

852

SHESS GOVERNOR'S EXECUTIVE ORDERS - SB 33

SENATE
HESS
COMMITTEE
BILLS

GOVERNOR'S
EXECUTIVE
ORDERS

43, 44 & 46



Official Business

Alaska State Legislature

Senate
Office of the Secretary

Pouch V
State Capitol
Juneau, Alaska 99811

M E M O R A N D U M

TO: Health, Education & Social Services
FROM: Peggy Mulligan, Senate Secretary
SUBJECT: Executive Order Nos. 43, 44 & 46
DATE: January 14, 1980

I am transmitting herewith the committee copies of the Governor's Executive Order Nos. 43, 44 & 46 which were referred to the Health, Education & Social Services Committee by the Senate President.

In accordance with Article III, Section 23 of the Constitution of the State of Alaska, the legislature has 60 days of ^a regular session to disapprove the executive order. Unless disapproved by resolution concurred in by a majority of the members in joint session, these orders become effective at a date thereafter to be designated by the governor. Executive Order Nos. 43, 44 & 46 were received by the Senate Secretary on January 14, 1980.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 14, 1980

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting to you Executive Orders No. 41, 42, 43, 44, 45 and 46, dated January 14, 1980. Under that constitutional provision, the legislature has 60 days of a regular session, or a full session if of shorter duration, to disapprove these executive orders.

These orders would transfer, for administrative purposes, the following six agencies from the Office of the Governor (and, in the case of the Alaska Public Offices Commission, the Office of the Lieutenant Governor) to several of the like departments:

<u>Agency</u>	<u>Transferred To</u>
Alaska Public Offices Commission	Department of Administration
Public Defender Agency	Department of Administration
Alaska Historical Commission	Department of Education
Alaska State Council on the Arts	Department of Education
Alaska Police Standards Council	Department of Public Safety
Alaska Council on Science and Technology	Department of Environmental Conservation

You may recall that several years ago a "Management and Efficiency Review" of the Executive Branch of State government was conducted at my request, by a group of top-level Alaska business executives. More than 75 per cent of the recommendations the review team made have either been addressed or implemented. One of the key recommendations was to reduce the excessive involvement of my office in program operations by transferring a number of the commissions, councils and agencies reporting to the Office of the Governor, to departments with related responsibilities. A number of programs and agencies have been

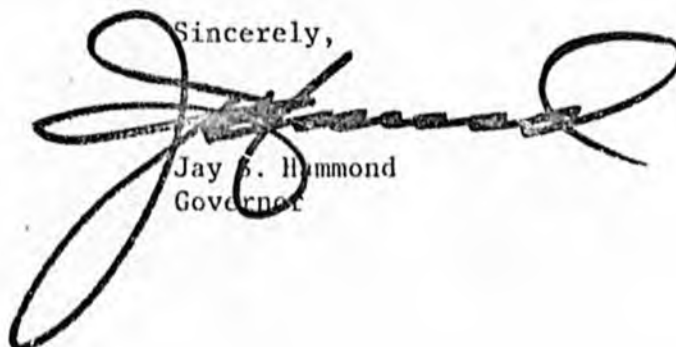
transferred since this recommendation was made in 1976; nine more, including the six covered by these executive orders, are proposed for relocation July 1, 1980. The three entities not included here, (Limited Entry Commission, Criminal Justice Planning Agency and Pipeline Coordinator's Office) are not statutorily located in the Office of the Governor and therefore do not require relocation by executive order.

My goal in completing the reorganization recommended by the "Management and Efficiency Review" team, is to limit, to the maximum extent permissible, the activities of my office to direction of the executive branch and policy development. Program operations should be performed by line agencies. The Lieutenant Governor fully concurs with my philosophy.

Let me stress that these transfers do not reflect a lack of concern for the programs being transferred nor are they intended to grant to the line departments any authority over the activities of these agencies not now provided by law. The line departments will only assume responsibility for providing the administrative support now provided by my office.

The executive orders amend the statutes to specify the new location for each of these entities and recodify the remainder of the existing statutes accordingly. The new provisions are virtually identical to those being repealed with the following exception. Executive Order No. 46, in relocating AS 44.19.18i(a), amends the substance of that subsection by deleting the present third sentence which reads: "Appointees to the council shall be confirmed by a majority of the legislature". This provision is invalid under art. III of the Alaska Constitution and Bradner v. Hammond, 553 P. 2d 1 (Alaska 1976).

Sincerely,

A large, stylized handwritten signature in dark ink, consisting of several loops and a long horizontal stroke.

Jay S. Hammond
Governor

S B

/ O

SB

12

SB #12 "The Act Establishing Social Services for the Disabled" (S. HESS 79-80)
By Holman
for adventure-based education programs

NOTE - Sen Holman will be out of town - would appreciate holding until he able to appear.
2/8/79 Wade Steller in Sen Bradley office called - wanted to know when it be rescheduled.
Prattin paper - F/N herein
3-12/79 notify - Barbara McPherson
Ph: 3591
3-5-79 Steller notified.
HESS "
sponsor "
Editor. " (Jan Hiley)

Introduced 1-15-79
Logged 1-16-79
Referrals Finance

Committee meeting 1-26-78-3-9-79 - held - 3-14-79

Committee action Passed 3-14-79 - taken Senate 3-14-79 by Sen Colletta

Feel this would be sent to Rules & the floor X us (to best deadline)

CSSB 12 Passed out of Senate.

MEMO

TO: SEN. HACKNEY

FROM: PAUL

RE: SB 12

Just want to provide a little input into this SB 12 that we are taking up at tomorrow's hearing. The thrust of this bill is to establish a program (viz. adult-based education program composed of two phases. Phase 1 is a wilderness experience adventure and Phase 2 designed to reinforce the values acquired during the wilderness experience) whereby potential delinquents can enjoy a wilderness experience, e.g. trip down Yukon River, this being a neutral setting away from the environment that is fostering the symptoms that are encouraging the juvenile to become delinquent, and placing the individual in a neutral setting where the individual will be exposed to a new "value" system and hopefully this new value system will leave an indelible impression upon the youth, permitting him to bypass that "threatening cloud" hanging over his head of becoming a delinquent.

Now let's go to Phase 2 of this program which is the critical stage. Once this individual has absorbed his new values, it is necessary for him to retain this value system upon his return to the "old environment." What this phase of the program is geared to do is reinforce those values that the individual attained in the neutral environment, hopefully removing the individual from the delinquent ranks.

It is at this stage, phase two, that the "bureaucratic-ness" of this bill comes into play. In order to sustain this value system, this bill creates six regional corporations, composed of 15 members, boundaries consistent with the regional native corporations, and a higher tier of bureaucracy, an executive policy council, consisting of 12 members, in the Dept of H/SS. The executive council's function is to review/evaluate program established by the regional councils. The regional council's job is to create programs, compatible with that particular community,

that will maintain the values absorbed by the individual rather than reverting back to the old value system that was creating a delinquent out of the individual. The regional councils will have employed a full-time COORDINATOR (for that matter, the executive council will have ^{employed} an executive director) that will spearhead the program in his particular region.

The big question that permeates the line of thinking directed at this program, is how much is it going to cost? Dept. H/SS figures it's going to cost around \$407,000 for FY 80 and will require 8 positions. Conversely, Hohman's camp argues that the cost to the state will be appreciably lower than what H/SS is projecting basically for two reasons:

(1) H/SS already has the social workers and probation officers this bill calls for in the field and H/SS doesn't have to create any new positions.

(2) Additionally, this bill will incur a savings to the state because it will divert individuals who would be candidates for McLoughlin; therefore, the state will not have to pick up the tab for those potential custodial costs. NOTE: Hohman's gang is being a little cryptic about what they are estimating the cost will be, dollar amount that is, because they want to have the upper hand of knowing what everybody else is saying the program is going to cost but at the same time, keeping everybody guessing as to what their projected costs are.

A personal note (for what it's worth department as Paul Harvey would call it). I'll admit, kids that have an opportunity to experience a wilderness experience as Hohman's troops are promoting in this bill, often times temporarily revises one's values when put into a neutral setting (heck sakes, a wilderness experience would do any of us some good) but as these kids filter back into the system, they ease back into their former routine without much difficulty, and I doubt if Hohman's bureaucratic machinery entertained in this bill is going to prepare everyone one in the program for cannonization. It sounds like a very idealistic type program and if it would work it would be great, but..... It's ^{hard} to convince that the cost-effectiveness is really there ^{also}.

"An act relating to the establishment of social services policy councils in the Department of Health and Social Services and providing for an adventure-based education program."

The Department supports the concept of a social services council inasmuch as it would enhance not only cooperative efforts among the various Divisions in the field, but would facilitate cooperation and understanding between the Department and the public, as well as among the several regions of the state.

As the bill stands, however, there appear to be a number of difficulties which would hinder effective implementation.

Sec. 47.47.010. REGIONS. As outlined, the proposed regions do not correspond to any of the regional boundaries of the Department's divisions in the field. Coordination between council regions and the regional offices of the divisions might prove difficult.

Sec. 47.47.030. COMPOSITION OF REGIONAL COUNCILS. Although Sec. 47.47.120 addresses duties of the executive council, including review of programs and the budget of Public Assistance, no Public Assistance representative is on the Regional Council (and, as it follows, on the executive council).

Sec. 47.47.060. MEETINGS. Four professional staff members of the Department, who provide direct services, would be required to attend meetings monthly, possibly involving extensive travel time. As current caseloads are extremely high, their absences may reduce the level of services being provided.

Sec. 47.47.140. SUPPORT BY THE DEPARTMENT. Paragraph (1) directs the Department to provide for secretarial and clerical services to the regional and executive councils. As the services of these support staff are now fully employed, it is difficult to see how they might meet this additional responsibility.

With regard to the establishment of a state-wide adventure-based education program, the Department cannot make a recommendation as to the effectiveness of such a program in diverting juvenile offenders from institutional placements as there is not sufficient supporting evidence available to the Department. The Department would recommend that prior to full state-wide implementation, further pilot studies be made.

Recommended By: Arthur C. Holmberg Date 1/29/79
Art Holmberg, Acting Director
Division of Social Services

Recommended By: Charles Sothan Date 1/29/79
Charles Sothan, Acting Director
Division of Corrections

Approved By: Helen D. Beirne Date 2/16/79
Helen D. Beirne, Commissioner
Department of Health and Social Services

IV. DATE 1/29/79 PREPARED BY J. T. Dalby Administrative Officer
AGENCY Division of Corrections
PHONE 465-3376

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

FISCAL NOTE

I. REQUEST

Bill/Resolution No. 12 TITLE: "An Act establishing social services policy councils in the Dept. of Health & Social Services & providing for an Adventure-Based Ed. Program."
Requested by Hohman Date 1/15/79

II. FISCAL DETAIL

Agency Affected Division of Corrections/Social Services
Program Category Affected Probation/Parole Field Services
BRU, Program, or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		190.9	206.1	222.6	240.4	
200 TRAVEL		174.3	188.2	203.3	219.6	
300 CONTRACTUAL		42.0	45.4	49.0	52.9	
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		407.1	439.7	474.9	512.9	

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		407.1	439.7	474.9	512.9	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

*POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME		8.0	8.0	8.0	8.0	
PART TIME		1.0	1.0	1.0	1.0	
TEMPORARY						

*Including Administrative Staffing only. Program Contracted.

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

(SEE ATTACHED ANALYSIS)

IV. DATE 1/29/79 PREPARED BY *L.T. Dalby* Administrative Officer
AGENCY Division of Corrections
PHONE 465-3376
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

I. Analysis

The following fiscal notes pertain to the Department of Health and Social Services reference individual sections and subsections of SB12:

Sec: 47.47.030 (2) and (4)

The equivalent time of 1.25 permanent full time Probation Officer II (PO II) plus 1.25 permanent full time Social Worker III (SW III) positions per year would be consumed for participation in council meetings.

Regional Council - 2 PO II and 2 SW III members on each of 6 regional councils.
2 PO II x 6 councils x 12 meetings per year x 2 days = 288 days
2 SW III x 6 councils x 12 meetings per year x 2 days = 288 days

Executive Council - Assume 2 PO II and 2 SW III are members.
2 PO II x 1 council x 4 meetings per year x 3 days = 24 days
2 SW III x 1 council x 4 meetings per year x 3 days = 24 days.

State employees work 249 days per year.
PO II - 288 days + 24 days ÷ 249 days = 1.25 PO II
SW III - 288 days + 24 days ÷ 249 days = 1.25 SW III

Average earnings including benefits of PO II's and SW III's
= \$36,500 year

Annual unrecoverable cost (not included in Fiscal Note Amounts)
\$36,500 x 1.25 x 2 = \$91,200

Sec: 47.47.050 Compensation, Per Diem and Expenses

Assume that at least 1/6 of all meetings of regional councils and all executive council meetings require travel and that the average round trip plane fare is \$200 per member and any other participants.

Air Fares
6 Regional Councils x 15 members x (12 meetings ÷ 6) x \$200 = \$ 36,000

Per Diem
6 Regional Councils x 15 members x 12 meetings x \$55 x 2 days = 118,800

Air Fares
1 Executive Council x 12 members x 4 meetings x \$200 = 9,600

Per Diem
1 Executive Council x 12 members x 4 meetings x \$55 x 3 days = 7,920

Estimated other expense - child care = 2,000

Total Travel, Per Diem, and other costs \$174,320

Sec: 47.47.075 Employment of Personnel

Each Regional Council will employ one full time employee for administrative work.

6 x Admin. Asst. Range 12A \$21,500 including benefits = \$129,000
Other part time employees estimate = 4,000
Total annual Regional Council Personal Services Costs \$133,000

NOTE: All other administrative operating and office equipment costs are excluded.

SB

17

SB #17 ^{Mass 79-80} An Act making supplemental
appropriation for scholarship
book funds.
By: Kertula

Introduced - 1-15-79

Logged 1-16-79

Referrals - Finance

Committee meeting 1-17-79

" action - checked with Pfman.

Notify:

Rich Lomire 9-2874

MEMO

1/17/79

RE: SBs 17, 18, 34

TO: Sen. Hackney

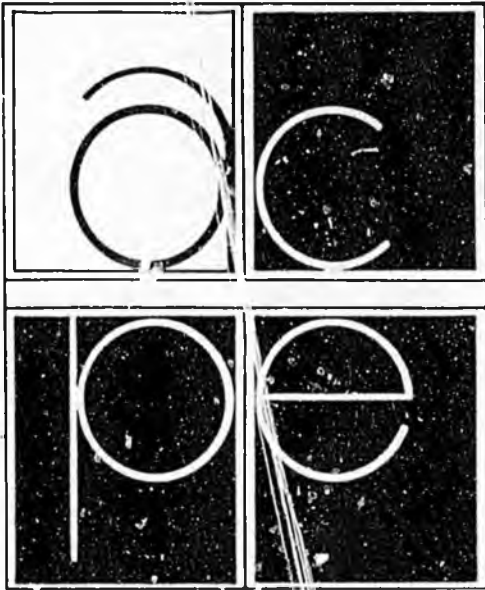
FROM: Paul *Paul*

Senator, I spoke with Kerry Romesburg this morning to alert him of the HESS hearing this afternoon and to notify him that SBs 17 & 18 would be considered. During our conversation, I asked for some input regarding the bills and particularly the "why" behind the request for 2 million. He provided the following info: Funding for the scholarship revolving loan fund is derived from two sources: general fund and repayments made by students on their loans. Kerry stated that the problem that has surfaced this year is that the repayment money that comes from students is depleted and therefore this source of funding is not available. He accounts for the depletion of the student repayment money as follows: In the past, as monthly student repayment money came in this money would be accumulated over a year's time and then would be used toward funding the next year's loan requests. This year, however, because of the surge of loan applications, the Commission has not enjoyed this accumulation of money but has had to disburse this money as it came in to satisfy this year's loan requests. Therefore, to fill the hole in the sock that has come about because of a lack of accumulated funds, the Commission has to submit for a supplemental appropriation in the amount of two million to have money available for this year's loan requests.

RE: SB 18 - Sen. Kertulla has requested that action on this bill be delayed because he has a Dr.s appointment this afternoon and will not be able to testify on the bill.

OVER

RE: SB 34 - Spoke to Janice Gates notifying her that this bill would be
in
brought up/committee this afternoon. She said that the Dept was pre-
paring a position paper on this bill but would not have it ready until
this afternoon at the hearing. I mention^d to her that we would like to
have position papers in our office in a timely manner this year and she
said she would try to comply with this request but today's short notice
made it impossible.



STATE of
ALASKA

**STUDENT
LOAN
PROGRAM**

**ANNUAL REPORT
1977-1978**

**Alaska Commission on Postsecondary Education
Pouch F
Juneau, Alaska 9981 .**

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

Mr. Walter Furnace (Chairman, Anchorage)
Mrs. Mildred Banfield (Juneau)
Mr. Fred J. Baxter (Juneau)
Ms. Lydia Hays (Anchorage)
Senator Jalmar Kerttula (Palmer)
Mrs. Thelma Langdon (Anchorage)
Mrs. Mary Elizabeth Lomen (Fairbanks)
Mrs. Sharilyn Mumaw (Anchorage)
Representative Charles H. Parr (Fairbanks)
Ms. Donnis Thompson (Kenai)
Mrs. Blanche Walters (Nome)
Mr. Walter Ward (Soldotna)

COMMISSION OFFICE

Dr. Kerry D. Romesburg
Executive Director
Alaska Commission on Postsecondary
Education
Pouch F, State Office Building
Juneau, Alaska 99811

DIVISION OF STUDENT FINANCIAL AID

Mrs. Mary Ann Isturis
Administrator
Division of Student Financial Aid
Pouch F, State Office Building
Juneau, Alaska 99811

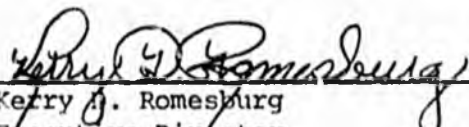
(907) 465-2962

PREFACE

The Annual Report of the Alaska Student Loan Program for 1977-78 is hereby transmitted to the Governor and the Legislature of the State of Alaska. The Student Loan Program is administered by the Alaska Commission on Postsecondary Education with advice and guidance of the Student Financial Aid Advisory Committee. Membership of this advisory committee for 1977-78 included:

Mrs. Mildred Banfield (Chairman, Juneau)
Mr. Ron Castle (Wrangell)
Mr. Walter Furnace (ex officio, Anchorage)
Ms. Ida Greiner (Fairbanks)
Mr. Darzell Moore (Sitka)

The Commission and staff wish to express their gratitude for the work of this advisory committee.


Kerry J. Romesburg
Executive Director

November, 1978

(Date)

Introduction

The 1971 Alaska State Legislature established the Alaska Student Loan Program which provides low cost educational loans to Alaskan students enrolled in undergraduate, graduate, or career degree programs. In the seven years of operation, from 1971-72 through 1977-78, nearly twelve thousand loans have been awarded to Alaskans pursuing education at a postsecondary level. These loans account for a combined total of over \$21 million in State financial assistance.

Educational loans of up to \$2,500 and up to \$5,000 per year for undergraduate and graduate study, respectively, were provided to eligible State residents. This maximum loan limit was changed upward for undergraduate study to a new limit of \$3,000 by the 1978 Legislature, however, the effects of this change will not be reflected until the 1978-79 report.

These need-based loans offer the recipient a ten-year repayment period at an annual interest rate of five percent. The student may utilize the State loan to attend any accredited college or university in the Nation or to attend approved vocational-technical education programs. An incentive, in the form of up to a forty percent cancellation, is offered to those individuals who work in Alaska after completion of their programs of study.

Program Summary

1977-78 was the seventh year of operation for the Alaska State Student Loan Program. The year was one of conversion and change. All loan recipients were offered the opportunity to convert from a six-year repayment to the newly-adopted ten-year repayment plan; the loan program was manually operated as one computer-based system was discarded and another developed (at least initially); and payment coupon repayments replaced the somewhat erratic machine-based direct payment requests.

The loan program has now provided 11,856 loans to Alaskans, totaling \$21,957,196. Of these, 62.9% have been loans for attendance out-of-state, and 37.1% have been for attendance in Alaska. The number of graduate students remains relatively small with 88.2% of the loans going to undergraduates over the past seven years.

Loan Award Amounts

The average loan award has continued its seven-year rise. The average loan in 1977-78 was \$2,033, compared to \$1,483 in 1971-72. Additionally, the number of students, particularly undergraduates, receiving maximum annual awards has continued to grow. These increasing costs largely account for the raised undergraduate loan limit from \$2,500 to \$3,000 beginning in the 1978-79 academic year.

The average loan for a student attending an in-state institution has risen to \$1,723, compared to \$1,589 in 1976-77; while the average loan for attendance out-of-state has remained almost constant this year compared to last (\$2,183 for 1977-78 and \$2,186 for 1976-77).

Undergraduate Loans

The number of undergraduate students securing loans under the state loan program has increased greatly over the past six years. In 1971-72, 990 undergraduates received assistance, while in 1977-78 the number had more than doubled, to 1,985. Of these 64.1% used their loans for attendance out-of-state, and 35.9% used their loans with Alaska.

The states most frequently chosen by undergraduates in 1977-78 are presented below in Table 1. The average loan amount for those students going to schools within the states listed is also given. The pattern is clearly for attendance in the West and, more specifically, in the Northwest, with Alaska, Washington and Oregon accounting for 63.2% of all the undergraduate loans. One interesting finding was that the state, of those listed, for which the average loan amount was the lowest, was Hawaii. This may be in part due to the fact that Hawaii and Alaska have a tuition reciprocity agreement under which Alaskans do not have to pay non-resident tuition rates for attendance in Hawaii, and conversely.

TABLE 1

TEN TOP STATES OF ATTENDANCE
FOR ALASKANS WITH
UNDERGRADUATE LOANS

STATE	NO.	Average Loan
Alaska	713	\$1,699
Washington	322	1,982
Oregon	220	2,021
California	136	2,000
Colorado	91	2,092
Idaho	55	1,824
Arizona	49	1,59
Utah	42	1,756
Hawaii	42	1,308
Montana	36	1,943

The percent of undergraduates using their loans for attendance in Alaska has been increasing the last two years, as can be seen in Figure 1, however the majority of students are still looking "outside" for their postsecondary educational training.

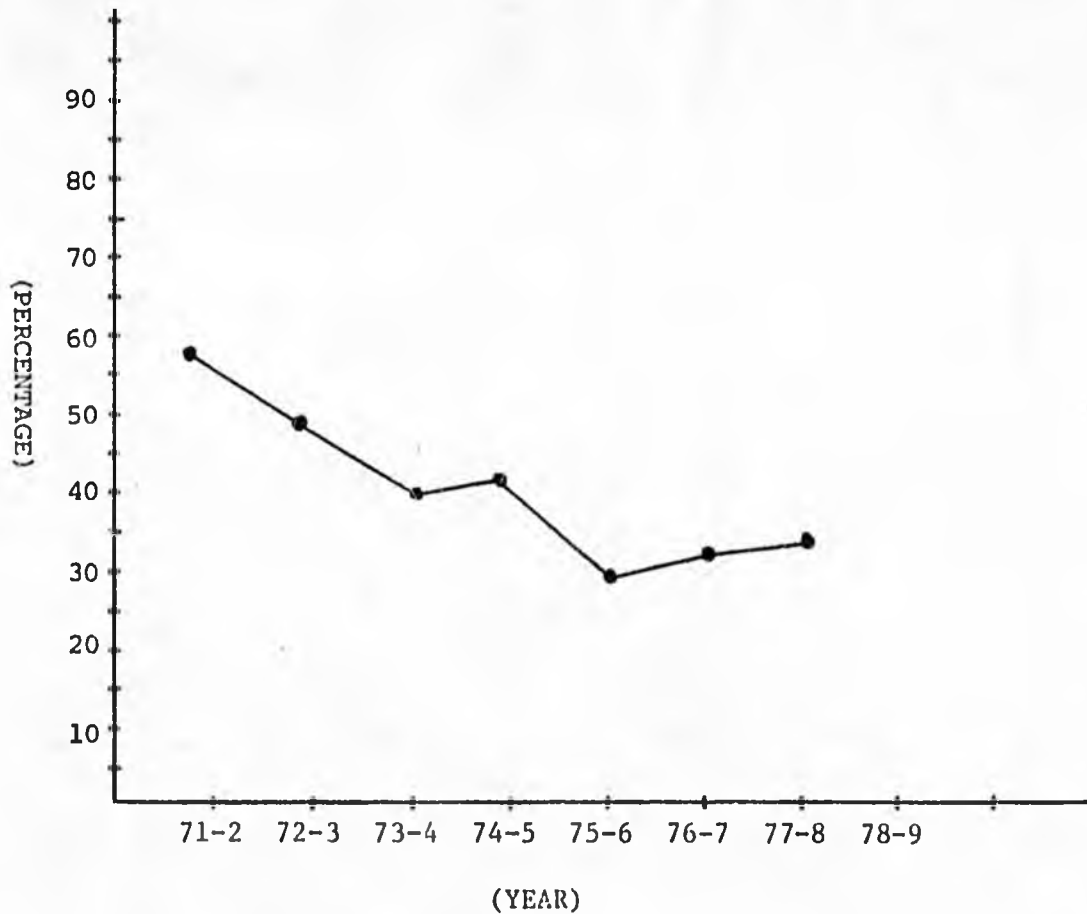


FIGURE 1

PERCENT OF UNDERGRADUATE LOANS
USED IN ALASKA

Graduate Loans

The number of Alaskans receiving loans for graduate study has more than tripled since 1971-72, with 280 Alaskans receiving assistance in 1977-78. Of these 280, 90.4% used their loans for attendance outside of Alaska while 9.6% used them for attendance in-state. This percentage of attendance for graduate study within Alaska has steadily decreased since 1971-72, however, as can be seen in Figure 2, there may be a slight leveling of this trend.

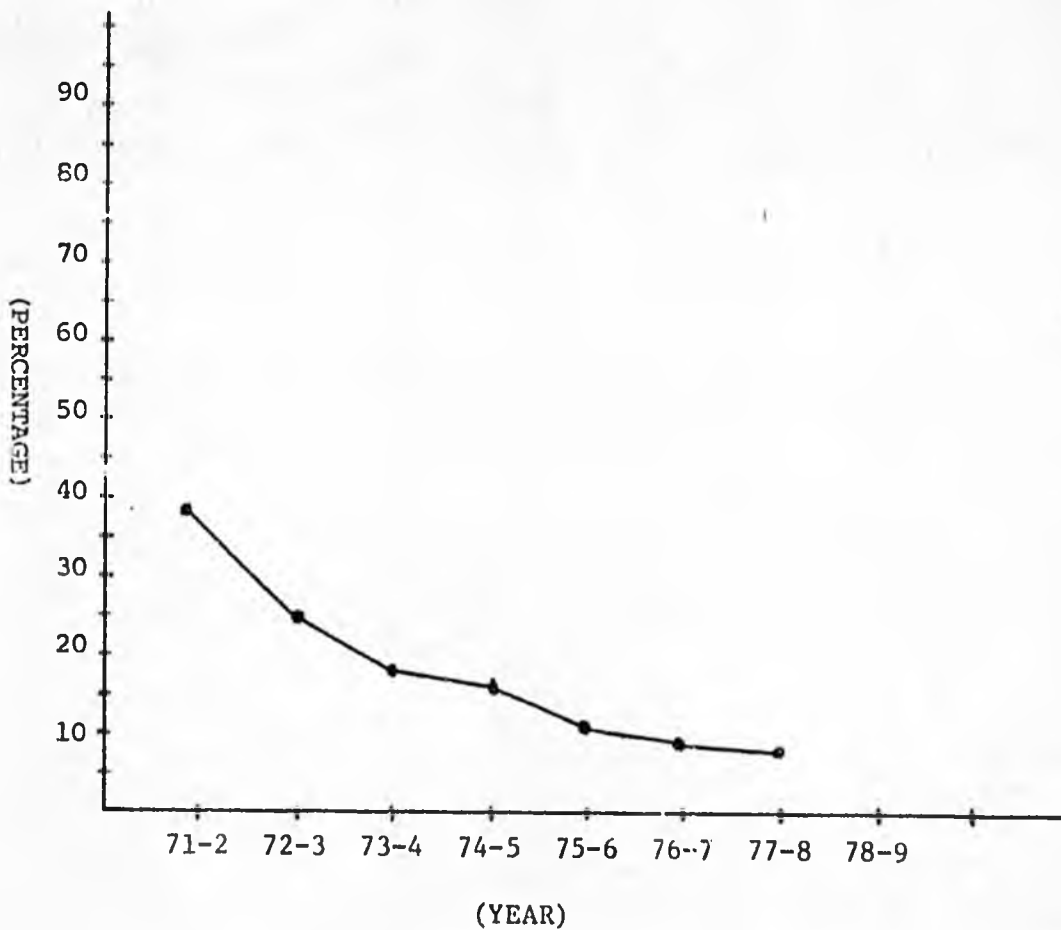


FIGURE 2

PERCENT OF GRADUATE LOANS
USED IN ALASKA

The states most frequently chosen by graduate students from Alaska in 1977-78 are presented in Table 2. As with the undergraduate students, there seems to be a distinct preference for attendance in Western states, with the states of Washington, California, Oregon, and Alaska accounting for 56.8% of the graduate loan recipients. Unlike the undergraduates, however, Alaska ranks only fourth in attendance preference for graduate students.

TABLE 2
TEN TOP STATES OF ATTENDANCE
FOR ALASKANS WITH
GRADUATE LOANS

STATE	NC.	Average Loan
Washington	56	\$3,150
California	42	3,743
Oregon	34	3,125
Alaska	27	2,367
Colorado	15	3,830
Massachusetts	11	3,900
Idaho	9	2,733
Illinois	7	3,507
Arizona	7	3,429
Texas	7	3,321

Loan Repayments

The Student loan program is based upon a revolving fund with the loan repayments being re-utilized for future loans. Since 1971-72 (actually 74-75, since that was the year payments were first received),

Alaskans have repaid over \$3 million on their educational loans. The rapid increase in repayment, presented below in Figure 3, will be leveling slightly due to the extension of the repayment period from six to ten years, but the volume of funds revolving should continue to represent a significant portion of the loan account.

Also presented in Figure 3 is a representation of the cancellation history of the student loan program. Beginning with the first cancellation in 1974-75, the total amount of loan funds (including interest), which the State of Alaska has cancelled for those students living and working in Alaska after completion of their schooling, has reached over \$400 thousand. The amount cancelled has increased quite rapidly the last year and is expected to continue to increase over the next few years due to the large numbers of students completing their educational programs over the same time period.

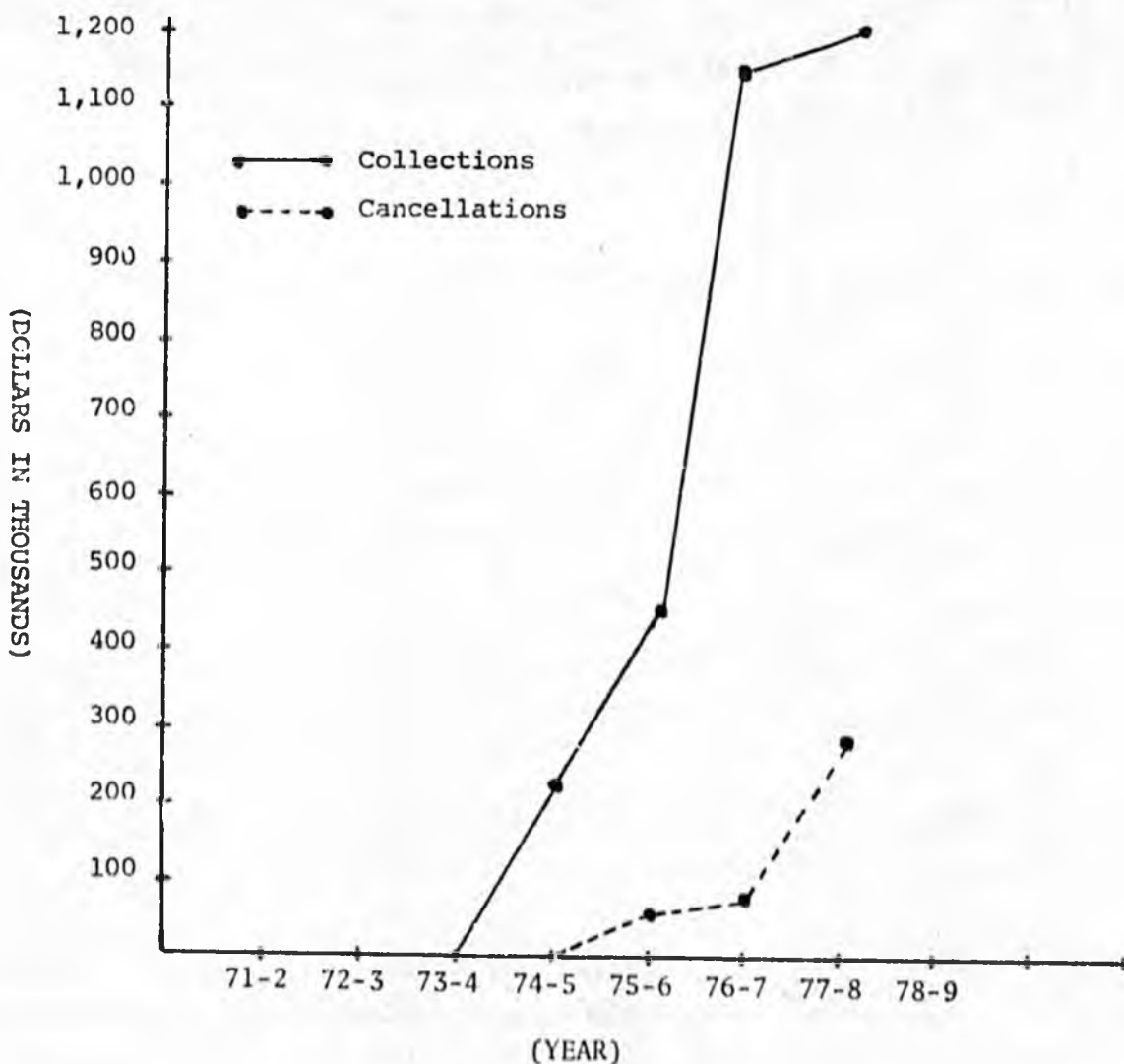


FIGURE 3
STUDENT LOAN COLLECTIONS
and CANCELLATIONS

Statistical Data

Following are Tables 3-7 containing data on the Alaska Student Loan Program from 1971-72 through 1977-78. Information on the number and amount of loans made annually to undergraduate and graduate students attending in-state and out-of-state are presented in Tables 3-6. Table 7 contains summaries of the average size loan awarded each year. It should be remembered that the figures in Table 7 reflect a combination of both undergraduate and graduate loans.

SUMMARY DATA ON
ALASKA STUDENT LOAN PROGRAM
(1971-72 through 1977-78)

TABLE 3
SEVEN-YEAR SUMMARY
(1971-72 through 1977-78)

STUDENT LEVEL	STUDENTS ATTENDING IN-STATE				STUDENTS ATTENDING OUT-OF-STATE				TOTAL	
	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Loan Amount
Under-graduate	4,174	39.9	\$6,140,235	35.1	6,285	60.1	\$11,335,635	64.9	10,459	\$17,475,870
Graduate	222	15.9	\$ 578,033	12.9	1,175	90.4	\$ 3,903,293	92.9	1,397	\$ 4,481,326
Total	4,396	37.1	\$6,718,268	30.6	7,460	62.9	\$15,238,928	69.4	11,856	\$21,957,196

TABLE 4
YEARLY SUMMARY
OF
UNDERGRADUATE STUDENT LOANS

ACADEMIC YEAR	STUDENTS ATTENDING IN-STATE				STUDENTS ATTENDING OUT-OF-STATE				TOTAL	
	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Loan Amount
1971-72	570	57.6	\$ 680,351	50.1	420	42.4	\$ 666,536	49.5	990	\$ 1,346,887
1972-73	761	48.7	965,274	42.1	801	51.3	1,326,975	57.9	1,562	2,292,249
1973-74	585	40.1	913,284	38.8	874	59.9	1,438,990	61.2	1,459	2,352,274
1974-75	528	41.5	764,872	36.4	745	58.5	1,336,279	63.6	1,273	2,101,151
1975-76	456	30.5	747,112	27.9	1,041	69.5	1,927,334	72.1	1,497	2,674,446
1976-77	561	33.1	858,139	28.6	1,132	66.9	2,143,458	71.4	1,693	3,001,597
1977-78	713	35.9	1,211,203	32.7	1,272	64.1	2,496,063	67.3	1,985	3,707,266
TOTAL	4,174	39.9	\$6,140,235	35.1	6,285	60.1	\$11,335,631	64.9	10,459	\$17,475,870

TABLE 5
YEARLY SUMMARY
OF
GRADUATE STUDENT LOANS

ACADEMIC YEAR	STUDENTS ATTENDING IN-STATE				STUDENTS ATTENDING OUT-OF-STATE				TOTAL	
	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Percent of Total	Loan Amount	Percent of Total	Loan Recipients	Loan Amount
1971-72	31	34.1	\$ 74,613	29.1	60	65.9	\$ 181,658	70.9	91	\$ 256,271
1972-73	48	25.8	113,990	19.7	138	74.2	464,145	80.3	186	578,135
1973-74	37	18.0	107,988	17.0	169	82.0	525,914	83.0	206	633,902
1974-75	31	16.8	86,266	15.4	153	83.2	472,390	84.6	184	558,656
1975-76	25	11.3	61,424	8.7	197	88.7	647,127	91.3	222	708,551
1976-77	23	10.1	69,833	8.2	205	89.9	779,077	91.8	228	848,910
1977-78	27	9.6	63,919	7.1	253	90.4	832,982	92.9	280	896,901
TOTAL	222	15.9	\$ 578,033	12.9	1,175	84.1	\$ 3,903,293	87.1	1,397	\$ 4,481,326

TABLE 6
YEARLY SUMMARY
OF
ALL STUDENT LOANS

ACADEMIC YEAR	STUDENTS ATTENDING IN-STATE				STUDENTS ATTENDING OUT-OF-STATE				TOTAL	
	Loan Recipients	Percent of Loan	Loan Amount	Percent of Loan	Loan Recipients	Percent of Loan	Loan Amount	Percent of Loan	Loan Recipients	Loan Amount
1971-72	601	55.6	\$ 754,964	47.1	480	44.4	\$ 848,194	52.9	1,081	\$ 1,603,158
1972-73	809	46.3	1,079,264	37.6	939	53.7	1,791,120	62.4	1,748	2,870,384
1973-74	622	37.4	1,021,272	34.2	1,043	62.6	1,964,904	65.8	1,665	2,986,176
1974-75	559	38.4	851,138	32.0	898	61.6	1,808,669	69.0	1,457	2,659,807
1975-76	481	28.0	808,536	23.9	1,238	72.0	2,574,461	76.1	1,719	3,382,997
1976-77	584	30.4	927,972	24.1	1,337	69.6	2,922,535	75.9	1,921	3,850,507
1977-78	740	32.7	1,275,122	27.7	1,525	67.3	3,329,045	72.3	2,265	4,604,167
TOTAL	4,396	37.1	\$6,718,268	30.6	7,460	62.5	\$15,238,928	69.4	11,856	\$21,957,196

TABLE 7

MEAN LOAN AMOUNT PER RECIPIENT

BY

IN-STATE/OUT-OF-STATE INSTITUTIONAL ATTENDANCE

ACADEMIC YEAR	STUDENTS ATTENDING IN-STATE			STUDENTS ATTENDING OUT-OF-STATE				TOTAL	
	Number of Loan Recipients	Total Amount Loaned	Mean Loan Per Recipient	Number of Loan Recipients	Total Amount Loaned	Mean Loan Per Recipient	Number of Loan Recipients	Total Amount Loaned	Mean Loan Per Recipient
1971-72	601	\$ 754,964	\$1,256	480	\$ 848,194	\$1,767	1,081	\$ 1,603,158	\$1,483
1972-73	809	1,079,264	1,334	939	1,791,120	1,907	1,748	2,870,384	1,642
1973-74	622	1,021,272	1,642	1,043	1,964,904	1,884	1,665	2,986,176	1,793
1974-75	559	851,138	1,523	898	1,808,669	2,014	1,457	2,659,807	1,826
1975-76	481	808,536	1,681	1,238	2,574,461	2,080	1,719	3,382,997	1,968
1976-77	584	927,972	1,589	1,337	2,922,535	2,186	1,921	3,850,507	2,004
1977-78	740	1,275,122	1,723	1,525	3,329,045	2,183	2,265	4,604,167	2,033
TOTAL	4,396	\$6,718,628	\$1,528	7,460	\$15,238,928	2,043	11,856	\$21,957,196	\$1,852

ALASKA STUDENT LOAN PROGRAM

1978-79

A. Financial Status:

1.	Actual Balance of Revolving Fund 6-30-78	\$ 2,690.2
2.	79 Appropriation	<u>3,600.0</u>
3.	Total Available	\$ 6,290.2
4.	78-79 Loans Awarded as Per Authorization	<u>5,000.0</u>
5.	Balance 7-31-78	\$ 1,290.2
6.	Anticipated Collections thru 6-30-79	<u>1,400.0</u>
7.	Total	\$ 2,690.2
8.	78-79 Loans Awarded Additional 1-16-79	<u>1,335.3</u>
9.	Balance 1-16-79	\$ 1,354.9
10.	78-79 Loans Awarded Additional Projected	<u>500.0</u>
11.	Balance Projected 6-30-79	\$ 854.9

B. Number of Awards:

	<u>Undergraduate</u>	<u>Graduate</u>	<u>Total</u>
77-78 Actual	1,985	280	2,265
78-79 Present (1-16-79)	2,600	371	2,971
78-79 Pending (1-16-79)	N.A.	N.A.	380
78-79 Total Projected			3,200
79-80 Revised Estimate (15% increase)			3,680

C. 1979-80 Budget:

1.	Original Request	
	General Fund	\$ 5,647.0
	Revolving Fund	<u>1,853.0</u>
	Total	\$ 7,500.0
2.	Governor's Recommendation	
	General Fund	\$ 4,000.0
	Revolving Fund	<u>1,800.0</u>
	Total	\$ 5,800.0
3.	Projected Need (1-16-79)	
	General Fund	\$ 5,647.0
	Revolving Fund	<u>2,453.0</u>
	Total	\$ 8,100.0
4.	Based on Governor's Budget	
	Projected Need	
	General Fund	\$ 4,000.0
	Revolving	<u>4,100.0</u>
	Total	\$ 8,100.0
5.	Project Revolving Fund Requirements:	
		\$ 4,100.0
	carry-over	<u>854.9</u>
	Total	\$ 3,245.1
	supplemental	<u>2,000.0</u>
	Total	\$ 1,245.1 to come from 79-80 collections.

D. Additional Information:

1. Average award:

77-78	\$ 2,033
78-79	2,207

2. Undergraduate/Graduate Ratio:

	<u>Undergraduate</u>	<u>Graduate</u>
77-78	87.6%	12.4%
78-79 (1-16-79)	87.5	12.5

3. Attendance In-State/Out-of-State:

	<u>Undergraduate</u>		<u>Graduate</u>		<u>Total</u>	
	<u>In-State</u>	<u>Out</u>	<u>In-State</u>	<u>Out</u>	<u>In-State</u>	<u>Out</u>
77-78	35.9%	64.1%	9.6%	90.4%	32.7%	67.3%
78-79	31.9	69.1	16.5	83.5	29.0	71.0

4. Fields of study of 78-79 graduate loan recipients as of 12-27-79:

	<u>Number</u>	<u>Percent</u>
(a) In-State	38	12.5
(b) Out-of-State		
Professional	144	47.5
(Law)	(101)	(33.3)
(Medicine)	(24)	(7.9)
(Dentistry)	(9)	(3.0)
Fields Available In-State	38	12.5
(Education + MA)	(12)	(4.0)
(Business - MBA)	(11)	(3.6)

SB

18

NR "Scholarship Plans"

By: Kerttula

Introduced 1-15-79

Logged 1-16-79

Referrals: Finance

Committee meeting ~~1-17-79~~ 1-24-79

" action

1-17-79^g Plenn - Sen Kerttula desires that he first find the Las Vegas' cost today & does wish to testify when bill before Committee.

2-23-79 - Sen Kerttula's office notified of Comm. meeting.
with Maxine c# 2350
with Bill of Russ.

Please notify:
Rich Lomire
9-2874

SB

24

COMMITTEE REPORT
SENATE

1/16/79

FURTHER: Finance

Date: 3-14-79

Mr. President:

The Committee on Health, Education & Social Services has had SB 24 insurance coverage for persons receiving benefits under public employee's and teacher's retirement systems

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

DO PASS AS AMENDED



Alaska State Legislature

Senate

Committee on

Health, Education & Social Services

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

Glenn Hackney, Chairman
Frank Ferguson, Vice Chairman
Mike Colletta
Bettye Fahrenkamp
Arliss Sturgulewski

M E M O R A N D U M

TO: The Honorable John Sackett
Chairman, Senate Finance Committee

FROM: Senator Glenn Hackney
Chairman, Senate Health, Education
and Social Services Committee

SUBJECT: Auditory, Visual, and Dental Insurance

DATE: April 30, 1979

Identical bills to provide the above-referenced insurance for retired individuals were entered in the Senate and in the House. The House Bill number was HB 26, the Senate Bill number was SB 24. Under both bills, the retired employee would have paid one-half the cost of the insurance, the retirement fund would have paid the other half. The Division of Retirement and Benefits submitted a fiscal note indicating the cost to the system would be \$1,608,300 for the PERS and \$1,199,200 for the TRS.

In the Senate, SB 24 was amended to allow the retiree to pay 90% of the cost and the system to pay the other 10%. The fiscal note on the amended version indicated a cost of \$330,100 to the PERS and \$248,000 to the TRS.

The House passed HB 26 with an amendment indicating the retiree would pay the full cost of the insurance.

About a week ago we had a number of lobbyists in Juneau representing the NRTA and the AARP. I think that one or the other of these individuals visited every Representative and Senator. The message that was brought to me by these retired individuals was that they did not object to paying the cost of this insurance, they were pleased to even be able to purchase it since the cost would be much higher on the open market.

With that information in hand, I made the motion in Senate Finance Committee to move CSHB 26, the bill that requires retirees to pay the full cost of the insurance.

Office copy

Introduced: 1/16/79
Referred: Health, Education
& Social Services and
Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 24

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to insurance coverage for persons
7 receiving benefits under the public employees' and
8 teachers' retirement systems."

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

10 * Section 1. AS 39.30.090 is amended by adding a new paragraph to read:

11 (15) A person receiving benefits under AS 14.25 or AS 39.35
12 may obtain auditory, visual, and dental insurance for himself under this
13 section. The level of coverage for persons over 65 shall be the same as
14 that available before reaching age 65 except that the benefits payable
15 shall be supplemental to those afforded under the federal old age,
16 survivors, and disability insurance program, if any. A person electing
17 to have insurance under this paragraph shall pay ^{90%} ~~one-half~~ the cost of
18 the insurance, and the retirement system from which he is receiving
19 benefits shall pay the other one-half.

20 *Ask Paul Arnold*

29

Introduced: 1/16/79
Referred: Health, Education
& Social Services and
Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 24

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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14 that available before reaching age 65 except that the benefits payable
15 shall be supplemental to those afforded under the federal old age,
16 survivors, and disability insurance program, if any. A person electing
17 to have insurance under this paragraph shall pay ^{90%} ~~one-half~~ the cost of
18 the insurance, and the retirement system from which he is receiving
19 benefits shall pay the other ^{10%} ~~one-half~~.

21
22 the amendment

23
24
25 Audrey
26 this is amendment
27 line 17 delete one-half add 90% of
28 line 19 delete one-half add 10%
29

STATE OF ALASKA
Inter-Department Route Slip

SB 24
//

TO:
MAIL STATION NUMBER 3100

DEPARTMENT Alaska State Legislature
House H&SS

ATTENTION _____

- | | |
|--|--|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

FROM:
MAIL STATION NUMBER 0208
ADmin/Admin. Services
DEPARTMENT _____
BY Kellus Sewell DATE 2/6

02-002 (REV.10/73)

112 Cap.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQFST
Bill/Resolution No. Senate Bill 24
Title Insurance Coverage for Persons Receiving Benefits Under the Public Employees' R/S
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Retirement and Benefits (PERS)
BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-01
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		9.8	10.4	11.0	11.7	12.4
200 TRAVEL						
300 CONTRACTUAL		0.3				
400 COMMODITIES		0.2	0.2	0.2	0.2	0.2
500 EQUIPMENT		0.2				
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		1,597.8	1,757.6	1,933.3	2,126.7	2,339.3
TOTAL		1,608.3	1,768.2	1,944.5	2,138.6	2,351.9

FUNDING (Thousands of Dollars)

GENERAL FUND	1,308.6	1,439.6	1,583.4	1,741.7	1,916.0
FEDERAL FUNDS	73.5	80.8	88.9	97.8	107.6
VETERAN'S FUND	3.2	3.5	3.9	4.3	4.7
FISH & GAME FUND	9.6	10.5	11.6	12.8	14.0
HIGHWAY FUND	20.8	22.8	25.1	27.6	30.4
AIRPORT FUND	46.3	51.0	56.1	61.7	67.8
CAPITAL FUND	135.8	149.4	164.3	180.8	198.8
PERS	10.5	10.6	11.2	11.9	12.6
TRS					

POSITIONS

FULL TIME	1/2	1/2	1/2	1/2	1/2
PART TIME					
TEMPORARY					

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

1. Audio, dental, vision coverage will be extended to present and future retirees.
2. Estimate FY 80 covered state payroll to be \$241,000,000.
3. Estimate future state payrolls will increase at 10% annually.
4. Increase in state employer contribution rate would be .6630% of covered payroll.
5. Administrative costs per attachment (Page 2).

IV. DATE 2/02/79 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Office of the Governor (Keith Specking) Senator Ray

ATTACHMENT SB 24

The following administrative funds would be required to implement the provisions of this bill.

1. Personal Service - one permanent full-time position Accounting Clerk III (range 10) - salary and merit increases at 6% per year.

FY 80 monthly salary	\$1,254 X 12 = \$15,048
Plus benefits at 30.23%	= <u>\$ 4,549</u>

\$19,597

2. Miscellaneous Expenses - initial cost office equipment, annual commodity, replacement costs, and printing/ mailing costs.

FY 80	= \$1,300
Succeeding FY's	= \$ 300

Administrative costs will be shared equally between the Public Employees' Retirement System and the Teachers' Retirement System.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 24
 Title Insurance Coverage for Persons Receiving Benefits Under the Teachers' Retirement System
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		9.8	10.4	11.0	11.7	12.4
200 TRAVEL						
300 CONTRACTUAL		0.2				
400 COMMODITIES		0.1	0.1	0.1	0.1	0.1
500 EQUIPMENT		0.3				
600 LAND & STRUCTURES						
700 TRS STATE MATCH		967.0	1,063.7	1,170.1	1,887.1	1,415.8
100 BENEFITS		221.8	244.0	268.4	295.2	324.7
TOTAL		1,199.2	1,318.2	1,449.6	1,594.1	1,753.0

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		1,188.8	1,307.7	1,438.5	1,582.3	1,740.5
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS		10.4	10.4	11.1	11.8	12.5

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME		1/2	1/2	1/2	1/2	1/2
PART TIME						
TEMPORARY						

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

1. Audio, dental, vision coverage will be extended to present and future retirees.
2. Estimate FY 80 covered TRS payroll to be \$231,000,000.
3. Estimate future state payrolls will increase at 10% annually.
4. Increase in combined TRS State Match and district contribution rate will be .8372% of covered payroll.
5. Administrative costs per attachment (Page 2).

IV. DATE 2/02/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 Office of the Governor (Keith Specking) Senator Ray
 33-001 (Rev. 12/78)

ATTACHMENT

Bill/Resolution No. SB 24

ASSUMPTIONS:

- 1. Estimated FY80 Payroll (Total System) = \$213,000,000
- 2. State Contribution Rate to Fund Bill = .4186%
- 3. State TRS Matching Rate to Fund Bill = .4186%
- 4. School District Rate to Fund Bill = .4186%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 6,000,000	X	.4186%	\$ 25.1	To Their Budget
2. University of Alaska	\$ 47,000,000	X	.4186%	\$ 196.7	To Their Budget
				<u>\$ 221.8</u>	
3. State TRS Matching	\$231,000,000	X	.4186%	\$ 967.0	To TRS Match
4. State TRS Regular Budget:					
Personal Services				\$ 9.8	To Personal Services
Travel				\$ -0-	To Travel
Contractual				\$ 0.2	To Contractual
Commodities				\$ 0.1	To Commodities
Equipment				<u>\$ 0.3</u>	To Equipment
				<u>\$1,199.2</u>	
5. All School Districts	\$178,000,000	X	.4186%	<u>\$ 745.1</u>	
				<u>\$1,944.3</u>	

AML
MEMBER

MONTHLY GROSS
PAYROLL(x12+10%)

EST. FY
1980 SALARY

ADDITIONAL COST
IF SB 24 ENACTED

AML	3,600.00	47,520.00	315.06
City of Valdez	112,641.40	1,486,861.00	9,857.89
Mat-Su Borough	111,855.10	1,476,480.00	9,789.10
City of Haines	22,557.84	297,764.00	1,974.18
City of Kenai	145,490.92	1,920,480.00	12,732.78
FNSS	325,786.79	4,300,385.00	28,511.55
C/B Sitka	184,140.47	2,430,654.00	16,115.24
Ketchikan Gateway	60,060.66	792,805.00	5,256.30
City of Soldotna	30,525.00	402,930.00	2,671.43
C/E Juneau	697,849.58	9,211,615.00	61,073.01
City of Kodiak	201,524.50	2,660,123.00	17,636.62
City of Fairbanks	820,000.53	10,824,007.00	71,763.17
City of Skagway	16,980.04	224,137.00	1,486.03
City of Wrangell	66,489.73	877,664.00	5,818.91
City of Bethel	8,489.60	112,063.00	742.98
City of Nome	33,850.34	446,824.00	2,962.44
City of Kotzebue	21,561.96	284,618.00	1,827.02
City of Petersburg	116,314.52	1,535,352.00	10,179.38
Bristol Bay	13,866.84	183,042.00	1,213.57
North Slope Borough	358,129.63	4,727,311.00	31,342.07
City of Cordova	52,465.83	692,549.00	4,591.60
City of King Cove	6,936.60	91,563.00	607.06
City of St. Paul	10,219.71	134,900.00	894.39
Anchorage	3,452,173.31	45,568,670.00	302,120.28
Kodiak Borough	20,061.16	264,807.00	1,755.67
City of Sand Point	10,357.47	136,719.00	906.45
City of Dillingham	18,254.06	240,954.00	1,597.53
City of Unalaska	39,605.52	522,793.00	3,466.12
Kenai Pen Borough	169,217.96	2,233,677.00	14,809.28
City of Ketchikan	155,900.07	2,057,881.00	13,643.75
City of Seward	26,978.41	356,115.00	2,361.04

Total Additional Cost to
League Members

640,081.87

DRAFT

SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE
January 31, 1979

Members Present

Members Absent

Senator Hackney, Chairman
Senator Colletta *late 2:53 PM
Senator Fahrenkamp
Senator Sturgulewski

Senator Ferguson

Others Present

Paul B. Arnoldt, Department of Administration
Cherie Shelley, Alaska Public Employees Association, National Association of Retired Persons, National Association of Retired Teachers
Jim Beima, Postsecondary Education Commission
Jane Hanna, Board of Nursing Home Administrators
Roberley R. Potter, Board of Nursing Home Administrators
Leona F. Borules, Board of Nursing Home Administrators
Dove Kull, Board of Nursing Home Administrators
Bert Wagnon, Department of Commerce and Economic Development
Don Hostak, Department of Commerce and Economic Development
Elaine Garret, Department of Commerce and Economic Development
Bob Cooksey, National Educational Association - Alaska
Marilou Maddan, Department of Education
Rocelyn Gilman, Department of Commerce and Economic Development
Donna Stephens, Board of Nursing Home Administrators

Bills on Agenda

- SB 24 -- An Act relating to insurance coverage for persons receiving benefits under the public employees' and teachers' retirement systems; RAY
- SB 35 -- An Act relating to adult education; RULES/REQ. OF THE GOVERNOR

Chairman Hackney called the meeting to order in the Butrovich Room of the Capitol Building at 2:38 PM.

The first bill on the agenda was SB 24. Present to testify was Paul Arnoldt.

Paul Arnoldt. Mr. Chairman, for the record, I am Paul Arnoldt, Director of the Division of Retirement and Benefits. For the last few days we have been trying to generate cost data on the bill. We have contacted our health insurance consultant through the William M. Mercer Company. He is working with our carrier, Blue Cross, to generate the firm number or a cost per month per employee for providing the audio, dental and visual benefit as indicated on under this bill. Then that data is going to be given to our actuary and from there we will calculate a cost-impact on the system. We have really two consultants and a carrier involved in costing the bill, but we don't have that cost as of yet. We have commitments to have the data by

Friday and have the fiscal note done by Friday. At this point in time we don't have a fiscal impact. The administration's position on this is that quite obviously we like to provide as much coverage as possible to everyone including our retirees. The only constraint is the fiscal impact and without that we really can't say what our support is. Looking at the bill in a positive vane, we'd like to do something if we can afford it.

Sen. Sturgulewski. Mr. Arnoldt, I realize that we deal with different departments and divisions but on behalf of the administration has there every been an analysis done of total benefits that are given to senior citizens or people based on an age level, say 55, 60, 65 looking into the property tax exemption? In other words have we taken a look to really see how we handle our senior citizens of which I may soon become?

Mr. Arnoldt. The answer to that is really no. If I can expand on that a little bit, other states have looked at that same issues, not necessarily regarding senior citizens but persons going on retirement. Other states that found that time they add in your retirement benefit, some of the tax deductions, your social security, etc. that many employees are actually going on retirement with an excess of 100% of their final salary. It's just a gut feel, if you will, of most state administrators at the national conference that I do attend that most states are in that environment. In particular when you recognize that they are actually providing benefits greater the final average salary. Especially when you recognize that studies written by actuarial firms, Winkleboss out of New York is the primary one, that shows that a person on retirement really in order to maintain their same standard of living would need a salary somewhere between 40 and 69% of their final salary in order to maintain that same standard of living. But again, just throwing it back to our particular situation, no, I am not aware of any study that addresses that area.

Sen. Fahrenkamp. Two things, (1) I am concerned about the statement about 100% of the final salary because many times I know that employees will, before retiring, have put in their time in one field and change fields and maybe that is no relation to what their capabilities and salary were or have been at one time or another and that statement is bothering me just a little bit. If they are retiring at 100% of their final salary then I admire their ingenuity. Another thing, I don't object to testimony concerning this bill, but its been my experience so far in this procedure that unless a fiscal note accompanies a bill our hands are rather tied.

Sen. Hackney. I wouldn't intend to pass the bill our today absent a fiscal note.

Sen. Fahrenkamp. In the interest of time I know that I'm a little bit restrained today with these Joint Senate and House Committee Resources meetings and I'll stay as long as you deem it necessary, but in the interest of time, if we are not going

DRAFT

to pass it out, as much testimony as we could get as quickly and if the witness is not prepared . . .

Sen. Hackney. We did not know that we were not going to be able to get a fiscal note until it was too late to do anything. People had been notified. We do have several others who would like to testify, I'm sure, on the bill. So I think what we will do, do you have any further comments Mr. Arnoldt?

Mr. Arnoldt. No. Other than regarding the 100%. I get excited when I want to testify, I've got so much I want to say without developing it. There are a whole gamut of things in the bill so its almost like throwing it out of context when I give you a little something without developing it. I'm sorry for that, I get too excited someties, but I can really develop it at someother time is you would like.

Sen. Hackney. By Friday?

Mr. Arnoldt. I could probably give you material that was done by the Winkleboss Actuarial firm by Friday. It speaks to that whole area. I can get material.

Sen. Hackney. I think we would like to see whatever material you've got. We'd also like to see anything that projects the longterm effects of something like this 20 years down the road. Because there is a cumulative effect there.

Mr. Arnoldt. ^{THE FISCAL NOTE} This would show the longterm effect for this particular bill and the study would show what other states are showing as far as benefits.

Sen. Fahrenkamp. As that fiscal note is prepared, I'd like to ask Mr. Arnoldt, what are the possibilities of including in that some comparison relating to 100% rather than 50%. I know this bill speaks to 50% of the cost being borne by the retiree and I'd like to see some figures comparing with 100%. Would that put you in a bind?

Mr. Arnoldt. No, no problem. The 100% I was speaking to . . .

Sen. Fahrenkamp. I'm well aware of the two differences.

Mr. Arnoldt. If the State were to pay the total cost, the fiscal impact would be just doubled what the fact would be now. If the employee paid the full cost, it would be zero.

Sen. Hackney And you won't know what full cost is until you get . . .

Mr. Arnoldt. Right, the data back from the carrier.

Sen. Sturgulewski. There are two things that I would like to have. One you can answer now and one hopefully you can address on Friday or whatever date. Could you or someone give testimony on the availability of medical coverage for people in this class in fact if they do not come through a plan say that was offered by the state, is it really possible that any kind of reasonable rate to

acquire that service independently. Then a question to you on a comment you made when you referred to the 40 to 69% final salary necessary to maintain a standard of living. Were you talking that that is necessary in coordination with those benefits that the state typically gives?

Mr. Arnoldt. No, in order to maintain the same standard of living that you have the day after you go on retirement, depending on your salary range, it runs from 40 and 69% of your final salary. That same amount of money would be needed to maintain the same standard of living.

Sen. Sturgulewski. OK, in other words, not taking into account the fact you may or may not receive other benefits.

Mr. Arnoldt. It takes into consideration that you are receiving other benefits.

Sen. Sturgulewski. OK, that's what I'm trying to get.

Mr. Arnoldt. To go back to the availability of medical. I think we are only speaking to the audio/dental and visual because the retiree to day does get major medical.

Sen. Sturgulewski. I realize that. No, the bill under consideration.

Sen. Hackney. It really is just an expansion of present benefits, isn't that a fair statement?

Mr. Arnoldt. Yes.

Sen. Hackney. No other questions? Thank you Mr. Arnoldt.
Cherie Shelly, representing APEA, NARP, and NART.

Cherie Shelly. Mr. Chairman, for the record I am Cherie Shelly. I am general counsel for Alaska Public Employees Association and I am also speaking to day on behalf of the National Association of Retired People and Retired Teachers as their lobbyist fell on the ice and hurt a leg and can't be here today. Basically, I work with that organization in drafting legislation. The impetus was APEA now represents current state employees who will eventually become retired. And the information I received from the Retired Persons Association was that these individuals now only have major medical coverage and they found it difficult to procure and expensive to procure audio, visual and dental coverage at a time in their life when it would be most beneficial. With that in mind we requested Senator Ray to introduce this legislation.

Sen. Fahrenkamp. Was your request as representing APEA, NARP and NART, was your request then for a 50% of the cost being borne by the employee or retiree?

Cherie Shelly. When I was working on drafting the legislation, I called Mr. Arnoldt and asked him what his thoughts were on the legislation and based on my conversation with him I consulted the other people and decided it would at least be beneficial to have them pick up 50% of the cost. They thought that was terrific if they could get anything.

DRAFT

Sen. Fahrenkamp. You felt then that it was a matter of 50% or nothing, is that correct?

Cherie Shelly. Well considering the constraints we hear on financing legislation this session

Sen. Hackney. They'll be back for the other 50% next year.

Sen. Sturgulewski. Just briefly, I would be interest if there is any documentation or other testimony about the difficulty of insurance and any coverage in those areas. You've made a statement and if you have any further information on that I would appreciate it.

Cherie Shelly. I'll try to get you some backup on that.

Sen. Sturgulewski. Fine. Thank you.

Sen. Hackney. Thank you Cherie. Bob Cooksey?

Bob Cooksey. Thank you Mr. Chairman. I'm Bob Cooksey with NEA and I am here today in Bob Van Houte's absence and since I'm his assistant in this lobby activity, I'll probably be before you from time to time when he is out of town and tied up in some other matter. I'm here in support of the concept of SB 24. It for the retireed folks, these expenses come at a time when their salaries are significantly reduced and if the person is trying to buy the insurance as an individual, as I understand, it is more difficult for them to get. We surely would support the idea of having it provided for them. I feel even without additional cost in order to get the program going we surely support the idea of sharing the costs. This impact upon their income is even more significant, I feel, once they have been in retirement for 3 or 4 years. Especially with the current inflation.

Sen. Hackney. Bob, do you have any comments on the half cost as compared to any other schedule there?

Bob Cooksey. Well, my preference would be that those folks would not have to contribute toward the costs. I don't know the cost figures, but we would surely go along with the idea of sharing that cost in order for them to get the benefits at all. I could see that without some kind of coverage that even what may look like a good retirement income could be wiped out quickly with medical costs, major eye surgery, something of that nature.

Sen. Hackney. Further questions? Thank you.

Bob Cooksey. Thank you. We will be around if you have anymore questions.

Sen. Hackney. Is there anyone else who wanted to testify on SB 24? If not, we will hang onto this until Friday and ask Mr. Arnoldt to come back with the information that he will develop. I think we only have a couple of people who want to testify on SB 35 and I suspect that will go along pretty fast, so let's take up SB 35. An Act relating to adult education and Jim Beima, I guess you are on tap.

Sen. Ray. The idea of this bill is more or less self-explanatory. It allows those people who are retired from the state system and are over 65 to participate in the auditory, visual and dental insurance. The people pay 1/2 of the cost of the insurance and their retirement system from which he's receiving benefits shall pay the other 1/2.

We have a problem with these people who, because of the terrible inflation costs in auditory, visual and dental insurance that the people in that age group need it now more than they have ever needed it and they are less equipped to pay for it. So, by paying for it here rather than through some type of medicaid, general medical it just depends on how we want to pay for it. We are going to pay for it sooner or later. This way the recipient pays 1/2.

Sen. Hackney. According to testimony we had heard previously, the cost of a plan like this would be somewhere in the neighborhood of \$300 per year. Would you have an objection to an amendment to the bill that would require the person electing to have this insurance pay the full cost of it? That would make the service available to them at a price that no other way could they ever hope to obtain it, but at the same time it would remove the fiscal burdens from the retirement system.

Sen. Ray. I would have no objection to that Mr. Chairman. A half of loop is better than no loop.

Sen. Hackney. Personally I am very supportive of this but it was the price tag . . .

Sen. Fahrenkamp. I think perhaps you may have in mind CSHB 26, which is coming through with identical wording except that the person electing to have the insurance under these paragraphs pay the cost of insurance. I think the whole thing here is whether or not our retirees, whether or not we feel they should have the help of half way assistance on this after they have reached 65 or whether or not they should pay it off for themselves. I am wondering what this is going to do to some of our low bracketed people, and if we will still touch the problem at all under CSHB 26.

Sen. Sturgulewski. As I remember, we had some superb testimony on this whole thing and the need is there, the impact is very great. But the problem we ran into is that nobody has a plan like this. I think we are probably going to have to come under some type of a group plan in order to make it available for these people. I think just the fact that it's there, we're probably going to take care of a major part of the problem. Were you able Mr. Chairman to check that out and find in fact that that kind of insurance is available. Do we know that this is an appropriate way to go.

You don't have the same kind of thing where you are able to set your rates because you know just a number of people that are going to be involved. It's a little bit different kind of thing. You are offering a service without having the normal number of people plugged into it. Here it's going to be a very optional thing. Are they going to have those programs actuarially sound. Can we check that at all.

Sen. Hackney. I like the approach of making it available. And here again Senator Fahrenkamp I think what we've got to think about is whether or not we can continue to afford to offer all these side benefits to those who retired. This is a _____ that they are actually paying for, but the cost of it is peanuts compared to what they would be if they could buy it on the open market, and they can't.

Sen. Ferguson. I'd like to move that we, on page 1, line 17 delete "one-half" and line 18 put a "." after "insurance" and strike the rest of the sentence.

Sen. Ray. I would object to that. Not for the reason you anticipate. The retirement system is the system we are talking about that would allow these people to go in. If you delete any reference to the retirement system, they don't have a vehicle. So, rather than say under this paragraph shall pay the full cost of the insurance, I would ask for the indulgence of they shall pay "90%" of the cost of the insurance and the retirement system from which they are receiving the benefits shall pay the other 10%. That will give them an umbrella at a considerably reduced cost to the state.

Sen. Ferguson. I'll so move.

Sen. Sturgulewski. Why the 10%?

Sen. Ray. For the simple reason that if you don't have an umbrella or vehicle in order to put these people into an insurance program, that's what we are talking about.

Sen. Sturgulewski. But as a matter of fact, you could have it that any percentage or no percent if you had working that would bring them in the plan. It's not necessary is it, to make a contribution?

Sen. Ray. You could make it 95/5% if you want, as long as there is some percentage requirement underneath . . .

Sen. Sturgulewski. Let's take a look at the dollars. What are we talking about because we do have the municipalities in and there is an impact there. 10% would be \$64,000 there and we are talking about \$190,000 or thereabouts. I don't want to debate the issue, but I would like to see it as a minimal thing. I think we are suppose to be in here as a cost-conscience legislature and I realize that is up to Finance, but what we really need is a vehicle for these poor people that can't get hold of any insurance. I think that's concern. Would anyone

go for a 95/5%?

Sen. Hackney. 90/10 is the motion that was made

Sen. Ray. I would promise my colleague that if it is an unreasonable figure certainly I would assist Sen. Hackney in increasing the contribution level of the retiree.

Sen. Ferguson. I move that we move out SB 24 as amended with individual recommendations.

Sen. Hackney. No objections? So ordered.

distributing unclaimed wages

Original sponsors: Duncan and Miller

Offered: 2/12/79
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 26

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to insurance coverage for persons receiving benefits under the public employees' and teachers' retirement systems."

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

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* Section 1. AS 39.30.090 is amended by adding a new paragraph to read:

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(15) A person receiving benefits under AS 14.25 or AS 39.35

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may obtain auditory, visual, and dental insurance for himself under this section. The level of coverage for persons over 65 shall be the same as that available before reaching age 65 except that the benefits payable shall be supplemental to those afforded under the federal old age, survivors, and disability insurance program, if any. A person electing to have insurance under this paragraph shall pay the cost of the insurance. The commissioner of administration shall adopt regulations implementing this paragraph.

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*NRTA ; LEGIS
AARP ;*

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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate Bill 24 (Senate Finance Amendments)
 Title Insurance Coverage for Persons Receiving Benefits Under the PERS
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Retirement and Benefits (PERS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		9.8	10.4	11.0	11.7	12.4
200 TRAVEL						
300 CONTRACTUAL		0.3				
400 COMMODITIES		0.2	0.2	0.2	0.2	0.2
500 EQUIPMENT		0.2				
600 LAND & STRUCTURES						
700 TRS STATE MATCH						
100 BENEFITS		319.6	351.6	386.8	425.5	468.1
TOTAL		330.1	362.2	398.0	437.4	480.7

FUNDING (Thousands of Dollars)

GENERAL FUND		261.7	287.9	316.8	348.4	383.4
FEDERAL FUNDS		14.7	16.2	17.8	19.6	21.5
VETERAN'S FUND		0.6	0.7	0.8	0.9	0.9
FISH & GAME FUND		1.9	2.1	2.3	2.6	2.8
HIGHWAY FUND		4.2	4.6	5.0	5.5	6.1
AIRPORT FUND		9.3	10.2	11.2	12.3	13.6
CAPITAL FUND		27.2	29.9	32.9	36.2	39.8
PERS		10.5	10.6	11.2	11.9	12.6
TRS						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Audio, dental, vision coverage will be extended to present and future retirees.
2. Retiree would pay 90% of the cost and the retirement system would pay 10% of the cost.
3. Estimate FY 80 covered State payroll to be \$241,000,000.
4. Estimate future State payrolls will increase at 10% annually.
5. Increase in State employer contribution rate would be .1326% of covered payroll.
6. Administrative costs per attachment (Page 2).

IV. DATE 3/22/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 455-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 Office of the Governor (Keith Specking)

Senate Bill 24 (Senate Finance Amendments)

The following administrative funds would be required to implement the provisions of this bill.

1. Personal Service - one permanent full-time position Accounting Clerk III (range 10) - salary and merit increases at 6% per year.

FY 80 monthly salary	\$1,254 X 12 = \$15,048
Plus benefits at 30.23%	= <u>\$ 4,549</u>
	\$19,597

2. Miscellaneous Expenses - initial cost office equipment, annual commodity, replacement costs, and printing/mailling costs.

FY 80	= \$1,300
Succeeding FY's	= \$ 300

Administrative costs will be shared equally between the Public Employees' Retirement System and the Teachers' Retirement System.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate Bill 24 (Senate Finance Amendment)
 Title Insurance Coverage for Persons Receiving Benefits Under the TRS
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (TRS)
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01-02
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		9.8	10.4	11.0	11.7	12.4
200 TRAVEL						
300 CONTRACTUAL		0.2				
400 COMMODITIES		0.1	0.1	0.1	0.1	0.1
500 EQUIPMENT		0.3				
600 LAND & STRUCTURES						
700 TRS STATE MATCH		193.3	212.6	233.9	257.3	283.0
100 BENEFITS		44.3	48.7	53.6	59.0	64.9
TOTAL		248.0	271.8	298.6	328.1	360.4

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND		237.6	261.3	287.5	316.3	347.9
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS						
TRS		10.4	10.5	11.1	11.8	12.5

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME		1/2	1/2	1/2	1/2	1/2
PART TIME						
TEMPORARY						

- III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
1. Audio, dental, vision coverage will be extended to present and future retirees.
 2. Retiree would pay 90% of the cost and the retirement system would pay 10% of the cost.
 3. Estimate FY 80 covered TRS payroll to be \$231,000,000.
 4. Estimate future State payrolls will increase at 10% annually.
 5. Increase in combined TRS State Match and district contribution rate will be .1674% of covered payroll.
 6. Administrative costs per attachment (Page 2).

Paul B. Arnoldt

IV. DATE 3/22/79 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 Office of the Governor (Keith Specking)
 53-001 (Rev. 12/78)

ATTACHMENT

Bill/Resolution No. SB 24
(Senate Finance Amendments)

ASSUMPTIONS:

- 1. Estimated FY80 Payroll (Total System) = \$231,000,000
- 2. State Contribution Rate to Fund Bill = .0837%
- 3. State TRS Matching Rate to Fund Bill = .0837%
- 4. School District Rate to Fund Bill = .0837%

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 6,000,000	X	.0837%	\$ 5.0	To Their Budget
2. University of Alaska	\$ 47,000,000	X	.0837%	\$ 39.3	To Their Budget
				\$ 44.3	
3. State TRS Matching	\$231,000,000	X	.0837%	\$193.3	To TRS Match
4. State TRS Regular Budget:					
Personal Services				\$ 9.8	To Personal Services
Travel				\$ -0-	To Travel
Contractual				\$ 0.2	To Contractual
Commodities				\$ 0.1	To Commodities
Equipment				\$ 0.3	To Equipment
				<u>\$248.0</u>	
5. All School Districts	\$178,000,000	X	.0837%	\$149.0	
				<u>\$397.0</u>	

REMARKS:

** FREE **
CONFERENCE COMMITTEE REPORT

DATE: 4/29/79

Mr. President:

Mr. Speaker:

The Free Conference Committee which has had

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 307 (making transfers between appropriations made for fiscal year ending June 30, 1979 to Dept. of Natural Resources; eff. date) and SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 307 (making transfers between appropriations made for fiscal year ending June 30, 1979 to Dept. of Natural Resources and extending an appropriation made to Dept. of Natural Resources) under consideration, recommends that

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 307 (FCC) (making transfers between appropriations made for fiscal year ending June 30, 1979 to Dept. of Natural Resources and extending an appropriation made to Dept. of Natural Resources)

be adopted.

Senate Members:

Mike Colletta
Senator Colletta, Chairman

W. J. Rodey
Senator Rodey

Bill Ray
Senator Ray

House Members:

Don Schaeffer
Rep. Schaeffer, Chairman

Al Freeman
Rep. Freeman

Jul A. Montgomery
Rep. Montgomery

SB

32

COMMITTEE REPORT
SENATE

1/16/79

FURTHER: Judiciary

Date: 2/16/79

Mr. President:
The Committee on Health, Education & Social Services has had SB 32
adopting the Interstate Corrections Compact

WITH INDIVIDUAL REC.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Carlisle J. ...
Betty Fabiankamp

MEMBERS HAVING
OTHER RECOMMENDATIONS:

...

Alvin ...
 CHAIRMAN
 DO PASS

SB* 32 "An Act adopting the ^{S. HESS 79-80} ~~Interstate~~ ⁸⁰ Corrections Compact

By The Rules Comm. By Request

Introduced 1-16-79

Logged 1-16-79

Referred - Judiciary

Comm. Meeting 2-16-79

" Action - passed with letters
of protest to Judiciary

Joe Green - Gov's Office
Janice Hites - HSS
Arthur Conestoga
Position paper & FN Review

Amy Webb, Division of Corrections
Walter Jones, Division of Corrections

Amy Webb. We're supporting adoption of the interstate corrections compact. This compact would be a viable means to place prisoners in institutions outside of the state in other state institutions in order that they could receive special treatment (inaudible) If their families were residing in another state it would be a step in the rehabilitative program to keep them near their family so they could continue their family relationship.

It would also offer Alaska citizens the opportunity to return to Alaska to serve time were they to become involved in criminal activity outside the state.

Sen. Fahrenkamp. I'd understood already that prisoners could be taken out of state now.

Amy Webb. The majority of our outside prisoners are in the federal bureau of prisons. That is not included under the state.

Sen. Fahrenkamp. If I am arrested and wind up in a correctional facility and I want to get a certain training that they are offering in Florida, the State of Alaska would pay my way down right?

Amy Webb. If you were classified to that facility.

Sen. Fahrenkamp. If I were qualified and classified, what qualifications would make a person qualified, if they had a training there that you couldn't get here?

Amy Webb. That would be one consideration. Your custody level, your behavior in the institution, you would probably be given some testing here to see if you were intellectually and physically able to be involved in that type of program.

Sen. Fahrenkamp. Once there and the times comes to get out of the institution, then we ship them back here to let them out?

Amy Webb. Right, unless they don't want to return.

Sen. Fahrenkamp. We would train them while in the institution and ship them wherever they went in the exchange program and when they get out, if they want to come back, we pay their way.

Amy Webb. That's correct.

2/

Sen. Ferguson. Under the federal bureau plan, the feds classify the prisoners and send them to a state that they think that those prisoners should go. Under this state plan, who classifies these people?

Amy Webb. We would classify the people that we had jurisdiction over. An Alaska citizen in another state could request to come back to Alaska to serve time if at that time the classification was done by the sending state. The state that has jurisdiction would approach us.

Sen. Ferguson. Do we pay the same rate the other states pay for being custodian of the prisoners?

Amy Webb. No, we would pay the man day cost of care at that state at that time which is usually less than it is compared to Alaska

Sen. Ferguson. The reason I ask that question, the fiscal note is one of those where we get a zero. Under the federal system I think it goes anywhere from \$16 per day for prisoner care up to about \$46 per day.

Amy Webb. I have not followed the states; Florida is \$25 per day for a woman.

Walter Jones. There are more than one reason for wishing to become a member of this compact. The main reason is that we would be able to expand our program capability and it will probably be fiscally cheaper to go this route than not to go this route. However, the federal bureau of prisons won't be able to continue to take Alaskan prisoners who are management problems that need maximum security in order to safeguard their life forever. They are running 33% over capacity in their own facilities; they have to go before Congress and get their money to build their facilities. They are concerned that someday Congress is going to cut them off and say get rid of those state prisoners that you take care of and you will have more room for federal prisoners. We are trying to look ahead in this matter. We are not saying that we should send our Alaskan prisoners all over the country, but we are saying we should have some options to take care of specialized needs of prisoners wherever the program will help reintegrate the individual back into the community. Especially if this prisoners resources are in another state where he will go eventually anyway. The theory is that it is easier for a person to go from one custody to a lesser custody, finally on work release and then out on parole. We already have the interstate compact for probation and parole which allows us to supervise each other's probations and parolees in any state in the union.

What this compact does is allow us to do the same thing with prisoners. Therefore they have a much more enhanced and flexible program in terms of security or rehabilitative services.

34.
Sen. Ferguson. I don't have a problem with sending some prisoners to other places. What I'm looking at is, all of a sudden we send 5 prisoners out and they send 15 to us.

Walter Jones. To take care of that problem, each state has its own capability to reject to accept. If we are full up and don't have any room or if we can't handle that type of management problem we can say no, and they can say the same to us.

Sen. Sturgulewski. Are you also able to do that if you have financial limitations at that period of time? Does your ability to say no go into that area?

Walter Jones. Yes.

Sen. Fahrenkamp. In transporting these prisoners back and forth, do you not have to have an officer accompany these prisoners?

Amy Webb. A State Trooper would accompany them.

Sen. Fahrenkamp. How do we manage the budgeting?

Walter Jones. That would be the State Troopers expense. Our fiscal note was the expense to our department, we can't speak for another department.

Sen. Fahrenkamp. Then, this will bring about an increase in expenditures in that will bring about more travel from another department.

Walter Jones. Perhaps not, it may bring about more travel. I doubt if it will bring about more money on the basis that because of the decreased cost of institutionalization in the South '48 as compared to the manday costs of an institution in the Alaska facility.

Sen. Ferguson. Are our jails in Alaska at the maximum?

Walter Jones. Yes.

Sen. Ferguson. We passed a bond bill, how long will it take for those projects to be done, about 3 years?

Walter Jones. I would guess if everything goes according to schedule a minimum time of 1981 to 1984.

Sen. Ferguson. The feds are at a maximum. In Alaska I assume we get some federal prisoners from Alaska that we have to send outside to federal prisons.

Walter Jones. I don't know about the federal situation, I know we take care of a few federal prisoners for the feds, but its much less so than in terms of how many we send out. We have

2.
167 adult prisoners with the federal system right now. I estimate we have less than 30 federal prisoners in our state now.

Sen. Ferguson. Will the federal prisoners, will they be able to participate in this program.

Walter Jones. That might be a possibility, it depends on what kind of arrangement we could make with the director of the federal bureau of prisons. I don't know yes or no. We can only speak for Alaska prisoners on this bill that are under state jurisdiction.

Sen. Fahrenkamp. Moved the bill out with individual recs

Sen. Ferguson. I object. Is there another referral for this bill? Then I have no objection, I still think that there is a financial implications.

Sen. Ferguson. Could you have your staff write a letter to judicial to see if they would ask for a fiscal note?

Sen. Hackney. OK

POSITION PAPER / Department of Health and Social Services

POSITION PAPER

SENATE BILL NO. 32

"An Act adopting the Interstate Corrections Compact; and providing for an effective date."

The Department of Health and Social Services and the Division of Corrections are in support of Senate Bill No. 32.

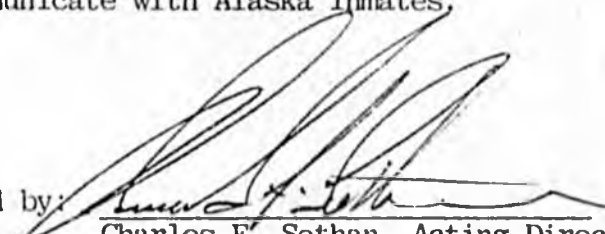
Alaska is presently a party to the Western Interstate Corrections Compact along with 11 other states. There are presently 16 member states to the Interstate Corrections Compact; 5 of those states are also parties to the Western Corrections Compact. In effect, joining the Interstate Corrections Compact would increase Alaska's out-of-state placement resources for prisoners by 50 percent; 11 additional states.

The Interstate Corrections Compact was initiated in order to allow an exchange of prisoners for the purpose of treatment and long-range release planning. Also, the Compact provides a means of placing prisoners out of state for protective purposes.

Alaska has prisoners with special needs. Membership in the Interstate Corrections Compact would expand the Division of Corrections ability to meet these special needs, and provide the most effective rehabilitation programs on an individual basis without increasing the cost of care.

Alaska would maintain jurisdiction over prisoners confined out of state. Alaska would also have the authority to inspect out-of-state facilities and to communicate with Alaska inmates.

Recommended by:


Charles E. Sothan, Acting Director
Division of Corrections

1/26/79
Date

Approved by:


Helen D. Beirne, Commissioner
Department of Health &
Social Services

2/1/79
Date

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Proposed Legislation
 Title An Act Adopting Interstate Corrections Compact
 Requested by Department of Health & Social Services Date 1/9/79

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected Administration of Justice
 Budget Request Unit(s) Affected Adult Confinement

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE January 9, 1979 PREPARED BY *Lucinda Halby*
 AGENCY Division of Corrections
 PHONE 465-3376
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Furnished by the Senate Judiciary Committee

January 15, 1979

President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill which would make Alaska a party to the Interstate Corrections Compact.

Under current law, Alaska is a party to the Western Interstate Corrections Compact, along with eleven other states. This measure is similar to that compact; however, it allows the state a broader choice of correctional facilities nationwide in which prisoners may be incarcerated than are presently available. By joining the Interstate Corrections Compact, Alaska will be able to place offenders in an additional eleven states. It is not necessary to withdraw from the Western Interstate Corrections Compact in order to become a party to this compact.

Enactment would enable the Division of Corrections to enter into contracts with party states for incarceration of our prisoners. Thus a wider range of rehabilitative programs would be available without the increased costs attendant in establishing such programs within our own correctional facilities.

Jurisdiction over persons confined out-of-state is retained by Alaska although such persons would still be subject to the rules of the institution where confined. The state also retains the power to inspect the facilities utilized and to visit the inmates.

Sincerely,

Jay S. Hammond / JWS

Jay S. Hammond
Governor

would open for specialized treatment

IV. DATE January 9, 1979

PREPARED BY
AGENCY
PHONE

Leeland Salley
Division of Corrections
465-2376

POSITION PAPER / Department of Health and Social Services

Furnished by the Senate Judiciary Committee

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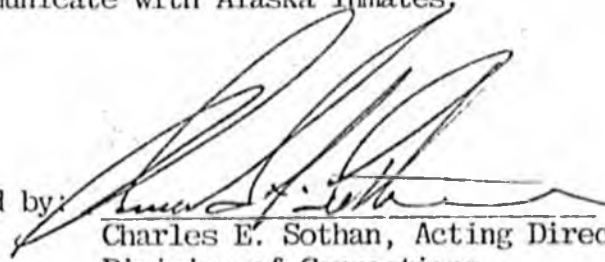
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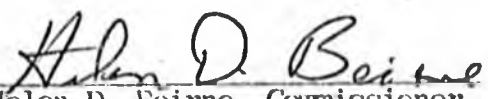
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Charles E. Sothan, Acting Director
Division of Corrections

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Date

Approved by: 
Helen D. Beirne, Commissioner
Department of Health &
Social Services

2/1/79
Date