I wish that you could have made it to Anchorage for the hearings and hope that you took some time to listen to some of the testimony. Quality day care is something that many of us have been searching for for years, and I had about reached the conclusion that maybe by the time I had grandkids such a thing would exist. However, the makeup of the legislature this year gave me some hope. After the Senate's unanimous passage of CS SB 120 I thought it would speed right through the House. Now the word is that you are a reluctant supporter. I certainly hope that is a false rumor and that you will not only support the bill, but move it quickly out of your committee.

In addition, I hope that as a member of the Judiciary Committee you will do your part to bury forever the Resolution that would rescind the ratification of the Equal Rights Amendment.

Thanks for your efforts!

Sincerely,



Karen Hedland

2509 Fourth Avenue  
Ketchikan, Alaska 99901  
March 26, 1975

Rep. Sam Cotton, Chairman  
House Community and Regional Affairs Committee  
Pouch V, State Capitol  
JUNEAU, AK 99811

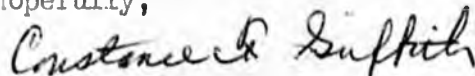
Dear Representative Cotton:

The Committee Substitute for Senate Bill 120, amended, to provide Day Care subsidy for families needing it, provides quality care for children whose parent(s) must work but who are not able to afford excellent care for their young while they are out of the home. This is something I have supported for many years. I am glad that this bill is at last in "the hopper."

The support provided by CSSB 120 am. enables families to be self-supporting, to stay off "welfare", which is a commendable desire in my opinion, and to finally "make it" entirely on their own, without even the Day Care subsidy. Two-thirds of the recipients of this aid are able to do without it in from three to six months. What a simple thing to do to help a young family get on its feet, heads held high.

It has been said that you believe that revenue sharing will take care of this sort of need in a community. NOT SO, Rep. Cotton, at least not so in my home-town of Ketchikan. The Day Care need is well known here, and has broad community support. But the shared revenue finds its way to support of the new airport to help hide the true costs of this blessing to the taxpayer. Families starting out are not as important as airports starting out. Only, that's a fallacy. I'd like to see CSSB 120 am. reported favorably out of committee, and passed unanimously by the people who represent the rest of us back home. I beg your help in fulfilling the meeting of a real need in Alaska, day care for children which is safe and of high quality.

Hopefully,



Constance F. Griffith  
(Mrs. S. D.)

CFG:s

cc: Sen. Ziegler, Rep. Gardiner

# Alaska State Legislature

REPRESENTATIVE  
SAM R. COTTEN  
P.O. BOX 296  
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811



CHAIRMAN  
COMMUNITY & REGIONAL  
AFFAIRS COMMITTEE

MEMBER  
JUDICIARY COMMITTEE

## House of Representatives

April 2, 1975

Brenda Jester  
1922 Talkeetna  
Anchorage, Alaska 99504

Dear Mrs. Jester:

I feel that the day care issue is a very important one. This Committee, Community and Regional Affairs, has just passed out a bill appropriating 1.2 million dollars to fund the state's first subsidized day care program. Inclusion in the Budget of day care licensing positions is not an area in which I would have any say. I will let your position be known to those who would be able to make such an addition. Also, you may wish to write directly to Representative Jim Duncan, a member of the Finance Committee and also Chairman of the sub-committee which deals with this subject.

Thank you for writing.

Sincerely,

A handwritten signature in cursive script that reads "Sam".

Sam R. Cotten

SRC:asg

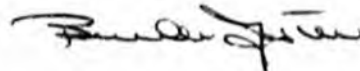
1922 Talkeetna  
Anchorage, Alaska 99504  
March 26, 1975

The Honorable Samuel R. Cotten  
House of Representatives  
Pouch V  
Juneau, Alaska 99801

Dear Mr. Cotten:

I feel Day Care is of critical importance at this time in our state and am writing to request that you include in the budget licensing positions for day care. We can not have adequate day care for any of our areas if we do not have the personnel to license the homes or day care centers that wish to establish themselves. I know there is a critical need for more personnel in this department and hope you will support such an addition in the budget. Juneau has a highly successful program there due to their Model Cities Grant and I think it is just as important for Anchorage and the rest of the state to have adequate day care also. Children are too important not to give them the best care that is possible so that they will mature into the kind of adults that will contribute to our society.

Sincerely,



(Mrs.) Brenda Jester

*Diff letter to  
This one  
than usual*

# Alaska State Legislature

REPRESENTATIVE  
**SAM R. COTTEN**  
P.O. BOX 296  
EAGLE RIVER, ALASKA 99577

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99 1



CHAIRMAN  
COMMUNITY & REGIONAL  
AFFAIRS COMMITTEE

MEMBER  
JUDICIARY COMMITTEE

## House of Representatives

April 16, 1975

Linda Bensen  
4257 Westwood Drive  
Anchorage, Alaska 99503

Dear Linda:

Thank you for your Letter concerning SB 120 providing day care. This bill was passed out of my committee on the 1st of April and is now in the House Finance Committee. Hopefully this bill will get through the other house before the close of this session.

Thank you for your interest in this important legislation.

Sincerely,

A handwritten signature in cursive script that reads "Sam".

Sam R. Cotten

SC/AG



April 5, 1975

Dear Representative Catto:

Having recently attended several workshops for child advocacy, I have become aware of the need to pass SB 120 providing 1.2 million dollars for subsidizing day care costs to low income, employed parents. I wanted you to know that I will be interested in watching the progress of this bill.

Sincerely,  
Linda Peterson

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99801

LEGISLATIVE AFFAIRS AGENCY

February 5, 1975

MEMORANDUM

TO: Marsha Hubbard, Administrative Assistant  
Office of Senator Chance

FROM: Anne Carpeneti, Legislative Counsel

SUBJECT: Day Care Assistance, Senate Bills 120 and 121

As presently drafted, Senate Bills 120 and 121 provide for an appropriation to the Department of Community and Regional Affairs (hereinafter, CRA) to develop and implement a program of aid to low income families who do not receive welfare for day care of their children up to and including five years of age. (The provision that aid be provided to families who do not receive welfare is in the Findings of Fact; I believe it would be better to spell this out in the substantive portion of the bill.)

The bill provides that CRA determine eligibility for benefits based on factors listed in sec. 210 (net income, number of children in family, whether the parent or guardian is single, and other factors CRA finds relevant). However, a condition of receiving benefits is that because of the benefits a parent or guardian be freed to work or to attend school (sec. 200).

Eligible families that are able to contribute something toward the day care do so according to a sliding fee scale to be developed by the department. Payment by the family is made to the department which contracts with the facility of the family's choice; the department pays the facility the full amount for the care.

Please keep me informed of the time and place of the hearings on the bill as I would like to attend. Thanks.

ADC:pmk

*Rep Sam Cottler*



Alaska State Legislature  
House

JUNEAU ALASKA

March 12, 1975

Del A. Brock, Ph.D.  
Alaska Association for  
Quality Education  
Alaska Child Care Centers  
Association  
6401 E. Northern Lights Blvd.  
Anchorage, Alaska 99504

Dear Doctor Brock:

Thank you for your comments on SB 120 and 121 which are companion measures to HB 161 and 162 which I am co-sponsoring. I attempted to attend the Public Hearings held jointly a few weeks ago by the House and Senate Community and Regional Affairs committee but no flights were able to make it in or out of Juneau at that time.

I have requested, and the respective chairman have agreed, that your letter of February 15, 1975 be entered into the record of testimony on these bills. The House Committee on Health, Education and Social Services will be holding hearings on these bills tomorrow and I will also make your comments part of the record there.

The points you raised will be considered.

Sincerely,

*Clark Gruening*  
Clark Gruening  
Representative

CG/rb

# EXECUTIVE COMMITTEE

ALASKA ASSOCIATION FOR QUALITY EDUCATION  
ALASKA CHILD CARE CENTERS ASSOCIATION

DR. DEL A. BROCK  
DR. MARGARET GREEN  
BUD BIRD  
SHIRLEY BRATCHER

February 15, 1975

The Honorable Clark Gruening  
State Legislature  
Pouch V  
Juneau, AK 99801

Dear Mr. Gruening:

I regret that we were unable to attend the public hearing on Senate bills 120 and 121 held yesterday in Anchorage and request that this written testimony be entered in the record.

Our organization represents 20 members providing day care and private school to approximately 2000 children in Alaska.

We would urge that a clarification of Senate bill 120 be made prior to passage, concerning the intent as to whether private centers will be funded to care for the children qualified or whether Agency centers will be funded to be in direct competition with private centers. As worded, it would seem that the Agency could choose to enter the field, both regulating and operating. The care to be provided by this legislation is needed, but the great expense per child, which would result from the inefficient operation by a government agency, would limit its benefits. Past experience in other states shows that private centers can provide the services under contract at much lower costs, thereby benefiting more children. The typical charge for day care in Anchorage is \$1800 per year. Parents cannot afford to pay more and centers cannot provide more care under present regulations.

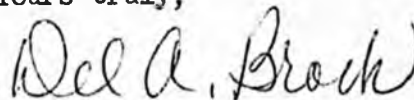
If there are insufficient facilities available now for the number of families requiring service, it is due to the restrictions imposed by state staffing regulations which make operation of a center difficult, if not impossible, unless the operation is fortunate enough to have free rent, free staff or other benefits adequate to offset the deficit. Contributing to this marginal operation is the low rate paid by the state for the care of children of families receiving state aid. State compensation currently paid is less than that paid by the public for the same service, while requiring centers much additional record keeping and billing for only those state children. Payments arrive 60 days after the payment would have been received had the care been provided to the paying public.

The often quoted "federal interagency day care standards," considered the base standard in the country, have recently been modified by Congress to allow lower operating costs in day care. To quote from the January 8, 1975, issue of Education Daily's "Report on Preschool Education": President Signs Social Services Bill - - "Major eligibility changes for social services under the Social Security Act and a relaxation of Federal day care standards are among provisions of H.R. 17045, which passed both houses of Congress on December 20 by voice vote.... Lowers Staffing Ratios. In an effort to reduce yearly Federal day care costs which are approaching \$3,000 per child, provisions of H.R. 17045 loosen minimum staffing ratios and education program

requirements of day care centers. The bill requires that ratios of one adult for every 20 children aged 10-14 be maintained, and a 1 to 15 ratio for children 3-9 years old. The conference committee earlier scrapped a provision which would have required a staffing ratio of one adult for every two infants under 3 years of age, and instead voted to leave the final requirements to the Secretary of Health, Education, and Welfare.

We urge that the Legislature adopt the new Federal staffing requirements in Senate bill 120 and commit Senate bills 120 and 121 to only contract day care services with private and non-profit operated centers.

Yours truly,

A handwritten signature in cursive script that reads "Del A. Brock".

Del A. Brock, Ph.D.

DB:nm

Feds - 4 <sup>potential</sup> problems in the implementation

- ① No discrimination would be allowed  
Chance - ~~is~~ no intention of discrim, but why would affect them  
Fed-State only might be discrim & the Fed can't be involved
- ② Quality & quantum amts already existing can't be altered  
You'd have to watch closely competition between agencies
- ③ If DHSS used as licensing day-care institutions - the amt of fed funds for " " would be cut if there are state only on more than 50% state programs  
cost allocation
- ④ 47.05.010 <sup>(1) (2)</sup> may create a problem - gen'l policy declaration  
"pledges" - why separation? seems to be getting away from single agency concept - may not be concern of Fed's  
Ch. This doesn't apply to Community assistance programs  
The plan has to be implemented by same agency that prepares it.  
Provider agreements - DHSS w/ DCRA

Recommendations For Administration of CSSB 120 am,  
by the Department of Community and Regional Affairs,  
Division of State Economic Opportunity

The Division of State Economic Opportunity has a mandate to improve the economic conditions of low income people in Alaska, and to advocate for their needs and interests. It is felt that within the Department of Community and Regional Affairs, this division would be most closely attuned to the segment of the population that this program is designed to assist.

It is envisioned that the program would be administered in the following manner. (See attached flow chart.)

A position of Day Care Coordinator would be established within the division and would report directly to the director. The duties are to include: initial set-up and implementation of the program, draft regulations, guidelines, and forms, negotiate for contractual services to be performed by local communities, conduct needs assessments, analyze and evaluate program components, contract monitoring, and general supervision and administration of the program.

The coordinator would be assisted by a Day Care Field Representative. This would be the only other new position. The field representative would be responsible for training of contractor personnel, on site program monitoring, and technical assistance to the contractor. This person would be expected to be in the field full-time.

The division will provide clerical and accounting support from within its current staff.

It is hoped that the local communities would be given as much flexibility as possible in administration of the program in terms of: local needs and priorities, recipient financial participation, sliding fee scale, eligibility requirements, internal monitoring, billing and payment procedures with recipients and facilities. The division will provide advice and assistance as required.

The community must demonstrate its intent to adequately administer the program in its initial request for funding.

All phases of the program directly related to contact with individual recipients and/or day care centers or homes will be contracted to local agencies in those communities affected. This would include receipt of billings and payments to those licensed facilities which have been chosen by the recipients. The language in which the legislation is currently written would involve only those communities which currently have licensed facilities.

102

DEPARTMENT OF  
COMMUNITY & REGIONAL AFFAIRS  
DIVISION OF  
STATE ECONOMIC OPPORTUNITY

①

Day Care  
Coordinator

Primary supervisor (1)



Accountant

②  
Field  
Rep.

Clerk

- ↑ Requests
- Regulations - 1
- Guidelines - 2
- Needs assessment - 3
- Contract monitoring - 4
- Evaluation - 5

↓ Training  
Tech. Ass't.

Block Funds →  
← Reports

LOCAL  
COMMUNITIES

↑ Requests

- Fligibility
- Counseling
- Selection
- Sliding Scale

↓

Payments ↓ Billings ↑

PARENTS

Billing  
Payments

HOMES & CENTERS

REPRESENTATIVE

*Cotten*

This booklet outlines the prevalent day care myths which lead to Nixon's veto of national comprehensive child care legislation. These myths are as prevalent in Alaska as they are "down below", and we hope this will aid you in your quest for solutions to a serious Alaskan problem - that of inadequate quality care for the children of our working parents.

CRITERIA TO QUALIFY FOR MODEL CITIES DAY CARE SUBSIDY

FY 1974-75

Requirements for \$7.00 per day subsidy (waived only in extreme circumstances on individual cases).

1. Single parent family.
2. Day care releases parent for work or school.
3. Married couples only if head of household is unemployed, disabled, or seasonal worker.

Other considerations if child meets basic requirements:

1. Working parent qualifies for food stamps.
2. Working parent qualifies for low-income housing.
3. Child has regular attendance.

Children would not qualify if members of single, working parent family is receiving Welfare or AFDC payments. (Day care would be paid through State.)

Model Cities will not pay any day care subsidy for children whose parents receive subsidy from other federal programs and will not pay full subsidy for children whose parents can pay part cost of care at the rate calculated on the following sliding fee scale.

Besides direct salary, other income considered in setting the sliding fee includes alimony, child support, retirement, social security and other sources of regular or seasonal income.

**SUBSIDIZED DAY CARE**  
**JUNEAU MODEL CITIES PROGRAM**  
 Sliding Fee Scale  
 FY 1974-75

No. Children in Family

<u>NET INCOME</u>	1	2	3	4	5	6	7	8	9
\$ 0 - 525	1.00								
526- 550	1.25	1.00							
551- 575	1.50	1.25	1.00						
576- 600	1.75	1.50	1.25	1.00					
601- 625	2.00	1.75	1.50	1.25	1.00				
626- 650	2.25	2.00	1.75	1.50	1.25	1.00			
651- 675	2.50	2.25	2.00	1.75	1.50	1.25	1.00		
676- 700	2.75	2.50	2.25	2.00	1.75	1.50	1.25	1.00	
701- 725	3.00	2.75	2.50	2.25	2.00	1.75	1.50	1.25	1.00

MODEL CITIES DAY CARE

CHILD NAME: \_\_\_\_\_

HOME ADDRESS: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

BIRTHDATE: \_\_\_\_\_ HOME PHONE: \_\_\_\_\_

MOTHER'S NAME: \_\_\_\_\_

OCCUPATION: \_\_\_\_\_ PHONE: \_\_\_\_\_

BUSINESS ADDRESS: \_\_\_\_\_

FATHER'S NAME: \_\_\_\_\_

OCCUPATION: \_\_\_\_\_ PHONE: \_\_\_\_\_

BUSINESS ADDRESS: \_\_\_\_\_

MARITAL STATUS: \_\_\_\_\_

OTHER CHILDREN IN THE HOME:  
\_\_\_\_\_  
\_\_\_\_\_

PRESENT RECIPIENT OF:

WELFARE: \_\_\_\_\_ FOOD STAMPS: \_\_\_\_\_

AFDC: \_\_\_\_\_ LOW INCOME HOUSING \_\_\_\_\_

OTHER: \_\_\_\_\_

IS THE CHILD:

IN NEED OF SPEECH THERAPY: \_\_\_\_\_

IN NEED OF EMERGENCY CARE: \_\_\_\_\_

OTHER: \_\_\_\_\_

MODEL CITIES DAY CARE  
Financial Statement

NAME: \_\_\_\_\_

CHILD'S NAME \_\_\_\_\_

NET SALARY: \_\_\_\_\_ OTHER INCOME: \_\_\_\_\_

RENT: \_\_\_\_\_

UTILITIES: ELECTRICITY \_\_\_\_\_ PHONE \_\_\_\_\_ HEAT \_\_\_\_\_

GROCERIES: \_\_\_\_\_

LOANS: \_\_\_\_\_

CHARGE ACCOUNTS: \_\_\_\_\_

TRANSPORTATION: \_\_\_\_\_

MEDICAL: \_\_\_\_\_

OTHER DEBTS: \_\_\_\_\_

\*\*

Do you feel you could afford to have your fee increased? \_\_\_\_\_

If so, what would you be willing to pay? \_\_\_\_\_

If not, when do you feel you could afford an increase? \_\_\_\_\_

Do you feel the program is meeting your present needs? \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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

Phone: \_\_\_\_\_

(Where you can be reached  
during the day.)

EMROLLMENT AGREEMENT

In enrolling a child with the Model Cities Day Care the undersigned parents hereby agree:

That they shall pay for child care at the rate calculated during a parent conference;

That such payments become due each month shall be paid by the fifteenth (15) day of the following month;

That their child shall be in regular attendance at the day care center unless otherwise stated;

That failure to comply with this Agreement shall constitute reasonable justification for termination of the child's subsidy by the Model Cities Agency.

Dated \_\_\_\_\_

## JUNEAU MODEL CITIES

### DAY CARE PROGRAM

The Juneau Model Cities Day Care Program is operated on a sliding fee scale subsidy basis as is described in Senate Bill 120. Our program has been operating under this concept since March, 1973. The following information applies to the period of March, 1973 to the present.

1. The Juneau program is funded for 65 child day care slots with contracts for services with two day care centers; the St. Ann's Center, located in downtown Juneau and the Lilliput Center located in a new facility built by Model Cities funds located on Douglas Island.
2. Payment is made on a per day attended basis at the rate of \$7.00 per child per day.
3. In June, 1974 an evaluation was done on past and present clients. Of the total clients served 39% were eligible but did not apply for some type of assistance; Aid to Families and Dependent Children, Welfare or Food Stamps.

157 Clients Served

x 39% Eligible

61 Clients

MODEL CITIES DAY CARE

SUBSIDY PAYMENTS

<u>Payment</u>	<u>No. Involved</u>
-0-	22
.50	2
.75	2
1.00	9
1.50	6
2.00	8
2.50	3
3.00	1
3.50	1
4.00	1

The program presently has 55 children enrolled. The average parent payment \$1.01.

Of the fully subsidized clients: 9 married with an average of 3 children in the home.  
13 are separated or divorced with an average of 2 children in the home and an average net income of \$500/month.

Low enrollment is primarily due to the transfer of Lilliput School to the new Cedar Park facility. There is a waiting list of children at the St. Ann's Day Care Center.

FY 74-75  
MODEL CITIES DAY CARE

	<u>Model Cities Funds</u>	<u>Parent Share</u>	<u>Child Care Days</u>	<u>Days</u>	<u>Child</u>
<u>ST. ANN'S</u>					
July	2,365.50	504.50	410	21	32
August	2,841.00	554.00	485	22	34
September	* 2,914.25	382.75	471	20	36
October	3,407.75	400.25	544	22	29
November	3,143.00	406.00	507	20	31
December	<u>3,082.25</u>	<u>389.75</u>	496	19	32
Adjustment *	126.00				
Total	<u>17,879.75</u>	<u>2,637.25</u>			

LILLIPUT

July	1,763.00	334.00	300	21	18
August	1,725.00	277.00	286	22	18
September	1,267.50	230.50	214	19	16
October	2,094.50	327.50	346	22	19
November	1,727.50	253.50	283	19	18
December	<u>1,735.00</u>	<u>253.00</u>	284	20	19
Total	10,315.50	1,675.50			

FY 74-75  
DAY CARE MONITORING

Attendance Factor

	<u>No. Days</u>	<u>Children</u>	<u>Actual Days</u>	<u>Possible Days</u>	<u>Percentage</u>
<u>ST. ANN'S</u>					
July	21	32	410	672	61
August	22	34	485	748	65
September	20	36	471	720	65
October	22	29	544	638	85
November	20	31	507	620	82
December	19	32	496	608	82
<u>LILLIPUT</u>					
July	21	18	300	378	79
August	22	18	286	396	72
September	19	16	214	304	70
October	22	19	346	418	83
November	19	18	283	342	83
December	20	19	284	380	75

*attach 1/6 agenda for info*

FY 73-74  
DAY CARE MONITORING

Attendance Factor

ST. ANN'S

<u>Month</u>	<u>No. Days</u>	<u>Children</u>	<u>Actual Days</u>	<u>Possible Days</u>	<u>Percentage</u>
July	21	35	460	735	63
August	23	35	540	805	67
September	19	34	496	646	77
October	22	33	634	726	87
November	20	35	576	700	82
December	17	34	463	578	80
January	22	36	630	792	80
February	19	35	552	665	83
March	21	36	619	756	82
April	22	35	652	770	85
May	22	34	607	748	81
June	20	34	431	680	63

LILLIPUT

July	20	7	91	140	65
August	22	8	149	176	83
September	19	20	278	380	73
October	23	23	369	529	70
November	20	23	363	460	79
December	18	22	294	396	74
January	22	24	402	524	77
February	19	25	382	475	80
March	21	24	374	504	74
April	22	27	444	594	75
May	22	27	473	594	80
June	20	23	274	460	60

CEDAR PARK

July	20	16	192	320	60
August	23	13	200	299	67
September	Closed				
October	Closed				
November	Closed				
December	Closed				
January	Closed				
February	Closed				
March	Closed				
April	Closed				
May	Closed				
June	Closed				

FY 73-74  
ST. ANN'S DAY CARE

	<u>Model Cities Funds</u>	<u>Parent Share</u>	<u>Child Care Days</u>	<u>Days</u>	<u>Child</u>
July	2,619.50	600.50	460	21	35
August	3,116.50	667.00	540.5	23	35
September	2,966.00	506.00	496	19	34
October	* 3,854.50	583.50	634	22	33
November	** 3,528.00	504.00	576	20	35
December	2,854.00	387.00	463	17	34
January	3,952.75	457.25	630	22	36
February	3,435.75	428.25	552	19	35
March	3,772.00	561.00	619	21	36
April	3,884.00	680.00	652	22	35
May	3,587.50	661.50	607	22	34
June	<u>2,476.75</u>	<u>540.25</u>	<u>431</u>	20	34
Sub-Total	40,047.25	6,576.25	6,660.5		
Special Grant	2,768.42				
Adjustments on Parent Payment not Billed on Previous Months					
	*October	78.00			
	**November	<u>53.00</u>			
		<u>131.00</u>			
TOTAL	42,946.67	6,576.25	6,660.5		

FY 73-74  
LILLIPUT DAY CARE

	<u>Model Cities Funds</u>	<u>Parent Share</u>	<u>Child Care Days</u>	<u>Days</u>	<u>Child</u>
July	601.50	35.50	91	20	7
August	1,029.00	14.00	149	22	8
September	1,598.25	347.75	278	19	20
October	2,189.75	393.25	369	23	23
November	2,138.25	402.75	363	20	23
December	1,697.00	361.00	294	18	22
January	2,437.75	376.25	402	22	24
February	2,338.75	335.25	382	19	25
March	2,195.00	423.00	374	21	24
April	2,737.50	370.50	444	22	27
May	2,825.00	486.00	473	22	27
June	<u>1,552.50</u>	<u>365.50</u>	<u>274</u>	20	23
Sub-Total	23,340.25	3,910.75	3,893		
Special Grants	<u>4,000.00</u>				
Total	27,340.25	3,910.75	3,893		

FY 73-74  
CEDAR PARK DAY CARE

	<u>Model Cities Funds</u>	<u>Parent Share</u>	<u>Child Care Days</u>	<u>Days</u>	<u>Child</u>
July	1,069.37	218.63	192	20	16
(Correction not made over paid)	(1,045.18)	(211.32)	(179-1/2)		
August	<u>1,180.00</u>	<u>220.00</u>	<u>200</u>	23	13
Sub Total	2,249.37	438.63			
Special Grant	4,600.00				
Reliable Transfer	<u>42.30</u>	<u>          </u>	<u>          </u>		
Total	6,891.67	438.63	392		
Funds Returned	<u>( 743.04)</u>	<u>          </u>	<u>          </u>		
	6,148.63	438.63	392		

#### IV. JUNEAU DAY CARE

Day care in Juneau began with the planning and application for a Comprehensive City Demonstration Program grant pursuant to the Title I of the Demonstration Cities and Metropolitan Act of 1966. Application was made to Department of Housing and Urban Development in 1969 with day care being one program of the plan to end blight and help the poor and disadvantaged people of Juneau.

##### A. History

1. July, 1970- Approval received from Department of Housing and Urban Development on the Model Cities Grant. Juneau 4 C's is established as a non-profit corporation licensed by the State of Alaska for the provision and coordination of child care programs in Juneau.
2. November, 1970 to October 31, 1971 - The First Action Year of the Model Cities program. The Model Cities Agency contracted with the 4 C's corporation for the purpose of operating a day care program in Juneau. The 4 C's began and operated three day care centers; the Crackers Center in the Lutheran Church, Cedar Park Center in the Douglas Methodist Church, and the St. Ann's Center.

Funding: \$97,000 Model Cities, \$65,000 Title IVA = \$162,000 / 12 MC PERIOD

3. November 1, 1971 to October 31, 1972 - The Second Action Year of the Model Cities program. 4 C's corporation again contracted with for the operation of the day care program. Additional program of before and after school activities also operated.

Funding: \$83,080 Model Cities, \$166,900 Title IVA = \$249,980 / 12 MC PERIOD

4. October, 1972 - notification of cutback of categorical grants by the President. All Title IVA and XVI grants halted. Assessment of the day care program by the Evaluation Section of the Model Cities Agency and determined the program would be run on reduced funding til alternate funding could be secured.
5. January, 1973 - Notification of Model Cities program to be phased out. No other sources of funding yet secured.
6. March 13, 1973 - Through mutual agreement between the Model Cities Agency and the 4 C's corporation the contract was suspended due to funding problems.

Funding: November 1, 1972 to March 13, 1973 - \$42,887 Model Cities  
4.5 MC PERIOD

7. March 14, 1973 - Day care centers "spun-off" to other operating agencies; St. Ann's Center to Catholic Community Service, Inc., Cedar Park Center to a newly formed non-profit citizen group called Cedar Park Day Care, Inc., and Lilliput School contracted with to replace the Crackers Center.

Payment to the centers for services at the rate of \$22 per day per child.

Funding: March 14, 1973 to June 30, 1973 - \$52,611 Model Cities 3.5 Mc. PERIOD

8. May, 1973 - Initiation of Sliding Fee Scale as method of subsidizing centers and low-income parents. This method allowed parents to assist in the cost of day care for their children at a rate they could afford and reduced the amount needed to support a day care program. The centers were given the responsibility of operations and were paid at the rate of \$7.00 per day per child per day attended.
9. July 1, 1973 to June 30, 1974 - Assembly allocates funds for subsidized day care program as initiated in May, 1973.

Funding: \$77,521 Model Cities

10. August, 1973 - Cedar Park Center folds by mutually agreement of both parties due to management problems.
11. July 1, 1974 to June 30, 1975 - Assembly allocates \$60,000 for the subsidy for continuation of program.

#### B. Present Status

1. To replace categorical grants, the President introduced the Better Communities Act, a block grant concept giving to the municipalities the power to decide what their community needs. The final compromise between the Congress and the President is the Housing and Community Development Act of 1974. The Act replaces a number of other grants; Neighborhood Facilities, Model Cities, Water and Sewer, Urban Renewal, and Federal Housing programs.
2. The Act has a "hold harmless" clause which entitles a city, whose Federal funds has been prematurely terminated, to funds equaling the loss in order to let down a city gradually from Federal support. Juneau receives funds under this clause in the amount of over \$6,000,000 in a five year period.
  - a. December, 1974 - Public hearings held in five locations for citizen input on how funds should be spent. In these meetings, day care was overwhelmingly supported.
  - b. January 6, 1975 - The City/Borough staff presented to the Assembly at a Committee of the Whole meeting recommendations based on citizen input. The report recommended that day care be allocated \$100,000 for the first year of the Act.
  - c. January 13, 14, 1975- Public hearings to allow citizens to express their feelings on priorities set by Assembly.
  - d. January 16, 1975 - Assembly to finalize priorities at regular Assembly meeting.
  - e. Plan to be submitted to A95 Clearinghouse for State review of total

plan for Juneau.

- f. Following review by A95 Clearinghouse the plan will be submitted to HUD for approval. Anticipated approval from HUD by mid April, 1975.

C. Day Care Available in Juneau

1. St. Ann's Day Care Center - A non-profit, non-sectarian center under the sponsorship of the Catholic Community Service, Inc. Thirty of the forty-five slots at the St. Ann's Center are contracted for children of the Model Cities program.
2. Lilliput School - A non-profit center sponsored by a private citizen. Located in the new Cedar Park Facility which was built with Model Cities for the purpose of a multi-use facility with day care its prime user. Thirty-five of the available forty slots are contract under the Model Cities day care program.
3. Henry House - Licensed both as a day care center and a pre-school, it is designed principally for children who are emotionally or physically handicapped. In serving these children an attempt at normalcy is sought by including non-handicapped children in the daily program. Funds for the handicapped children come from the State through various grants.
4. Jack and Jill Nursery - A private center for thirty children licensed by the State of Alaska, but not meeting Federal regulations, and therefore unable to accept children receiving State subsidy (AFDC or WIN).
5. Family Day Care Homes - Any home that takes in even one child on a regular basis for pay is required by State law to be licensed by the Division of Family and Children Services. To be unlicensed is a misdemeanor and a fine of not more than \$200 could be levied.

The number of licensed homes in Juneau greatly fluctuates depending on the staff available to license them. In 1974 only one temporary (6-9 month) staff member was retained by the State to license homes in Juneau. In the past year between five and seventeen day care homes in Juneau have remained licensed, and serve a maximum of about sixty children. An estimated additional 1,000 preschool Juneau children are in unlicensed family day care homes. Another 500 children are being cared for in their homes usually by a relative.

6. The Auke Bay and Juneau Cooperative Pre-School - This is designed for pre-school experience only and not intended for day care. It operates four days a week for 2½ hours a day though most children only attend only two days a week. It is non-profit with a teacher hired and aided by parents.

# DAY CARE - Joint hearing w/ House HESS

3/13/75

Susan Clark, LWV - strongly supporting HB 161 w/ Senate am. (SB 120 am)

Margaret Wolfe, Gov's Advisory Council on Family & Children's Services

Proven ability of C&R to work through a local agency - local more reasonable model

Sliding fee scale - insert language to reflect local conditions

duration of grant

Mary African - runs En'eput Children Center in Fbks.

threw out her waiting list when there were more children on it than she could take in 3 yrs.

There is a need for more facilities & this bill (CSSB 120 am) doesn't speak to that need. However,

there is HB 290/291 (SB 79), a revolving loan fund.

Look at this bill as one side of a triangle

(20-100 children) It is technically illegal to have unlicensed facilities, home or center. Homes get away w/ it because they're small. Virtually all centers are licensed.

(5-10 children) Homes are not the same as centers

Susan Clarke - L W V in support of HB161 as amended

① no figures as to how many were on welfare 38%

- ② reasons to be in C+RA
    - Ⓐ similar rev. sharing
    - Ⓑ dealings w/ rural areas (experience)
- Head work thru local comm. gov. process.  
DE-EMPHASIZE - welfare

EAGB Health Dept. Margaret Wolfe

\$1.2 million would only fully fund \$600 = \$700.

Roseale Wolker  
Janice & C's

DID Margaret Wolfe say there was only 1 licence in average with 90 homes?

Only 1 person to inspect places + give licenses.  
Only 90 (out of 500) homes are licensed.

Does he remind you  
of the Addams family?  
YES!

# EXECUTIVE COMMITTEE

ALASKA ASSOCIATION FOR QUALITY EDUCATION  
ALASKA CHILD CARE CENTERS ASSOCIATION

SB 120,  
121  
DR. DEL A. BROCK  
DR. MARGARET GREEN  
BUD BIRD  
SHIRLEY BRATCHER

February 15, 1975

The Honorable Samuel Cotten  
State Legislature  
Pouch V  
Juneau, AK 99801

Dear Mr. Cotten:

I regret that we were unable to attend the public hearing on Senate bills 120 and 121 held yesterday in Anchorage and request that this written testimony be entered in the record.

Our organization represents 20 members providing day care and private school to approximately 2000 children in Alaska.

We would urge that a clarification of Senate bill 120 be made prior to passage, concerning the intent as to whether private centers will be funded to care for the children qualified or whether Agency centers will be funded to be in direct competition with private centers. As worded, it would seem that the Agency could choose to enter the field, both regulating and operating. The care to be provided by this legislation is needed, but the great expense per child, which would result from the inefficient operation by a government agency, would limit its benefits. Past experience in other states shows that private centers can provide the services under contract at much lower costs, thereby benefiting more children. The typical charge for day care in Anchorage is \$1800 per year. Parents cannot afford to pay more and centers cannot provide more care under present regulations.

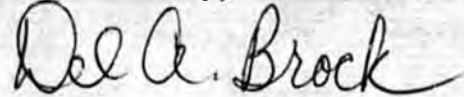
If there are insufficient facilities available now for the number of families requiring service, it is due to the restrictions imposed by state staffing regulations which make operation of a center difficult, if not impossible, unless the operation is fortunate enough to have free rent, free staff or other benefits adequate to offset the deficit. Contributing to this marginal operation is the low rate paid by the state for the care of children of families receiving state aid. State compensation currently paid is less than that paid by the public for the same service, while requiring centers much additional record keeping and billing for only those state children. Payments arrive 60 days after the payment would have been received had the care been provided to the paying public.

The often quoted "federal interagency day care standards," considered the base standard in the country, have recently been modified by Congress to allow lower operating costs in day care. To quote from the January 8, 1975, issue of Education Daily's "Report on Preschool Education": President Signs Social Services Bill - - "Major eligibility changes for social services under the Social Security Act and a relaxation of Federal day care standards are among provisions of H.R. 17045, which passed both houses of Congress on December 20 by voice vote... Lowers Staffing Ratios. In an effort to reduce yearly Federal day care costs which are approaching \$3,000 per child, provisions of H.R. 17045 loosen minimum staffing ratios and education program

requirements of day care centers. The bill requires that ratios of one adult for every 20 children aged 10-14 be maintained, and a 1 to 15 ratio for children 3-9 years old. The conference committee earlier scrapped a provision which would have required a staffing ratio of one adult for every two infants under 3 years of age, and instead voted to leave the final requirements to the Secretary of Health, Education, and Welfare.

We urge that the Legislature adopt the new Federal staffing requirements in Senate bill 120 and commit Senate bills 120 and 121 to only contracting day care services with private and non-profit operated centers.

Yours truly,

A handwritten signature in cursive script that reads "Del A. Brock". The signature is written in dark ink and is positioned above the typed name.

Del A. Brock, Ph.D.

DB:nm

SB 120 am

3/24/75

	<u>Notified</u>	<u>Present</u>	<u>Testified</u>
Susan Clark (586-6952)	X	X	X
Commissioner Lee McAnaney (C&RA)	X		
Eric Lee, SEOD, C&RA	X	X	X
Sen. Genia Chance (Marcia Hubbard, SA)	X		
Jennifer Peterson, City & Co. Juvenile Model Cities Agency Director (586-3300)	X	X	X
Rosalee Walker, Early Childhood Specialist, Dept Ed		X	X
Mary McClinton, DCRA			

SB · 125

"An Act relating to state compliance with local planning, platting and zoning ordinances; and providing for an effective date."

# COMMITTEE REPORT

3/7/75

HOUSE

Mr. Speaker:

Date

4-28

The Committee on C&RA has had SB 125

under consideration. A Majority of the members of the Committee

recommends it DO PASS

*sc*  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>Sean P. Gatten</u>	_____	<u>James R. P...</u>	_____
<u>Kathleen K...</u>	_____	<u>James T. ...</u>	_____
<u>Freeman</u>	_____		_____
<u>Sam Hackney</u>	_____		_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Sean P. Gatten Chairman

House Committee on  
COMMUNITY & REGIONAL AFFAIRS

April 21, 1975  
Meeting Minutes

Meeting was called to order at 9:00 to discuss CSHB 246. Present:

Rep. Cotten	Rep. Freeman
Rep. Ostrosky	Rep. Davis
Rep. Hackney	Rep. Ose
Rep. Hershberger	
Barbara Englert Thomas, Staff	
Andrea Guernsey, Staff	
Don Clocksin, Legal Services	
Cheryl Probst, Anchorage Times	

Sec. 300, para C      The Committee members wanted an explanation of sec. C of the new committee substitute. Clocksin explained that sec. 300 provides 3 alternative methods: 1) para A--this is the procedure now in use. One individual can protest and the Board may or may not have a hearing. 2) para B--35% of the residents of an established village may require a hearing. 3) para C--this takes care of the situation that Ose was having problems with (license along hiway). The Board will take other things into account besides just the residents.

LETTER OF INTENT

REPORT OUT

Hershberger had the same problem as Ose. Two or 3 residents may be the majority. Ose calls for a letter of intent. Freeman says you can't do much better than the way it is already written in C. Ose withdraws request. Moves to pass bill out. All members signed due pass.

Side 2  
0-683

HB 172

The committee now took up several other bills. Bob Pavitt was present, to discuss HB 172. He said it was a good bill and there was not much other discussion. Rep. Freeman moved to report the bill out. With out objection it was reported out with all members signing do pass.

HB 228

Hackney asked for the reason for this bill. Cotten said it was sometimes the case when a city is not more than 25 miles from the boundary of the borough seat. Hershberger moved to report out and it was done with all members signing do pass.

House Committee on  
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes  
April 28, 1975

Meeting was called to order at 9:00 to discuss SB358 & HB 136.

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Ostrosky'	Andrea Guernsey, Staff
Rep. DAVIS	Kevin Waring, Director, Community Planning
Rep. Freeman	
Rep. Hackney	Rep. Hershberger-absent
Rep. Ose	

Chairman Cotten said he was ready to pass out SB 358 if the rest of the members were agreed. The suggested amendments were gone over.

AMENDMENT "shall" Line 13 page 1: change "shall" to "shall be designated to".

AMENDMENT "interest" Ose wants "and interest" to be added on line 29 on page 1 and on line 7, page 2. To make things clearer.

SECTION B Rep. DAVIS doesn't like lines 21, and 22. He says the land belongs to the Native corporations and not to the village councils. Mr. Waring explained that this section covered after the land had been transferred to the State and if the State wanted to do anything else with it they had to get the concurrence of a local body. Regional Corporations are not used because they represent the private interests and not public.

PASS OUT Rep. Ostrosky moved to incorporate the amendments in a committee substitute and pass out. So moved. All members signed do pass.

-----  
SB 125 (1342) Rep. Cotten said he received a request from the Municipal League to pass out SB 125, companion to HB 172 already passed out. It's an identical bill and the League would like to pass it out in the interest of time.

REPORT OUT Ose made a motion to pass out. So moved.

ADJOURN Meeting was adjourned at 9:40. )1409)

# COMMITTEE REPORT

2/25/75

HOUSE

Mr. Speaker:

Date 5-1

The Committee on CRA has had CSSB 127

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 SB 127 AND THAT

CS FOR SB 127 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>	_____	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

[Signature] Chairman

SOLID WASTE BILLS  
ATTENDANCE

CSSB 127

Meeting was continued with all members of the Committee still present plus: Jim Anderegg, Dept. of C&RA, Jerry Rienvon, deputy Commissioner of Environmental Conservation, Red Swanson, Sponsor of HB 205, Chet Strohmeier, Acme Disposal.

Before discussing solid waste bills, the Committee looked over the committee substitute for SB 127 which had been prepared for today and it was passed out.

HB 445

Mr. Rienvon said there were two things at issue here: revenue and intent. The Dept. supports the intent but the issue of funding transcends the dept. Disposal is a real problem especially in the bush and rural areas. The sliding fee scale is a good concept. Fiscal note around \$1,500,000.

FISCAL NOTE

EXAMPLE OF  
HYDABURG

Rep. Hackney asked what a place like Hydaburg with a population of 300-400 would be able to do with the \$4,000 the bill would give them. Jerry said in this case they would probably use it for a driver for a cat to bury the land fill. A small amount will improve the situation somewhat.

REP. OSE

Rep. Ose objects to Anchorage getting the 1/2 million they would get because they are already doing a good job. Oral said the sliding fee scale favors the small communities. The facilities that Anchorage and Fairbanks have the people paid for. Oral thinks it's a good bill, but perhaps there should be a provision making it mandatory to use the money for solid waste.

FREEMAN

HB 205

Rep. Swanson stated that while in the 7th Legislature he saw that the problem existed and so decided to introduce this bill. He represents 30 small communities in interior who have a real problem. He has an idea--to get the Hiway dept. to let the small communities use their old equipment, and with the \$5 from revenue sharing the communities will be able to take care of their problem.

CSSB 90 (side 2)

Cotten pointed out that CSSB90 transfers state equipment to political subdivisions. Will take up that bill tomorrow.

JIM ADEREGG  
C&RA POSITION

The dept. is aware of the review of revenue sharing that's supposed to take place this summer so they don't want to push anything right now, but they do favor solid waste. They like the sliding fee scale in HB 445, a fixed amount is not good. The dept. recommends wording that will allow the municipalities to use private contractors. Also set criteria for compliance, and wording to cover the situation in double governments. They recommend against state ceiling on revenue sharing.

Rep. Swanson said the issue in his district was disposal and not collection. Jerry agreed.

Chairman Coten wants to try to put some of these bills together. Freeman likes the approach in HB 445.

Meeting was adjourned at 9:40.

House Committee on  
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes  
April 30, 1975

Meeting was called to order at 9:00 to discuss CS for CSSB127.

Rep. Cotten	Barbara Englert Thomas, Staff
Rep. Ostrosky	ANDrea Guernsey, Staff
Rep. Freeman	Don Berry, Municipal League
Rep. DAVIS	Ginny Kline, " "
Rep. Hackney	Cheryl Probst, Anchorage Times
Rep. Ose	Vivian Loovas, Citizen
	Rep. Rhode

WHO PICKS UP TAB

Rep. Freeman wants to know where in the Committee substitute it states who picks up the tab for these exemptions. He wants to be sure there is no question that the State is paying. Cotten said 29.53.020 E-I explains that the State pays. Freeman doesn't see it. 29.53.020 covers real property tax, not assessments. Cotten explained that in the bill, line 15, it merely says that the exemption granted under this section applies to e-i also. But it Mr. Freeman wants to make it more clear a new section could be added, incorporating section G of 29.53.020 into the bill. "The State shall reimburse a home rule or general law municipality for the sewer and water assessment revenues lost to it by the operation of (a) of this section."

AMENDMENT

LETTER FROM  
GARY THURLOW

A letter from anchorage Borough Atty., Gary Thurlow, was passed out to members. Mr. Thurlow would like an amendment added to keep people from refinancing the property and getting a rip off. Hackney wondered how many bankers would refinance project for person over 65? Rep. Rhode, a banker, said there wasn't much chance. It is too high risk. The committee members didn't think there was any real need for an amendment.

DELETE HEIRS

One of the areas of concern at previous meetings was passing the land on to heirs. All references to heirs will be deleted.

AMENDMENT  
"SINGLE FAMILY  
DWELLING"

The committee also wanted something added which clarified this was for single family dwellings and not multi-unit apts..

A new committeesubstitute will be drawn up and ready for the Committee tomorrow.

Meeting was adjourned at 9:40.

House Committee on  
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes  
March 18, 1975

Meeting was called to order at 9:00 for discussion of CSSB 127. Present were:

Rep. Sam Cotten, Chairman	Rep. Larry Davis
Rep. Kathryn Ostosky	Rep. Oral Freeman
Rep. Al Ose	Barbara Englert Thomas, Staff
Rep. Glenn Hackney	Andrea Guernsey, Staff
Bob Dozier, State Assessor	

(7) Cotten gives introduction. He has had a House Committee Substitute for CSSB 127 drawn up. Changed first line--amount of property. Line 18--lien established in favor of State. Changed the language about abode to the same used in the Senior Citizens Property Tax Exemption. Cotten read a letter from Kenai suggesting adding disabled persons to the exemption. Chairman Cotten asked Mr. Dozier THE price for sewer assessment.

(126) Dozier said sewer would be \$27,500 for a year, excluding Fairbanks. Adding Fairbanks wouldn't be over \$50,000.

(196) Cotten asked for the cost to individual. Dozier hasn't figured it but it is based on square feet.

(230) Rep. Freeman said there was great diversity in cost and sited the case of Ketchikan where it is very expensive because of having to drill into rock. There it averaged \$1500/lot.

(280) Mr. Dozier suggests taking out the part about lien. Suggest limit of land-20 acres in rural areas.

(468) Cotten notes there is no mention of pay back by the State in the original bill.

(470) Dozier reads a letter from Gary Thur. Jw, Anch. Borough Atty.

(547) Cotten said that without a lien there is need for a restriction on land but with it you can have unlimited lands.

(579) Rep. Ostrosky sees two choices; exempt land on which the person actually lives or exempt all land with lien. (585) Cotten responds.

(605) Dozier brings out the fact that on transfer to heir the lien is forever forgiven (line 22). This could provide a rip off. (632) Cotten responds.

(648) Hackney asked why heir was included. Cotten responds. (677) Hackney would like to see heir deleted.

(690) Rep. Ostrosky runs through the choices.

(722) Cotten asks Mr. Dozier about property exemptions, especially in the case of a religious organization. Dozier replies.

(776) Rep. Ostrosky asked about a \$15,000 income limit. It was Thurlow's idea, Dozier said, and was too cumbersome. (819) Is there any limitation now, Ostrosky asked? No, Dozier said, but it has been limited verbally to 5 acres in rural areas.

(847) Ostrosky-- 20 acres in rural, 5 suburban, 1 urban. (Dozier) Presently there is no limitation in the definition, up to assessor.

(870) Hackney says there are not too many places with water and sewer. The bill was really written for Homer, Dozier said. (908) Hackney--The application would be in the Anchorage area mostly. This would not apply in rural areas.

(951) Chairman Cotten asked the Committee if there were any objections to giving senior citizens sewer exemptions? There was none but Freeman doesn't want to see a rip off.

- (963) Cotten brings up question of land: all land exempt or small plot?  
(989) Freeman in favor of limitation. Do away with heirs.  
(1073) Ose basically agrees with Freeman.  
(1090) Ostrosky-limit size of land.  
(1098) Cotten-What about residency? No objection from Committee. What about lien?  
It would avoid rip offs.  
(1120) Ostrosky asks how that works; person who buys lot from senior citizen wouldn't get assessment? (1131) Dozier explains. If sold to anyone someone pays--if given to heir forever forgiven.  
(1145) Hackney has question on line 26.

Meeting adjourned at 9:55. (1154)

House Committee on  
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes  
March 12, 1975

Meeting was called to order at 9:00 am by Chairman Cotten for discussion of CSSB 127.

Present were:

Rep. Sam Cotten	Rep. Kathryn Ostrosky
Rep. Larry Davis	Rep. Mike Hershberger
Rep. Glenn Hackney	Barbara Englert Thomas, Staff
Rep. Oral Freeman	Andrea Guernsey, Staff

Bob Dozier, State Assessor  
Don Berry, Municipal League  
Lee Sharp, City Borough Atty., Juneau

0- Chairman Cotten gives introduction.

14 - Lee Sharp gave his comments on the bill, which are stated in a letter passed out to committee members. He made the point that the way the bill is written only general law municipalities can give exemption. Bill should be changed to include home rule cities. (157) Does the recapture provision provide only to water or for sewer also? The section should be redrafted to make it clear that it applies to both. How is C&RA going to recapture themoney?

261 - Cotten asked if water assessment was a one time thing. Sharp says yes.

313 - Cotten comments on senior citizens making a water connection versus those who don't.

330 - Sharp said if they make the connection they're liable for the payment. If they are exempt, reimbursment will come from C&RA to the municipality.

373 - Cotten-Hypothetical situation of an exempt person selling before he made a connection to a person who was non exempt. Sharp said that C&RA would pay for the first person and would have to police after that.

454 - Cotten calls on Mr. Dozier, Assessor, for his comments.

456 - Dozier had basically the same comments that Mr. Sharp made. He said that under the present wording of the bill deferred taxes covers water and full exemption is given to sewer. The recapture part should also be worked out.

480 - It was brought up that the lien should be against the property.

488 - Hackney thinks the purpose is for the State to pick up the tab. Cotten explains what happens.

510 - Freeman wants to know where the recapture assessment goes. Berry says the money ought to go to the State.

551 - Sharp reiterates that the recapture provision should be redrafted and clarified.

600 - Cotten asked for possible redraft, on line 18. Clearly establish lien that runs in favor of State.

637 - Hackney commented that this was another revenue sharing bill.

645 - Cotten-Does this bill have a retroactive clause? Sharp says no.

6/9 - Hackney-Bill is mandatory and doesn't give the municipalities any room.

689 - Freeman wanted to know what would happen if C&RA didn't have enough money to pay everybody. (705) Dozier said if they can't pay there is a provision in the administrative code. Lien on property. (714) Cotten-What does it cover? Dozier explains.

736 - Dozier brought up the fact that the residency requirement is written differently

in this bill than in the statutes covering senior citizen property tax exemption. It should be the same. There is also no limited amount of property. (832) Hershberger thinks it should be confined to the persons one house and not all his property. Cotten comments. (847) Assessment based on amount of land. Should be some limiting factor. Suggested dwelling unit limited to 5 acres.

- 895 - Cotten asked if there was a limit on the Senior Citizens property tax exemption. He didn't think there was. Dozier explained that there was a limit.
- 931 - Hackney-What is the price tag on this?
- 941 - Dozier-Sewer would be \$400,000 in a lump sum but the State would pay in installments at \$75,000 a year.
- 1004- Cotten talked about the residency requirements again. Dozier-Constitutional problem. Residency very broad. Different for different things. Cotten wants to get the A.G.'s opinion on resident.
- 1060 -Cotten asked for further comments from the committee. Davis didn't like the fact that there was no limitation on annual income or property value. Is this a bill to help the needy or the senior citizens? (1118) Dozier said the easiest way would be to place a limitation on the assessed value. HE GAVE THE figure of \$100,000.
- 1151 -Hershberger moved to table the bill.  
More researched needs to be done.

Meeting adjourned at 10:00. (1160)

House Committee on  
COMMUNITY & REGIONAL AFFAIRS

Meeting Minutes  
March 6, 1975

Meeting was called to order by Chairman Cotten at 9:00 for discussion of HB 227 & CSSB127. Present were: Rep. Cotten; Rep. Ose; Rep. Davis; Rep. Freeman; Danny Plotnick, Office on Aging and Bob Dozier, State Assessor; Barbara Englert Thomas, Staff; Andrea Guernsey, Staff

941-Plotnick started by saying that his office was in favor of the bill if it was in concurrence with Community & Regional Affairs. He read a letter from someone who had missed the deadline—HB 227 would take care of that problem.

978-Dozier was also in favor of the bill. He thinks it should be flexible but still should have a deadline to make the administration of it a little easier. He made the suggestion that late filers should have a penalty of some sort. He gave a run down of the calendar and said the municipalities have the power to accept the application virtually any time of the year as it now reads in the bill. He would like to see a deadline.

1075-Rep. Ose asked why we had this every year. Dozier said the assessor had no way of knowing what the individual has been doing. Just a routine check up.

1101-Mr. Plotnick stated that the Office on Aging would have no objection to adding a deadline. Suggestion on line 27 after the word "him" add: provided that the application be received by X date.

1133-Ose, what is the first date that they can file? During any time, Dozier said.

1138-Freeman asked if the state reimburses and if the cut off date was a problem for the State. Dozier replied that yes the state did and no there was no problem. It wasn't any great problem and the cut off date was not absolutely necessary.

Cotten favors the bill but doesn't want it amended to provide for filing date. Ose made a motion to pass the bill out. All signed due pass.

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CSSB 127

1271-Dozier said this bill adds to the senior citizens property tax exemption. There is a problem with the wording in a couple of places; doesn't say to whom amount of money will be paid, it should be specified- to the local government or to the State?

1359-Freeman wanted to know where the money to reimburse comes from and what guarantee there is. Dozier said it was in the budget. This program hasn't been submitted. A separate BRU. Suggested wording: line 19, new sentence: "payment by the owner shall be made to the State to the extent of its reimbursement for revenue lost under this section."

1442-Dozier also said there was a conflict in the definition of resident.

1474-Cotten questioned about water and sewer assessment. Aren't required by federal law to hook up to water. Why distinction between water and sewer, should be for both. Dozier also suggested there be a limit on the amount of land.

1550-Freeman-What is the fiscal note? \$100,000.

Meeting adjourned

end tape

# STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

DIVISION OF LOCAL GOVERNMENT ASSISTANCE

POUCH B-JUNEAU ~~3000~~ 99811

JAY S. HAMMOND, Governor

*X ref CS#B 65*

March 6, 1975

The Honorable Samuel R. Cotten  
Chairman  
House Community & Regional Affairs  
Committee  
Pouch V  
Juneau, AK 99811

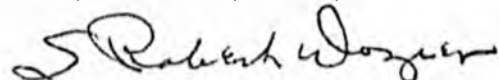
Dear Representative Cotten:

For your information, enclosed are copies of two letters dated February 25, 1975 commenting on Sponser Substitute for House Bill No. 65 (SB 170) relating to farm and unimproved land deferred taxation, and Senate Bill No. 127 relating to deferred taxation for sewer and water special assessments on property owned by a senior citizen.

The Director of Property Assessment and Management Department, Pat McKee, Greater Anchorage Area Borough, has outlined the GAAB and Eagle River Chugiak Borough situation in relation to SS HB No.65 (SB 170) and some ramifications of the proposed legislation.

The GAAB attorney, Gary Thurlow has made comment to Senator Roddy, Chairman, Senate Community & Regional Affairs Committee, in regard to SB 127 which may be pertinent; although, CS for SB 127 has substantially expanded the scope of the original bill.

Very truly yours,



S. Robert Dozier  
State Assessor

SRD:nc

Enclosures

GREATER ANCHORAGE AREA BOROUGH. MAR 06 1975

3500 EAST TUDOR ROAD  
ANCHORAGE, ALASKA 99507

March 4, 1975

PROPERTY ASSESSMENT AND MANAGEMENT DEPARTMENT



Mr. S. Robert Dozier  
State Assessor  
Department of Community & Regional Affairs  
Pouch B  
Juneau, Alaska 99801

Dear Bob:

The main problem I see with Senate Bill 170 is not so much the farm use portion, but the undeveloped land portion under Section C. If you look at the Bill, Page 2, Third line, it refers back to farm use land; either they should talk about undeveloped land or farm use land, there is a difference. They also, on the next line down, did not indicate the rate of interest I am assuming it is the 5% rate referred to in the farm use land section.

Whereas land used for farming is actually producing, I feel that undeveloped land, under this Bill, would benefit speculators. It would also, in my opinion, add to inflation in that, at the time of sale, someone is going to have to pick up the back taxes and possibly the interest on those taxes. Either the seller is going to be forced to take a reduced value, or he will add the cost of taxes and interest to the property value at the time of sale. Land in this area is increasing in value at the rate of between 1% to 3% per month. This Bill would, in my opinion, increase this rate by actually adding to the value of those lands not placed under the protection of Senate Bill 170. There is only so much land left in the Anchorage area and, if a goodly portion of it is sheltered, the remainder will increase much more rapidly thereby placing a much heavier burden on the taxpayers who can not qualify for Senate Bill 170.

For instance, one of the appraisers in my office still has 130 acres of land left in his homestead. He is living on this tract of land, and at the present time it is worth approximately \$1,000,000 or about \$8,000 per acre. For farm use land, as the law now reads, we have been allowing a maximum of \$750 per acre. This would give him an assessed value of \$97,500 for his undeveloped land whereas extremely marginal land with a 10 to 15 foot peat overburden at market value is bringing \$130,000 an acre. If a number of people were to take advantage of this Bill and, I'm sure they would, it would place the burden on the legislative body to increase the mill rates to make up the difference in support of a budget. An increased mill rate would affect

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Mr. S. Robert Dozier

Page 2

March 4, 1975

the "little man" while the person holding large blocks of land would, even if temporarily, be paying on less than 10% of the value of his property. The homeowner and businessman would pick up the difference.

As an example, I took a tract of land containing approximately 2.4 acres and another containing slightly over 2.55 acres. We have many such tracts. If we assume that both of them were valued on the open market at 21¢ per square foot, this would give us a value on the 2.4 acre tract of \$21,955 and \$23,310 on the 2.55 acre tract. Again assume that both properties are being used for residential sites. By discounting the value of the buildings and just speaking to the land, at 18 mills the person owning the 2.4 acre tract would pay \$395 tax on the land while his neighbor taking advantage of Senate Bill 170 would pay \$41.95. This, in my opinion, is discrimination and should not be allowed. The Chugiak/Eagle River Borough has hundreds of such parcels, and it would be severely affected, especially in the first few years.

If inflation continues as it has in the past, a person who decides to convert his land to another use rather than leaving it in its native state would be paying the back taxes on a highly inflated dollar. Again, he would have the benefit over the next door neighbor who had to pay taxes as he went along on a current basis.

Another problem I see is that we have a new residential zoning that makes it mandatory to have five acre tracts for a single family residence. These properties would never be assessed at more than 10% of their full and true value and, by law, could not be used in any other way. This would give us a value of approximately \$3,750 to the land while the person living on a normal single family residential lot is paying on a value of between \$12,000 to \$20,000. I fail to see the equity in this situation.

Another example comes to mind, which is somewhat different. Just outside the central area of the City of Anchorage lies a large 20 acre tract of land, zoned R-4. Next to this property is approximately 20 acres of B-3 zoned property. These properties for all practical purposes are still in their natural state and they have been zoned for many years and not used. If I read Senate Bill 170 correctly, they would also be included under Section C as undeveloped land. They are at this time prime for development, but the owner has chosen for reasons known only to him not to proceed to develop them.

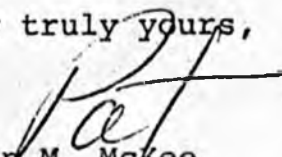
I'm sure we have many millions of dollars worth of property

Mr. S. Robert Dozier  
Page 3  
March 4, 1975

in this Borough that would fall under Senate Bill 170, and I know that the Chugiak/Eagle River Borough would be hurt even worse. The Bill may be fine for some areas in Alaska, but I think the more urbanized you get the more those people who can't qualify are going to be hurt. If we assume a one or two mill increase because of this type of Bill, it would be easier to pay that on 10% of your value rather than all of your value.

I would suggest it be permissive rather than mandatory.

Very truly yours,



Glenn M. McKee  
Director

GMM:ma

cc: Mayor's Office

# GREATER ANCHORAGE AREA BOROUGH

3500 EAST TUDOR ROAD  
ANCHORAGE, ALASKA 99507

DEPARTMENT OF LAW  
279-8686



February 25, 1975

*Received*

Senator Pat Rodey, Chairman  
Community and Regional Affairs Committee  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99801

FEB 26 1975

BOROUGH ASSESSOR

Re: Senate Bill No. 127 - An Act Related To Special Assessments

Dear Senator Rodey:

Greater Anchorage Area Borough assessment revenues would not be affected by Senate Bill No. 127 because of the reimbursement provisions of A.S. 29.53.020(E)(I) which Senate Bill No. 127 incorporates.

However, you may want to place some income and property valuation limitations on persons who can qualify under the act. There are currently several residents 65 years of age or over in the Greater Anchorage Area Borough who have properties on which they live, which properties are of a value in excess of \$2,000,000. These persons are already exempted from real property taxation under A.S. 29.53.020 and the annual state subsidy for these persons in the Anchorage area runs as high as \$5,000 per year per property owner.

If such properties are presently unsewered, and become sewerred, a property could easily be worth many times its value in an unsewerred state.

For example, if a 40 acre tract of ground, worth \$400,000 in an unsewerred state, upon which the owner has his permanent place of abode, is sewerred and is zoned R-1, as many as 120 lots could be carved out of the property. This is three lots per acre. If each lot were sold at \$20,000 each, which is a common price for a lot in the Anchorage area, and if the development cost for each lot were \$10,000 each, the total net profit for the lots would be \$800,000 (\$2,400,000 in gross sales less \$400,000 in land costs less \$1,200,000 in development costs).

Very often the difference between large lot zoning and small lot zoning is the availability of municipal sewage systems. It is very common in the Anchorage area for property to triple and quadruple in

*Copy to Bob Doye*  
*Jim*

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Senator Pat Rodey  
Page 2  
February 25, 1975

value because of the availability of municipal sewerage and because of a change in zoning from large lot to small lot zoning which municipal sewerage permits. For some years now one of the greatest opportunities for profit in the Anchorage area has been conversion of land from less intense use to more intense use.

To avoid use of Senate Bill No. 127 by those who are interested in holding or acquiring land for speculative purposes, I suggest a maximum gross income limitation of \$15,000 per property owner plus an acreage limitation sufficient to just cover the area reasonably required for use by the resident's place of abode, say one-half acre.

As you know, assessments are totally different than taxes. An assessment for federal and state income tax purposes is regarded as a capital improvement to property, and the taxpayer cannot list it as a tax deduction. The theory is that the value of the owner's property is increased by an amount equal to or greater than the amount of the assessment.

To my knowledge, all recent sewer assessment districts in the Greater Anchorage Area Borough have been initiated by property owners. They have petitioned the local governing body for laterals on the basis that either their properties are being damaged because of lack of municipal sewers or that they could make better use of their properties with municipal sewerage. Typically, there will be twenty to forty property owners in a lateral improvement district, and typically it takes approximately one half of the property owners in a proposed district to satisfy the statutory requirements for initiating a petition (property owners owning one-half in value of the property in the proposed district must sign the petition). Sewer assessments for laterals are virtually always initiated at the neighborhood level. They are not imposed by the Assembly.

In the Anchorage area, once an area is in a special assessment district, it will be subject, not only to the lateral improvement district assessments, which generally run from 10 to 25 cents per square foot (for the first 150 feet behind the property line), but will also be subject to a trunk line assessment which currently runs at three cents per square foot (for the first 150 feet behind the property line).

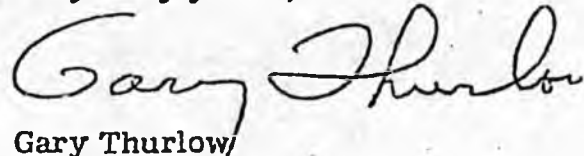
I know that you and members of your committee are aware of the distinctions between taxes and assessments, but I thought that it

Senator Pat Rodey  
Page 3  
February 25, 1975

might be well if I wrote this letter to emphasize the opportunities to speculate with land at the state's expense if sewer assessments are subsidized by the state for a particular property owner.

An older property owner could easily make a profit in excess of several hundred thousand dollars purely on the basis of the state assuming the assessment costs for improvements benefiting his property. This opportunity for a profit would be denied to a person under 65.

Very truly yours,

  
Gary Thurlow  
Borough Attorney

GT/kj

Pat, I notice that  
CS for Senate Bill 127  
is quite different than  
the bill as originally  
introduced. Even so,  
I thought you would be  
interested in some of the  
observations on the original  
bill so I Gary  
will send this  
letter anyway.

Rt. 3, Box 3114  
Juneau, Alaska 99801  
April 14, 1975

House Community Regional  
Affairs Committee  
Pouch V  
Juneau, Alaska 98111

Honorable Senator Sam Cotten, Chairman

Dear Senator Cotten:

It is my understanding that Senate Bill 127, Sewage and Water Bill, regarding Senior Citizens, is now in your committee.

To me, a long time resident and property owner in Alaska, also a widow and Senior Citizen, it is very important that this bill pass at this time.

Many of us who are Senior Citizens hope to be able to continue to live in the home we've worked hard for these many years, the place where we raised our children and the place we love - but with our meager fixed income it gets more difficult daily.

Please vote "DO PASS" when this bill comes up in committee ... I URGE QUICK ACTION.

Thank you very much.

Sincerely yours,

*Mrs. Wilma Jenkins*

Mrs. Wilma Jenkins

# KENAI PENINSULA BOROUGH

Box 850

Phone 262-4441

SOLDOTNA, ALASKA 99669

February 26, 1975

STAN THOMPSON  
MAYOR

Sen. Clem Tillion  
Rep. Keith Specking  
Rep. Hugh Malone  
Rep. Leo Rhode

Re: Senate Bill 127 - Special Municipal Assessments

Gentlemen:

An excellent and badly needed bill.

My only suggestions would be to add to "occupied by a resident 65 years of age or over"--or "anyone permanently disabled as described under the Social Security terms", and add to sewer assessment also "water assessment".

Sincerely,



Stan Thompson  
Borough Mayor

ST/tb

cc: Willard Bowman, Chairman, Rules Committee  
Terry Gardiner, Chairman, Judiciary Committee  
Susan Sullivan, Chairman, Health, Edu. & Soc. Services  
Nels Anderson, Chairman, Resources Committee  
William Parker, Chairman, State Affairs Committee  
Bob Bradley, Chairman, Commerce Committee  
Joseph McKinnon, Chairman, Labor & Management  
Samuel Cotten, Chairman, Community & Reg. Affairs Comm.

# GREATER ANCHORAGE AREA BOROUGH

3500 EAST TUDOR ROAD  
ANCHORAGE, ALASKA 99507



DEPARTMENT OF LAW  
279-8686

March 19, 1975

Pat Rodey, Chairman  
Senate Committee on Community  
and Regional Affairs  
Pouch V  
Juneau, Alaska 99801

Re: Committee Substitute for Senate Bill No. 127

Dear Pat:

Upon rereading Committee Substitute for Senate Bill No. 127 I see a major loophole that could be plugged by one minor amendment. This amendment would provide that if the owner obtains a loan upon his property or refinances it in an amount which is greater than the loan in effect at the time he obtained his exemption, he would lose his exemption.]

As Committee Substitute for Senate Bill No. 127 is presently written I think there still is a clear opportunity for a person to use the bill to rip off the public taxpayers to the tune of several hundred thousand dollars. The basis for the rip off would be to obtain a loan upon a parcel that is greatly increased in value as opposed to selling a property which is greatly increased in value because of the availability of sewers.

In my last letter to you I indicated the opportunity for making a quick several hundred thousand dollar profit under Senate Bill No. 127 as originally introduced. I think that this opportunity still remains; it's just a little harder to do it under the revised Bill.

As you know, sometimes it is more advantageous to get money out of an appreciated property by refinancing it than it is to sell it outright and take the capital gain. If the property is refinanced there is no income tax to pay on the capital gain. For example, assume that an apartment house has been sold to a person over 65 years of age for \$100,000, \$25,000 of which is a cash down payment and \$75,000 of which

was loaned with the apartment house as security for the loan. Because of demand, economic conditions, inflation, etc., the property becomes worth \$150,000 in a few years. The person over 65 would have the choice, if he has to get some money out of the property, of either selling it and taking the \$50,000 capital gain, upon which he has to pay income tax, or, he could refinance the property at, say, 75%-85% and get some \$112,500 to \$127,500 in cash which would be sufficient to recoup the original \$25,000 investment and earn an additional \$12,500 to \$27,500.

Now, consider the case where a person over 65 has a property on which his residence is located, comprised of 40 acres and worth \$10,000 an acre, for a total of \$400,000. In the Anchorage area the availability of small lot zoning generally hinges upon the availability of sewerage. If the property owner can get the property sewered through a lateral improvement district and have the State of Alaska pick up his share of the assessments, he could very easily quadruple the value of his property by coupling the availability of sewage with new zoning to smaller residential lots. This happens over and over again in the Anchorage area. The result would be that a property formerly worth \$10,000 an acre or \$400,000 will, almost overnight, become worth \$40,000 an acre for a total value of \$1,600,000.

Under Committee Substitute for Senate Bill No. 127 the owner would have to repay the sewer assessment to the State if he should sell, and the sewer assessment would be an offset against the \$1,200,000 profit on the property. However, to get around this, the property owner can be instrumental in bringing about the formation of a lateral improvement district which would benefit his property, obtain State contributions for the amount of sewer assessments allocable to his property, obtain the rezoning and the quadrupling of value, and then borrow an amount equal to, say, 50%-60% of the value of the appreciated property. He would borrow approximately \$800,000 to \$960,000 and would earn an immediate \$400,000 to \$560,000 profit, which profit would be made possible solely as a result of State financing of the sewer assessment.

For a period of several years I spent a great deal of time working on refinancing deals of just this kind which were intended to generate cash without tax liability. Pat McKee, Borough Assessor, could give you some specific examples of

Mr. Rodey

-3-

March 19, 1975

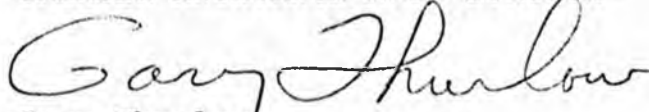
property in the Anchorage area that would be suitable for this type of operation if the property were sold to a person over 65 years of age or if the property were presently owned by a person 65 years of age.

I think that any members of your committee who work with the banks or lending institutions would confirm the feasibility of making a quick profit in the manner outlined above.

You need an amendment to plug the loophole.

Sincerely yours,

GREATER ANCHORAGE AREA BOROUGH

  
Gary Thurlow  
Borough Attorney

GT/vjb

cc: Sam Cotten  
Lee McAnerny  
Pat McKee



## THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

DATE: March 10, 1975

FILE NO.

SUBJECT: CSSB 127

Hon. Sam Cotten, Chairman  
House Community and Regional Affairs Committee  
Alaska State Legislature  
Juneau, Alaska 99801

Dear Chairman Cotten:

I do not believe that CSSB 127 would create an exemption from sewer and water assessments for senior citizens who reside in a home rule municipality. The bill provides for exemption from assessments "under this chapter", this chapter being Chapter 63 of Title 29 of the Alaska Statutes. Home rule municipalities do not derive their authority to act from statute, nor is their authority limited in any manner by Title 29 except by those parts of Title 29 which are made specifically applicable to home rule municipalities. Those sections of Title 29 which are specifically applicable to home rule municipalities are set forth in AS 29.13.100. You will note that no part of Chapter 63 appears in this home rule shopping list section.

Because Chapter 63 of Title 29 is not applicable to home rule municipalities, special assessments made by home rule municipalities would not, in most cases, be assessments "under this chapter". The effect of enactment of the current language would be to provide an exemption from the named special assessments only for those senior citizens who reside in general law municipalities. If it was intended that the benefits of the exemption accrue to any senior citizen without regard to the character of the municipality in which he resides, a fairly simple change to the language of the bill will accomplish that purpose. The phrase "under this chapter" appears in lines 12 and 13; if this phrase is changed to "by a home rule or general law municipality" in both places the Act would then accomplish its intended purpose. If the above suggested amendment, or one similar to it, is made, then a second section reading as follows should be added to the bill:

Hon. Sam Cotten  
March 10, 1975  
Page 2

Section 2. AS 29.13.100 is amended by adding a new subsection to read:

Sec. 29.13.100(36). AS 29.63.065 (Special assessment exemptions).

The new section to the bill is required in order to add the proposed section AS 29.63.065 to the home rule shopping list.

There are several questions which you may want to consider relating to the recapture provision. This provision, which starts at about line 14, applies only to property which has been exempted under subsection (2). If it is intended that the recapture provision apply upon the sale or other conveyance of any property which has received an exemption under the proposed section, the recapture provision should be redrafted to make it applicable to the conveyance of any property receiving an exemption under this chapter upon its conveyance and also to any property which has been exempted under (2) upon its receipt of the water connection. Also, the present language of the recapture provision appears to make the repayment a personal liability of the owner rather than a liability of the land. The initial assessment is a liability on the land and not a personal liability of the owner. The bill speaks of the "person exempted" at about line 14 rather than the property exempted. The recapture provision also raises questions as to whom the obligation for repayment runs. At about line 18 the bill provides that "he shall pay the special assessment from which he was initially exempted." As a special assessment was levied by the municipality, was it intended that the seller pay the recaptured assessment to the municipality, which has been reimbursed by CRA for the exemption? Or is the seller obligated to repay CRA? Also, would it be desirable to create a lien running in favor of the state upon its reimbursement of the exemption to the municipality? Such a security device, however, may tend to shift the burden of repayment to a buyer.

The definition of "resident", which begins at about line 19, is probably unconstitutional as a denial of the equal protection of the law. It is also possible that it could be stricken as a violation of a citizen's right to travel under a recent line of U. S. Supreme Court cases.

If I can be of any assistance, please do not hesitate to call on me.

Very truly yours,



Gerald L. Sharp  
City-Borough Attorney

GLS/plw



# GREATER ANCHORAGE AREA BOROUGH

3500 EAST TUDOR ROAD  
ANCHORAGE, ALASKA 99507

DEPARTMENT OF LAW  
279-8686

February 25, 1975

Senator Pat Rodey, Chairman  
Community and Regional Affairs Committee  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99801

Re: Senate Bill No. 127 - An Act Related To Special Assessments

Dear Senator Rodey:

Greater Anchorage Area Borough assessment revenues would not be affected by Senate Bill No. 127 because of the reimbursement provisions of A.S. 29.53.020(E) (I) which Senate Bill No. 127 incorporates.

However, you may want to place some income and property valuation limitations on persons who can qualify under the act. There are currently several residents 65 years of age or over in the Greater Anchorage Area Borough who have properties on which they live, which properties are of a value in excess of \$2,000,000. These persons are already exempted from real property taxation under A.S. 29.53.020 and the annual state subsidy for these persons in the Anchorage area runs as high as \$5,000 per year per property owner.

If such properties are presently unsewered, and become sewerred, a property could easily be worth many times its value in an unsewerred state.

For example, if a 40 acre tract of ground, worth \$400,000 in an unsewerred state, upon which the owner has his permanent place of abode, is sewerred and is zoned R-1, as many as 120 lots could be carved out of the property. This is three lots per acre. If each lot were sold at \$20,000 each, which is a common price for a lot in the Anchorage area, and if the development cost for each lot were \$10,000 each, the total net profit for the lots would be \$800,000 (\$2,400,000 in gross sales less \$400,000 in land costs less \$1,200,000 in development costs).

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