

862

SHESS

SB

124

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SB

143

Information gathered by the North Star Borough Information Office supports the fact that there are many unemployed people in Fairbanks actively seeking jobs. This office also predicts few new jobs (seasonal) during the summer months (1979). This office also predicts that most of the unemployed people who wished to leave Alaska have already left and that there will be few people leaving in the future. The present economy, coupled with the construction of the gas pipeline not having any appreciable effect with regards to jobs until 1981-82, indicates that unemployed persons will have to continue depending heavily on GR if no other help can be obtained. It is of interest to note too that the number of people on unemployment compensation is decreasing while the number of people who have exhausted unemployment compensation benefits is increasing.

IV. Departmental Position on SB 124

DHSS believes it has significantly impacted GP expenditures through redefinition of the degree of need which must be present before assistance is rendered. This is an approach which is not present in Hawaii's GR program as a cost-containment factor. DHSS feels its current approach to reducing GR expenditures is more equitable than that offered by SB 124 which is patterned after the Hawaii program. It is clear to DHSS that only person' in desperate situations are currently receiving aid under the GR Program, and that many of them are long-time Alaskans who are simply unwillingly displaced from the job market with no hope of employment. DHSS feels this need is real and should be met so long as costs remain within that amount considered affordable by the Legislature, as is presently the case in GR for FY79.

However, if the desire of the Legislature is to delete these two groups, the Department has a number of technical problems with SB 124 which we would like to discuss with the bills draftors. The Department will make every effort to comply with the Legislature's desires in this matter in time to effect the necessary changes by July 1, 1979.

Rod Betit  
Rod Betit, Director  
Division of Public Assistance

3/9/79  
Date

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

3/9/79  
Date

SB 124 - SECTIONAL BREAKDOWN

SECTION 1(1) - Because of excessive welfare costs & burden on taxpayer, general relief assistance (GRA) must be provided only to:

- (1) needy citizens who are unable to work & those with dependent children; and
- (2) a WORK REQUIREMENT must accompany state GRA for able-bodied recipients.

SECTION 1(2) - Purpose of Act: Limit GRA payments to persons:

- (1) 55 years old
- (2) disabled
- (3) have dependent children in homes
- (4) unable to provide sufficient support for themselves or dependents.

\*  
SECTION 2(a) - To receive GRA under this program: must conform with those conditions listed in section 1(2) plus not be receiving other assistance under this chapter and must be resident of state.

SECTION 2(b) - Criteria outlined for determining residency.

Section 2(c) - Spells out controlling conditions for those 55 & over to be eligible for program, e.g. unemployed, actively seeking employment, not refusing employment, etc.

SECTION 2(d) - Spells out controlling conditions for those disabled to be eligible, e.g. determined to be needy, unable to meet requirements established by FEDS SSI program, unable to engage in substantial gainful employment.

SECTION 2(e) - Says individuals with children are eligible for GRA if they meet above criteria.

SECTION 2(f) - Additional condition for receiving GRA: if individual is physically fit, able to work, and employable, SHALL, accept an assignment to work on PUBLIC WORK PROJECTS as directed by the Dept of H/SS.

Section 2(g) - Individuals disqualified for failure to comply, shall be excluded from GRA for a period not longer than 12 months.

SECTION 2(h) - Designates H/SS to adopt regs to enforce this section & establish criteria/standards for conditions and requirements of GRA.

SECTION 3(a) - Assigns H/SS the responsibility for providing public service employment of public works projects to individuals receiving GRA and UI compensation benefits.

SECTION 3(b) - Designates H/SS to adopt regs to carry out purpose of this section, e.g.

- (1) GRA recipient may not displace state/muni/individual working on contractual basis employee
- (2) period of work cannot exceed the # of hours which, when multiplied by the prevailing r-te of compensation for the work, equals the amount of GRA provided.
- (3) no discrimination
- (4) a person refusing without justification is ineligible for GRA.

SECTION 4 - DEFINITIONS SECTION

SECTION 5 - GRANDFATHER CLAUSE - individual receiving GRA on effective date who would otherwise be excluded shall continue to receive assistance as long as he meets the requirements of this ACT.

SECTION 6 - This ACT takes effect July 1, 1979.

\* those between the ages of 18 & 55, not having children, i.e. and employable, would be restricted from GRA.

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A-14

Thursday, Jan. 18, 1979

## Another Approach to Welfare Problem

Gov. Ariyoshi has encountered constitutional objections to his proposal to impose residency requirements for welfare benefits in order to discourage indigent Mainlanders from coming to the Islands.

But he got the Legislature to approve a different approach — denying general assistance welfare payments to persons who are able-bodied, less than 55 years old, and with no dependent children.

And to the governor's satisfaction, the law is serving the purpose of removing newcomers from the welfare rolls.

In the first six months since the law was enacted, 875 cases have been dropped from the rolls, for a saving of \$963,000. The number of general assistance payments being approved has dropped by 66 percent; applications received have dropped 46 percent.

The greatest impact has been on persons from the Mainland who have been in Hawaii six months or less. These dropped from 42 percent of the total of general assistance recipients last May to 31 percent in October.

The governor hails these results and says Island taxpayers "should not be further burdened with welfare payments to those who come to Hawaii without either a prospect of employment or even a desire for employment."

The new law seems to have skirted the constitutional objection to a residency requirement while achieving much the same effect. It shows that many strategies can be explored to achieve the goal of controlling population growth.

Eventually the courts may uphold residency requirements for welfare benefits and government employment as necessary to cope with excessive population growth. But that will take time.

In the meantime, another approach is working.

AB 124

SECTION 4. This Act shall take effect upon its approval.  
(Approved May 23, 1978.)

ACT 103

S.B. NO. 1782-78

A Bill for an Act Relating to Public Assistance.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Findings and Purpose. (a) The legislature finds that welfare costs have been rising precipitously in recent years, at a rate more than twice that for general fund tax revenues. As a result, providing funds for welfare has often meant a curtailment of other much-needed State programs and services. The legislature further finds that the limited financial resources of the State necessitates some curtailment of public assistance benefits.

(b) The purpose of this Act is to limit general assistance payments to persons who are disabled, or are at least 55 years of age, or have dependent children in their homes, and who are unable to provide sufficient support for themselves or their dependents.

SECTION 2. Section 346-71, Hawaii Revised Statutes, is amended to read:

"Sec. 346-71 General assistance. (a) The department of social services and housing shall administer and provide public assistance to eligible persons who are disabled, or are at least 55 years of age, or have dependent children in the home not otherwise provided for under this chapter, and who are unable to provide sufficient support for themselves or those dependent upon them, provided that such persons are bona fide residents of this State.

For purposes of determining whether persons seeking assistance are bona fide residents of this State, the department of social services and housing shall consider, but is not limited to considering, the following factors: enrollment and receipt of welfare benefits from another jurisdiction; physical presence in the State; maintenance of a place of residence in the State; the availability of furnishings and household and personal effects sufficient to lead a reasonable person to conclude that the place of residence is more than a public accommodation; qualification as to residence for purposes of voting in the State; change in vehicle operation license; vehicle registration; enrollment of children in local schools; bank accounts in this State or any other jurisdiction.

(b) A disabled person between eighteen and sixty-five years of age shall be eligible for general assistance, if he:

- (1) Is determined to be needy in accordance with standards established by this chapter and the rules and regulations of the department;
- (2) Is unable to meet the requirements established by the Federal Supplemental Security Income Program or its successor agency; and
- (3) Is unable to engage in any substantial gainful employment because of a physical or mental impairment determined and certified by a licensed physician. "Substantial" as the term is used herein shall mean at least 30 hours of work per week.

ACT 103

Any person determined to be eligible under this subsection may be referred to any appropriate State agency for vocational rehabilitation services and shall be required to accept said services as a further condition of eligibility for the receipt of general assistance under this section. In addition to the foregoing, any person determined to be eligible under this subsection may be required to seek employment, and participate in public work projects as described in section 346-31, and in public employment projects as described in section 346-102.

- (c) A person with children shall be eligible for general assistance if:
- (1) He is unemployed for reasons other than voluntary separation without good cause or for misconduct; and
  - (2) He is actively and diligently seeking gainful employment; and
  - (3) He has not refused to accept employment when offered; and
  - (4) He has registered and is available for work as required by section 383-29; and
  - (5) He has exhausted all of his benefits under chapter 383; provided, however, should the benefits of any person under chapter 383 be less than those for which he would otherwise be eligible hereunder, he shall be eligible for supplementary general assistance; and provided further, that this provision of exhaustion shall not apply to those persons not entitled by law to such benefits.

"Children" as used in this section shall mean a person who:

- (1) Is ineligible for and is unable to obtain aid under a federal assistance program; and
- (2) Is in need, and has not sufficient income or other resources to provide health care and support to maintain a standard consistent with this chapter; and
- (3) Has not attained the age of eighteen years; provided, however, that a child between the ages of eighteen and twenty-one years shall be eligible for assistance under this section, if he or she.
  - (A) Is regularly attending high school to complete requirements leading to a high school diploma or its equivalent; or
  - (B) Is employed part-time and is enrolled at least half-time in an organized program of vocational or technical training designed to fit the child for gainful employment; or
  - (C) Is employed part-time and is enrolled at least half-time in a local college or university; and
- (4) Is living in a home with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, uncle, aunt, first cousin, nephew, niece, or hanai parents in a place of residence maintained by such relative as his own home; or is living in a family home or institution conforming to the standards fixed by the department.

A child for the purposes of this section does not include an unborn child or fetus.

(d) A person who is at least 55 years of age shall be eligible for general assistance if:

- (1) He is unemployed for reasons other than voluntary separation without good cause or for misconduct; and

- (2) He is actively and diligently seeking gainful employment; and
- (3) He has not refused to accept employment when offered; and
- (4) He has registered and is available for work as required by section 383-29; and
- (5) He has exhausted all of his benefits under chapter 383; provided, however, should the benefits of any person under chapter 383 be less than those for which he would otherwise be eligible hereunder, he shall be eligible for supplementary general assistance; and provided further, that this provision of exhaustion shall not apply to those persons not entitled by law to such benefits.

(e) The department shall further require in addition to the conditions and requirements stated in subsections (c) and (d), that persons who are physically fit, able to work, and employable shall as a condition to receiving general assistance, register for work on public work projects and accept an assignment to work under section 346-31 or accept such employment as may be offered to them by the department under section 346-102 or by an employer. The term "public work projects" includes any kind of labor under the department of accounting and general services of the State or the department of public works of any county, or under any other department, board, commission, or agency of the State or any county. All such agencies may employ persons registering under this section. Payment for the work shall not be made from the funds of the agency employing such persons but shall be made from the funds of the department. The department shall promulgate such rules and regulations as it deems necessary to enforce and carry out this section.

(f) Applicants and recipients shall be required to satisfy all applicable provisions of this section. Recipients disqualified for failure to comply with any of the requirements under the provisions of this section shall be excluded from general assistance for a period not to exceed twelve months.

(g) The department shall by rules adopted pursuant to chapter 91, establish criteria and standards for the foregoing conditions and requirements."

**SECTION 3.** A person receiving general assistance on the effective date of this Act who would otherwise be excluded by the provisions of this Act shall continue to receive general assistance provided he satisfies the requirements under section 346-71(e) and the department finds that:

- (1) He is unemployed for reasons other than voluntary separation without good cause or for misconduct; and
- (2) He is actively and diligently seeking gainful employment; and
- (3) He has not refused to accept employment when offered; and
- (4) He has registered and is available for work as required by section 383-29; and
- (5) He has exhausted all of his benefits under chapter 383; provided, however, should the benefits of any person under chapter 383 be less than those for which he would otherwise be eligible hereunder, he shall be eligible for supplementary general assistance; and provided further, that this provision of exhaustion shall not apply to those persons not entitled by law to such benefits.

ACT 104

Such person shall also be subject to provisions of subsection 346-71(f).

SECTION 4. Severability. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 5. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.\*

SECTION 6. This Act shall take effect upon its approval.  
(Approved May 23, 1978.)

ACT 104

S.B. NO. 1469

A Bill for an Act Relating to Public Assistance.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 346-53, Hawaii Revised Statutes, is amended by amending subsection (b) to read:

"(b) The maximum basic needs allowance which the department shall initially pay a recipient considering income and resources in accordance with this chapter shall be \$100 plus an additional \$44 for each additional person whose needs have been taken into account by the department. Beginning January 1, 1978 and on or before January 1 of each odd-numbered year thereafter, the director shall submit a report to the legislature indicating the amount of additional moneys required to implement a cost of living increase for the adjusted basic needs allowance equal to the annual percentage increase, rounded to the nearest dollar:

- (1) In the average weekly wage in covered employment as computed by the director of labor and industrial relations pursuant to section 383-22, or
- (2) In the consumer price index for Hawaii as computed by the United States Department of Labor, whichever is lowest.

The director shall request that such amount be reflected in that portion of the executive budget relating to the department. If additional funds are appropriated for a cost of living adjustment, then the adjusted basic needs allowance shall be adjusted to reflect the appropriation.

The department shall pay a recipient the maximum basic needs allowance if the department determines that his needs are not reduced by his income or resources."

SECTION 2. Section 346-54, Hawaii Revised Statutes, is amended to read as follows:

"Sec. 346-54 Report to the legislature. On or before January 1 of odd-

\*Edited accordingly.

SB

130



SB 130

By: Rodney Hackney  
& Adkett  
CSSB No

S.H.E.S.S. 79-80  
"Can let establishing incentive  
for students to attend colleges  
and universities in Ak. and  
provide incentive."

Introduced 2-12-79

Logged 2-12-79

Referrals Finance

Comm. meeting 3-14-79 - Passed CS

" action passed CS taken private party @ 9:30 AM 3-15-79

Telegram from Foster District  
stating position of U of AK.

Notified Spomer  
" U of AK. @ JUNEAU

Kerry Fontana

4-2-79 - sent telegram to Ron  
representing  
Hess

3/12/79

SB 130

(Sen. Ferguson, chairing meeting)

Sen. Rodey. Mr. Romesburg has some proposed amendments for this bill. The bill is very simple, it basically allows those students who go to school in Alaska to receive a quicker forgiveness, as members of the committee are aware, under the student scholarship loan program there is a forgiveness for 4 years and this allows those people who go to school in Alaska to receive 3 years of that forgiveness while they are going to school.

There are several benefits of this. First of all, the direct benefit to Alaskans who go to school in Alaska. Secondly, because the average loan for undergraduate students attending school in Alaska is lower than the average, there would be a benefit to them in that additional way and would hopefully provide for more loans in the future. Third, the benefit to the economy, particularly Anchorage and Fairbanks where we have most of our students centered.

I am very familiar with the Alaska Student Loan program and would be happy to answer any questions. This bill would, very simply, give an additional advantage to students in Alaska, Alaskan's going to school in Alaska without penalizing in any way those people who go outside to school. I realize it is necessary to go outside.

Sen. Sturgulewski. We are subsidizing by a great deal of dollars per student to keep our young people who go through education here is a very costly process. What do you feel again, if you could give me some of your benefits, what is the major thing that you see accruing to having those students stay? From what I understand an awful lot of kids go outside as my son and many others do simply because they want that experience, they come back and will be perhaps even better Alaskans after an education outside. Why encourage the keeping of the students here. Why not let them go where they can get excellence in whatever program they want?

Sen. Rodey. There are several reasons. First off, many students go outside, when I was in school, because it was cheaper in many ways. This would hopefully give us parity, whether you are a businessman or a working person in Alaska, we all know that it cost more to live here. This is a very indirect way of acknowledging that problem.

Sen. Fahrerkamp. In many areas of the University we are subsidizing and working in every way we can to try and improve the education that is available for the students within the state. This type of encouragement will help us to reach further along toward our goals of excellence within the courses offered here. More students we have available, the better our changes are of securing and having more excellent programs.

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Sen. Rodey. In response to Sen. Sturgulewski's earlier concern, education is subsidized regardless of what level and how we might have it, but society has determined, particularly in Alaska, that ability to have college level courses in a state university are absolutely essential to the wellbeing of the state. We are paying that subsidy as every other state is and I think it is a worthwhile one and a decision that was made by the public many years ago.

Sen. Sturgulewski. The more successful we are, the more expensive it is. I happen to believe in education and will be interested in Dr. Romesburg's comments.

Kerry Romesburg. I was asked to give a fiscal note on it and we haven't given one on the bill as it stands because we really don't know what kind of fiscal impact it would have. To determine fiscal impact we would have to determine how many students would be graduating from Alaskan institutions that would be not remaining here because if they stayed here there is no fiscal impact at all. They would get the same cancellation benefits from working and living in Alaska, it would just take them longer to get it, 5 years as opposed to having it upon graduation. So, assuming they stay here there is no impact. Some, undoubtedly go out after they graduate and do not return and I have no idea of the numbers so we really can't tell what kind of impact it would have fiscally.

This merely is to provide the incentive for them to attend in-state and it really is a compromise that's come out of a few years of this. Discussed past bills.

We have available the ability to get in on a program. There are a couple of things in your packet, "Guaranteed Student Loan Program". This program has been around for some time, in fact it was part of the 1965 higher education act. It provides funds for students to go to college under a federal subsidy. It is really an insurance program. What it is, the federal government insures a loan and says that if a bank or non-profit state or other agency makes a loan to a student for educational purposes, the federal government will underwrite it, will guarantee that that loan will be paid back. We have not participated in the program as far as the state goes. We have participated in the private sector for some years and our agency handles that.

In November of this year Congress made a change in this program which enables us to get into it now. What they did is in the past they had a parental income restriction, now they've removed it. Before they would pay interest only for a person who had a salary of less than \$25,000. That's gone now. There are no income restrictions. So now we can participate in the program. Went over figures on the sheet.

This requires a number of amendments and in your packet is a 3-page sheet of amendments to SB 130. I would like to apologize for the fact that we have to do it by this mechanism. I understand that the Senate has taken a position that they will take not new bills and so now we are going the amendment route

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instead of trying a separate bill.

Sen. Rodey. I am in agreement with these amendments and I think that Mr. Romesburg is to be congratulated for finding a way to save the state money and provide additional educational opportunities for Alaskan students and I will be more than happy to help carry this on the floor. I think it is a very desirable part of the bill.

Kerry Romesburg. A number of the amendments are really just housekeeping kinds of things. The principal change is the one labeled section 4 which makes loans interest bearing while a student is enrolled. The reason for that is not even the federal government will pay us interest if our law says we are not charging any. So we are going to charge them interest. The truth is the student won't pay any. If the federal government doesn't pay it, the state will waive it and pay it for them anyway.

Everybody who applies will be eligible, yes. But they may not be able to get 100% of their loan insured by the federal government. The remainder, for instance if we were to award a student \$3,000, \$2,500 would be insured by the federal government, \$500 by us. While they are in school, interest would accrue on all of that. The federal government would pay us, the State of Alaska, the interest on the \$2,500. We, the State of Alaska, would pay on behalf of the student the \$500, we would waive it. So, for the student there is no change. But for us it amounts to a lot of money.

Right now we say that payments begin within a year after they graduate and the federal language says 'shall begin no earlier than 9 nor later than 1 year. So we are changing that to get the no earlier than the nine months in and the fact that it has to be paid in not less than 5 nor more than 10 years. However, if they can accelerate their payments and receive benefits of that kind.

Then we have the deferments. The military deferment that we currently have for 3 years the in the Peace Corps, which we do not currently have. We have it only if it is required alternate service. The 3 years in the domestic volunteer service which is the VISTA program and the real new one which we haven't ever had before is the unemployment one. If a person simply cannot find a job and they are seeking unemployment and are registered as seeking unemployment we can waive payments for up to 12 months. The interest is paid by the federal government at that time. It is a one-time only during the life of the loan.

The remainder is mostly housekeeping.

One the fiscal note, these are our estimates. The first year that we would receive benefit would be not 80 but 81 when we actually receive payment. We would receive 300,000 from the federal government in the way of interest payments that would

4.  
come into the program. Not only with this program pay interest, but they will also pay an administrative cost allowance for the agency handling these loans -- 1% of the amount. So, we will get \$50,000 and 10,000 under contractual. So the first year we can get \$360,000 in income from the federal government and will reduce the general fund by that amount.

The way this looks to me, over the next 4 years we will have about \$1.6 for the State of Alaska without any appreciable change in the program whatsoever.

What happens if the federal program dries up? The State of Alaska reverts to the program we've always had.

Sen. Ferguson. I am ready for a motion, I would think it would be better to create a CS by this committee.

Sen. Fahrenkamp. I would move that this committee enter a CS for SB 130 to include amendments proposed to SB 130.

Sen. Ferguson. No objections? So ordered? The title should be changed.

Sen. Sturgulewski. I move that we pass out of committee CSSB 130 with individual recommendations. No obs so ordered.



# SHELDON JACKSON COLLEGE

P. O. BOX 479  
SITKA, ALASKA 99835

March 25, 1979

The Honorable Glenn Hackney  
Chairperson, Senate Health, Education  
and Social Services Committee  
Pouch V  
Juneau, Alaska 99811

Dear Senator Hackney:

Pleased be advised that Sheldon Jackson College endorses the intent and the substance of Senate Bill 1130 that establishes an additional incentive in the Student Scholarship Loan Program for students to attend colleges and universities in Alaska.

Thank you for your consideration and best wishes at this busy legislative season.

Sincerely,

*Hugh H. Holloway*

Hugh H. Holloway, Ph.D.  
President

cc: Rep. Eliason  
Senator Meland

*File*



UNIVERSITY OF ALASKA  
FAIRBANKS, ALASKA 99701

March 8, 1979

The Honorable Glenn Hackney  
Chairperson, Senate Health, Education  
and Social Services Committee  
Pouch V  
Juneau, Alaska 99811

Dear Senator Hackney:

I want you and other members of your committee to know that the University of Alaska strongly endorses both the intent and substance of Senate Bill 130, establishing an additional incentive in the Student Scholarship Loan Program for students to attend colleges and universities in Alaska.

This legislation--also favored by the Alaska Student Lobby--has particular merit because it is not coercive, would not force students to attend institutions of higher learning within the state, and yet it would very substantially benefit those students who want to study and make their homes in Alaska. Current law provides an incentive to students to live and work in Alaska following completion of their education by converting to a grant up to 40 percent of their loans, based upon length of residence and employment in the state. To also allow time spent at an Alaskan college or university to be taken into account for this incentive would seem to be a move to strengthen the basic objective of the loan act.

As you are well aware, a majority of those students receiving state scholarship loans are attending colleges and universities outside Alaska. While many of these students undoubtedly desired to attend particular institutions beyond Alaska, for one reason or another, there could very well be among them a number who might have chosen to pursue their education in Alaska were an incentive such as that proposed in SB 130 available to them.

I have heard no adverse comments on SB 130 and would, again, commend it highly as a means of increasing that body of trained and educated persons who are contributing so substantially to Alaska's general well-being and progress. The legislation will also, I believe, materially strengthen Alaskan colleges and universities, public and private, and thereby provide yet another incentive for students to remain in the state.

Sincerely,

Foster F. Diebold  
President

FFD/bkd

cc: Members, Senate HESS Comm.

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## ALASKA COMMISSION ON POSTSECONDARY EDUCATION

POUCH F - STATE OFFICE BUILDING  
JUNEAU, ALASKA 99811  
(907) 465-2855

### MEMORANDUM

TO: The Honorable Glenn Hackney  
Alaska State Senate

FROM: Kerry D. Romesburg, Executive Director  
Alaska Commission on Postsecondary Education

SUBJECT: SB 130

DATE: March 16, 1979

An example: If a student wishes a loan to attend Alaska Bible College, they would still receive a loan under the state loan program. The difference being that their loan would not be federally guaranteed. Rather, it would be state "guaranteed"; that is, it would be handled the same as it is currently.

There would be no attendance restrictions which do not currently exist.

AMENDMENTS TO

SB 130

PURPOSE OF AMENDMENTS.

The State of Alaska, through the state scholarship loan program, is eligible to become a lender under the Guaranteed Student Loan Program as provided for under Title IV, Part B of the Higher Education Act of 1965, as amended. This program would provide certain benefits to the State and to the State loan program which otherwise would be unavailable. To enable this participation, the following amendments must be made to the scholarship loan program.

Section 3. AS 14.40.763(b) is amended to read:

- (b) The loans may only be used to attend a career education program [APPROVED BY THE COMMISSION] or a college or university [ACCREDITED BY THE ACCREDITATION ASSOCIATION FOR THE REGION IN WHICH THE COLLEGE OR UNIVERSITY IS LOCATED] approved by the commission, and if the loans are federally insured, by the U.S. Commissioner of Education.

Section 4. AS 14.40.763(e) is amended to read:

- (e) Loans are [NON-INTEREST] interest bearing while a student is enrolled under (c) of this section or is receiving a deferment of payments under (k) of this section however, a student shall be entitled to have paid on his behalf and for his account a portion of the interest in accordance with (m) of this section.

Section 5. AS 14.40.763(g) is replaced by:

- (g) Loan repayment of the principal amount together with interest thereon, in periodic installments, shall begin no earlier than nine months nor later than one year after the student terminates his studies and shall provide for repayment of the total amount owed in not less than five nor more than ten years from the commencement of repayment, and not more than fifteen years from the date of execution of the original promissory note evidencing the disbursement of the loan, except as provided for in (k) and (e) of this section.

Section 6. AS 14.40.763(k) is replaced by:

- (k) Periodic installments of principal shall be deferred, but interest shall accrue and be paid unless the borrower is eligible for interest payment benefits under (m) of this section, during any of the following:
1. return to student status as provided in (c) of this section;

2. serving on active duty as a member of the Armed Forces of the United States;
3. serving, for up to three years, as a volunteer under the Peace Corps Act;
4. serving, for up to three years, as a full-time volunteer under the Domestic Volunteer Service Act of 1973;
5. for a one-time, up to twelve months, period in which the borrower is seeking and unable to find employment in the United States; or
6. if borrower becomes disabled, 50 percent or greater, as certified by competent medical authority.

Section 7. AS 14.40.763 is amended by adding a new section which reads:

- (e) In case of hardship, the committee may, in up to six month increments, extend repayment of a loan for an additional period of up to five years, within the fifteen year requirement of (g) of this section.

Section 8. AS 14.40.763 is amended by adding a new section which reads:

- (m) a borrower is eligible for payment on his behalf by the U.S. Commissioner of Education, a portion of the interest on that portion of his loan which is federally insured, and by the State of Alaska, a portion of the interest on that portion of his loan which is not federally insured during
  1. that period prior to the beginning of the repayment period of that loan
  2. deferments as provided for under (k) of this section except
    - (i) when military service under (k)(2) exceeds three years, and,
    - (ii) when disability under (k)(6) is 50 percent or greater, but less than total

in which case, the State of Alaska will pay on behalf of the borrower the interest on all loan amounts.

Section 9. AS 14.40.763(j) is amended to read:

- (j) A portion of a loan shall be [CONSIDERED A GRANT] paid on behalf of the borrower by the State of Alaska, if, upon completion of the course of study for which the loan was granted, the [GRANTEE] borrower spends at least two years employed in the state. The portion of the loan which shall be [REGARDED AS A GRANT] paid by the State shall be the following percentages of the total loan received plus [ACCRUED] interest:

1.	two-three years residency		10 per cent
2.	three-four years residency	[20]	<u>10</u> per cent
3.	four-five years residency	[30]	<u>10</u> per cent
4.	over five years residency	[40]	<u>10</u> per cent

for a total of 40 per cent.

Section 10. AS 14.40.806 is amended by adding a new definition, and renumbering as required, that reads:

- (2) "federally insured" means a loan covered by the provisions of the Guaranteed Student Loan Program of Title IV, Part B, of the Higher Education Act of 1965 (P.L. 89-329), as amended.

*gives those students a quicker  
forgiveness for those who  
attend at school*

Introduced: 2/12/79  
Referred: Health, Education  
& Social Services and  
Finance

1 IN THE SENATE BY RODEY, HACKNEY AND SACKE.  
2 SENATE BILL NO. 130  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 ELEVENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act establishing incentives for students to attend  
7 colleges and universities in Alaska; and providing for  
8 an effective date." *enable Al loan to  
become a guaranteed loan  
program*  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. The legislature determines that  
11 (1) there are no incentives in the student loan program for resi-  
12 dents of Alaska to attend colleges and universities in Alaska as compared  
13 with colleges and universities outside Alaska;  
14 (2) the result of this lack of incentives is that 64.9 per cent of  
15 all undergraduate student loans and 92.9 per cent of graduate student loans  
16 go to students attending colleges and universities outside Alaska;  
17 (3) the amount of the average loan to undergraduate students  
18 attending colleges and universities in Alaska is lower than the average of  
19 similar loans in all but one of the 10 western states and the amount of the  
20 average loan for graduate students is the lowest in the West;  
21 (4) the funds spent on education in Alaskan colleges and univer-  
22 sities go further than when the funds are spent out of state; and  
23 (5) it would be an aid to the Alaskan economy if the funds in the  
24 student loan program were spent for education in Alaskan colleges and univer-  
25 sities.  
26 \* Sec. 2. AS 14.40.763 is amended by adding a new subsection to read:  
27 (1) Each year spent attending a college or university in Alaska  
28 qualifies as a year of employment and residency under (j) of this  
29 section.

AMENDMENTS TO

SB 130

PURPOSE OF AMENDMENTS.

The State of Alaska, through the state scholarship loan program, is eligible to become a lender under the Guaranteed Student Loan Program as provided for under Title IV, Part B of the Higher Education Act of 1965, as amended. This program would provide certain benefits to the State and to the State loan program which otherwise would be unavailable. To enable this participation, the following amendments must be made to the scholarship loan program.

Section 3. AS 14.40.763(b) is amended to read:

- (b) The loans may only be used to attend a career education program [APPROVED BY THE COMMISSION] or a college or university [ACCREDITED BY THE ACCREDITATION ASSOCIATION FOR THE REGION IN WHICH THE COLLEGE OR UNIVERSITY IS LOCATED] approved by the commission, and if the loans are federally insured, by the U.S. Commissioner of Education.

Section 4. AS 14.40.763(e) is amended to read:

- (e) Loans are [NON-INTEREST] interest bearing while a student is enrolled under (c) of this section or is receiving a deferment of payments under (k) of this section, however, a student shall be entitled to have paid on his behalf and for his account a portion of the interest in accordance with ~~(m)~~ of this section.

Section 5. AS 14.40.763(g) is replaced by:

- (g) Loan repayment of the principal amount together with interest thereon, in periodic installments, shall begin no earlier than nine months nor later than one year after the student terminates his studies and shall provide for repayment of the total amount owed in not less than five nor more than ten years from the commencement of repayment and not more than fifteen years from the date of execution of the original promissory note evidencing the disbursement of the loan, except as provided for in (k) and (e) of this section.

Section 6. AS 14.40.763(k) is replaced by:

- (k) Periodic installments of principal shall be deferred, but interest shall accrue and be paid unless the borrower is eligible for interest payment benefits under ~~(m)~~ of this section, during any of the following:
1. return to student status as provided in (c) of this section;

2. serving on active duty as a member of the Armed Forces of the United States;
3. serving, for up to three years, as a volunteer under the Peace Corps Act;
4. serving, for up to three years, as a full-time volunteer under the Domestic Volunteer Service Act of 1973;
5. for a one-time, up to twelve months, period in which the borrower is seeking and unable to find employment in the United States; or
6. if borrower becomes disabled, 50 percent or greater, as certified by competent medical authority.

Section 7. AS 14.40.763 is amended by adding a new section which reads:

- (e) In case of hardship, the committee may, in up to six month increments, extend repayment of a loan for an additional period of up to five years, within the fifteen year requirement of (g) of this section.

Section 8. AS 14.40.763 is amended by adding a new section which reads:

(m)  
L  
a borrower is eligible for payment on his behalf by the U.S. Commissioner of Education, a portion of the interest on that portion of his loan which is federally insured, and by the State of Alaska, a portion of the interest on that portion of his loan which is not federally insured during

1. that period prior to the beginning of the repayment period of that loan
2. deferments as provided for under (k) of this section except
  - (i) when military service under (k)(2) exceeds three years, and,
  - (ii) when disability under (k)(6) is 50 percent or greater, but less than total

in which case, the State of Alaska will pay on behalf of the borrower the interest on all loan amounts.

Section 9. AS 14.40.763(j) is amended to read:

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1.	two-three years residency		10 per cent
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for up to a total of 40 per cent.

Section 10. AS 14.40.806 is amended by adding a new definition, and renumbering as required, that reads:

- (2) "federally insured" means a loan covered by the provisions of the Guaranteed Student Loan Program of Title IV, Part B, of the Higher Education Act of 1965 (P.L. 89-329), as amended.

ALASKA STUDENT LOAN PROGRAM

1978-79

A. Financial Status:

Actual Balance of Revolving Fund 6-30-78	\$ 2,690.2
79 Appropriation	3,600.0
Total Available	\$ 6,290.2
78-79 Loans Awarded as Per Authorization	(5,000.0)
Balance	\$ 1,290.2
78-79 Loans Awarded - Additional	(900.0)
Balance	\$ 390.2
Anticipated Collections thru 6-30-79	1,440.0
Projected Balance FY 80	\$ 1,830.2

B. FY 80 Budget (Original Request):

	Cont.	Add.	Total
General Fund	\$4,420.0	\$1,227.0	\$5,647.0
Revolving Fund	1,400.0	453.0	1,853.0
Total	\$5,820.0	\$1,680.0	\$7,500.0

C. Loan Awards:

	Undergrad.	Graduate	Total
77-78 Actual	1,985	280	2,265
78-79 Present (8-27-78)	2,328	345	2,673
78-79 Pending (11-17-78)	N.A.	N.A.	513

D. Descriptive Information:

1. Average award	77-78	\$2,033
	78-79	2,207

2. Undergrad./Grad. Ratio

	Undergrad.	Graduate
77-78	87.6%	12.4%
78-79 (8-27-78)	87.1	12.9

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

	Undergraduate		Graduate		Total	
	In-State	Out	In-State	Out	In-State	Out
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

E. Observations:

1. The huge increase in applications this year is an across-the-board increase occurring at both the undergraduate and graduate levels.
2. The increasing cost of attending a postsecondary educational institution, as well as the increased undergraduate loan maximum (from \$2,500 to \$5,000) is reflected in an 8.6% increase in the average loan award.
3. The number of persons remaining in school is increasing, as is the number of new applicants. This is probably, in part, a reflection of the post-pipeline economy of the State.
4. The FY 80 budget request is most likely underestimated. Funding for the current year could require as much as \$7.3 million, if all applicants were to receive funds. If \$7.3 million is used for 1977-78, 78-79 could require about \$8.2 million. This is based upon 3,400 applicants at an average loan award of \$2,400.

F. Alternate Actions:

AS 14.40.751. "There is created a scholarship revolving loan fund. . . . All repayments of principal and interest on scholarship loans shall be paid into the scholarship revolving loan fund and shall be used to make new scholarship loans. If estimated funds available from scholarship loan repayments are inadequate to fully fund estimated scholarship loans for any fiscal year, additional funding from the General Fund may be requested and appropriated for that year."

1.(a) We have mailed letters to all pending applicants informing them of the difficulty. We told them we will fund them if funds become available, and then maybe only for the second half of the academic year. We could continue in this manner, seek a supplemental budget appropriation when the Legislature convenes, and act accordingly.

(b) If we do this, it means that 515 applicants get nothing for first semester. It means some of these, plus new additional applicants attending a school on a quarter-term would get nothing for the first and possibly second quarter. If the supplemental passes, and if it survives veto possibilities, some students would receive funds. Based upon a 50% estimate, this would require about \$700 thousand and mean an 78-79 outlay of \$6.6 million. It also means we would have the projected \$1.8 million in the revolving fund for our FY 80 match.

2.(a) We could fund all applications out of the revolving fund. We could then ask the Legislature for a supplemental to reimburse the revolving account and thereby produce the FY 80 match. Or, we could go into FY 80 with little or no match (an estimated \$400 thousand would be left).

(b) The initial budget recommendations for FY 80 call for us to deplete the revolving fund next year in exactly the manner suggested here. The reason for this is to minimize the General Fund requirement. If we deplete the revolving fund this year and rely on total General Fund support for next year, we could face a difficult time -- if not in the Legislature, then surviving veto provisions. If funds are not forthcoming in FY 80, we would confront denying continued funding to as many as 1,500 students.

3. With either of the above alternatives, or any others, a number of changes could be suggested to reduce the loan volume. These include:

- a. increasing the interest rate
- b. removing the cancellation provisions
- c. increasing the residency requirements, or giving preference to those with longer residency
- d. making the loan program more "need" based in the Federal loan sense, i.e., restrictions on parental income, personal income, etc.
- e. restricting the loans to certain programs, states, levels.

"Our Copy"

Introduced: 2/12/79  
Referred: Health, Education  
& Social Services and  
Finance

1 IN THE SENATE

BY RODEY, HACKNEY AND SACKETT

2 SENATE BILL NO. 130

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing incentives for students to attend  
7 colleges and universities in Alaska; and providing for  
8 an effective date."

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

10 \* Section 1. The legislature determines that

11 (1) there are no incentives in the student loan program for resi-  
12 dents of Alaska to attend colleges and universities in Alaska as compared  
13 with colleges and universities outside Alaska;

14 (2) the result of this lack of incentives is that 64.9 per cent of  
15 all undergraduate student loans and 92.9 per cent of graduate student loans  
16 go to students attending colleges and universities outside Alaska;

17 (3) the amount of the average loan to undergraduate students  
18 attending colleges and universities in Alaska is lower than the average of  
19 similar loans in all but one of the 10 western states and the amount of the  
20 average loan for graduate students is the lowest in the West;

21 (4) the funds spent on education in Alaskan colleges and univer-  
22 sities go further than when the funds are spent out of state; and

23 (5) it would be an aid to the Alaskan economy if the funds in the  
24 student loan program were spent for education in Alaskan colleges and univer-  
25 sities.

26 \* Sec. 2. AS 14.40.763 is amended by adding a new subsection to read:

27 (1) Each year spent attending a college or university in Alaska  
28 qualifies as a year of employment and residency under (j) of this  
29 section.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 130 (as amended)  
 Title \_\_\_\_\_  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Education (Alaska Commission on Postsecondary Education)  
 Program Category Affected Education  
 BRU, Program, or Subprogram(s) Affected Student Scholarship Loan Program  
 (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			50.0	57.0	63.0	69.0
200 TRAVEL						
300 CONTRACTUAL			10.0	11.0	12.0	13.0
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	0	300.0	340.0	374.0	411.0
TOTAL	0	0	300.0	408.0	449.0	493.0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	(360.0)	(408.0)	(449.0)	(493.0)
FEDERAL FUNDS	0	0	360.0	408.0	449.0	493.0
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

FY 82, 83, 84 is based roughly upon a 10% annual increase in loan volumes.

IV. DATE March 12, 1979

PREPARED BY [Signature]  
 AGENCY Commission on Postsecondary Education  
 PHONE 465-2954

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

## GUARANTEED STUDENT LOAN PROGRAM

The Guaranteed Student Loan Program (GSL) was originally enacted under Title IV, Part B of the Higher Education Act of 1965. The purpose is to: encourage State and private non-profit agencies to establish adequate loan insurance programs for students in eligible institutions; provide a Federal program of student loan insurance for students not having reasonable access to a state or private non-profit student loan program (FISL); and pay Federal interest subsidy on loans made under these programs as well as on loans made under direct state loan programs.

Under this program students may borrow up to \$2,500 as an undergraduate and up to \$5,000 as a graduate student per year. Repayment is to include a maximum of 7% interest on the loans.

While a student is enrolled in school or under the following deferments:

1. return to full-time student status,
2. active duty in Armed Forces (up to 3 years),
3. service in the Peace Corps or VISTA (up to 3 years),
4. seeking and unable to secure employment (up to 12 months), and
5. totally disabled

the federal program will pay, on behalf of the student borrower, the interest on the loan(s).

If a borrower defaults, files bankruptcy, or dies, the holder of the note is reimbursed the entire amount due, interest and principal. That is, the federal program "guarantees" the payment of the loan.

The program also provides for additional payments if defaulted loans are pursued and collected and annual administrative cost allowances. The administrative cost allowances are based upon loan volume for the preceding year.

*1% of amount*

STATEMENT

*Rec'd  
3-12-79  
10:10 AM*

TO: SEN. HACKNEY

FROM: FOSTER F. DIEBOLD, PRESIDENT, UNIVERSITY OF ALASKA, FBKS., AK 99701

I WANT YOU AND OTHER MEMBERS OF YOUR COMMITTEE TO KNOW THAT THE UNIVERSITY OF ALASKA STRONGLY ENDORSES BOTH THE INTENT AND SUBSTANCE OF SB 130, ESTABLISHING AN ADDITIONAL INCENTIVE IN THE STUDENT SCHOLARSHIP LOAN PROGRAM FOR STUDENTS TO ATTEND COLLEGES AND UNIVERSITIES IN ALASKA.

THIS LEGISLATION—ALSO FAVORED BY THE ALASKA STUDENT LOBBY—HAS PARTICULAR MERIT BECAUSE IT IS NOT COERCIVE, WOULD NOT FORCE STUDENTS TO ATTEND INSTITUTIONS OF HIGHER LEARNING WITHIN THE STATE, AND YET IT WOULD VERY SUBSTANTIALLY BENEFIT THOSE STUDENTS WHO WANT TO STUDY AND MAKE THEIR HOMES IN ALASKA. CURRENT LAW PROVIDES AN INCENTIVE TO STUDENTS TO LIVE AND WORK IN ALASKA FOLLOWING COMPLETION OF THEIR EDUCATION BY CONVERTING TO A GRANT UP TO 40 PERCENT OF THEIR LOANS, BASED UPON LENGTH OF RESIDENCE AND EMPLOYMENT IN THE STATE. TO ALSO ALLOW TIME SPENT AT AN ALASKAN COLLEGE OR UNIVERSITY TO BE TAKEN INTO ACCOUNT FOR THIS INCENTIVE WOULD SEEM TO BE A MOVE TO STRENGTHEN THE BASIC OBJECTIVE OF THE LOAN ACT.

\*\*\*\*\*THIS MESSAGE TO BE CONTINUED\*\*\*\*\* EOM

LA21 2395 15.55 JA01 0071 15.55 03/09/79

CONTINUATION OF MESSAGE TO SEN. HACKNEY FROM FOSTER DIEBOLD

AS YOU ARE WELL AWARE, A MAJORITY OF THOSE STUDENTS RECEIVING STATE SCHOLARSHIP LOANS ARE ATTENDING COLLEGES AND UNIVERSITIES OUTSIDE ALASKA. WHILE MANY OF THESE STUDENTS UNDOUBTEDLY DESIRED TO ATTEND PARTICULAR INSTITUTIONS BEYOND ALASKA, FOR ONE REASON OR ANOTHER, THERE COULD VERY WELL BE AMONG THEM A NUMBER WHO MIGHT HAVE CHOSEN TO PURSUE THEIR EDUCATION IN ALASKA WERE AN INCENTIVE SUCH AS THAT PROPOSED IN SB 130 AVAILABLE TO THEM.

I HAVE HEARD NO ADVERSE COMMENTS ON SB 130 AND WOULD, AGAIN, COMMENT IT HIGHLY AS A MEANS OF INCREASING THAT BODY OF TRAINED AND EDUCATED PERSONS WHO ARE CONTRIBUTING SO SUBSTANTIALLY TO ALASKA'S GENERAL WELL-BEING AND PROGRESS. THE LEGISLATION WILL ALSO, I BELIEVE, MATERIALLY STRENGTHEN ALASKAN COLLEGES AND UNIVERSITIES, PUBLIC AND PRIVATE, AND THEREBY PROVIDE YET ANOTHER INCENTIVE FOR STUDENTS TO REMAIN IN THE STATE.

FBKS L10/AW/EOM

FACT SHEET ON SB 130: "An act establishing incentives for students to attend colleges and universities in Alaska; and providing for an effective date."

Purpose: This bill would amend AS 14.40.763, changing the Alaska Student Loan Program by establishing financial incentives for Alaskan students to pursue their postsecondary education in-state. It does not punish, in any way, those students who nonetheless choose to go "outside" for their college education. For those persons, the loan program remains exactly the same.

Introduction: Established by the 1971 Legislature, the Alaska Student Loan Program 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 12,000 loans have been awarded to Alaskans pursuing education at the postsecondary level. These loans account for a combined total of over \$21 million in state financial assistance.

Loan amount ceilings have been \$2,500 and \$5,000 respectively for undergraduate and graduate students, though the maximum loan limit for undergraduate study was raised to \$3,000 by the 1978 Legislature. These need-based loans offer the recipient a ten-year repayment period at an annual interest rate of five percent. The student may use 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 40 percent cancellation, is offered to those individuals who work in Alaska after completion of their programs of studies.

Objectives: This bill, without changing the existant provision relating to the 40 percent cancellation, would also tie that provision to attendance at a college, university or voc-tech program in Alaska so that the student would enjoy a 10 percent cancellation after two years of attendance in-state, 20 percent after three years, 30 percent after four years, and the maximum cancellation of 40 percent after either five years of attendance or residence.

The benefits of this bill are primarily threefold:

1) Alaskans going to school in Alaska would receive direct financial benefit - without causing any reduction in benefits to those who still choose to go outside for their education;

2) because the amount of the average loan to undergraduate students attending colleges and universities in Alaska is lower than the average of similar loans in all but one of the 10 western states and the amount of the average loan for graduate students is the lowest in the West, the funds spent on educational loans would go further if a greater percentage of those funds were spent in-state (at present, 64.9 percent of all undergraduate student loans and 92.9 percent of graduate student loans go to students attending colleges and universities outside Alaska);

3) in addition to the point made above, that more students could receive loans without an increase in allocation of funds if more loans were made to students in-state, the Alaskan economy would also benefit from a greater expenditure of funds in-state.

Other Considerations:

Loan awards for FY 1979 have increased by approximately \$2.2 million over the total of \$4.6 million spent in FY 1978. That huge increase was due to three factors:

- \* increase in applications;
- \* increase in cost of education;
- \* increase in maximum undergraduate loan ceiling from \$2,500 to \$3,000.

There is another bill being considered by the Legislature this year, SB 10 by Sumner and Ferguson, which would make a special appropriation for FY 1980 of \$7.5 million (\$5.6 million General Fund), and for FY 1981 of \$8 million (\$5.9 million General Fund) to the student scholarship loan program. That bill has already passed out of Senate HESS and is presently before Senate Finance. Its significance rests in the fact that it would mandate a two-year appropriation so that loans could still be awarded in the spring of '80 for the '81 school year.

In addition, Kerry Romesburg, executive director of the Postsecondary Education Commission, has indicated that he will attempt to add several amendments to SB 130 when it comes before Senate HESS Committee. The effect of those amendments will be to enable the State Scholarship Loan Program to participate in the Federal Guaranteed Student Loan Program. The purpose of that is to take advantage of several of the provisions of the federal program which will, without increasing the costs to either the student or the state, make available a significant amount of federal money (possibly \$300,000) to add to the state funds for the program.

Prepared by Jim Kelly, Admin. Ass't.  
Senator Pa Rodey

SB

142



A M E N D M E N T

OFFERED IN THE SENATE:

By: Senate Hess

To: \_\_\_\_\_ SENATE BILL No. SB 1,2

HOUSE BILL No. \_\_\_\_\_

PAGE: (1)

LINE: 20

Line 20 change \$1,353,800 to \$1,310,500

AMENDMENT

OFFERED IN THE SENATE:

By: Senate Hess

To: \_\_\_\_\_ SENATE BILL No. SB 142

HOUSE BILL No. \_\_\_\_\_

PAGE: (1)

LINE: 15

Line 15 change \$38,000 to \$47,300

SB 142  
By: Rules Com.  
Request of Gov.  
"Collect making a <sup>S. HESS 79-80</sup> ~~request~~ <sup>to Dept of HBS & providing for</sup> ~~request~~ <sup>an effective date"</sup>

Introduced 2-13-79

Logged 2-13-79

Reviewed Finance

Comm. meeting 2-23-79

Comm. Action Passed with amendment - taken Senate floor 2-26-79 @ 8:00 AM

*Bank Kelly - have been some before committee*

Funding Information:  
General Fund: \$1,441,800  
Other Funds: -0-  
\$1,441,800

*Stingelenski*

Introduced: 2/13/79  
Referred: Health, Education & Social Services and Finance  
*fiscal audit v. performance audit*  
BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Health and Social Services; and pro-  
8 viding for an effective date."

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

10 \* Section 1. The sum of \$1,441,800 is appropriated from the general  
11 fund to the Department of Health and Social Services, to be allocated as  
12 follows:

13 Office of Internal Review -

14 Replacing shortfall of federal  
15 funds for FY 79

\$ 38,000 *delete insert*

16 Division of Social Services -

17 Replacing shortfall of federal  
18 funds for FY 79 and cover  
19 excess expenditures of FY 79

→ \* 47,300

20 appropriation

1,353,800 *delete*

21 \* Sec. 2. The unexpended and unobligated portion of the appropriation  
22 made in sec. 1 of this Act lapses June 30 1979. \* 1,310.5 *insert*

23 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
24 10.070(c).

*show their request in for this one. → 1 mil, 332.1K on 1 mil, 310.5K on, 500K un- done*

*w/ the above amend*

*Extra*  
*SBI 42*  
*C. Spivey*

TO:  Ron Lind, Director  
Division of Budget & Management  
Office of the Governor

DATE: December 18, 1978

FILE NO:

TELEPHONE NO:

FROM:

*Catherine M. Long*  
Helen D. Beirne, Commissioner  
Department of Health  
and Social Services

SUBJECT: FY 1979 Supplemental Appropriation  
Request - Office of Internal Review

A supplemental appropriation request for \$12,200 of State general funds for the Office of Internal Review, Administration Component is forwarded for your review and action.

- A. REASON FOR THE SUPPLEMENTAL: Children in Foster Care and Institutional Care for the most part, are no longer considered AFDC eligible by the Federal criteria. Reimbursement for activities related to children in care of the Department can no longer be claimed. The change in eligibility criteria by the Federal Agency was not known until after after the FY 1979 budget was passed by the Legislature. General funds to replace the appropriation Title IVA Funds are requested.
- B. CONSEQUENCES OF NOT FUNDING THE SUPPLEMENTAL: Support services for the other components of this BRU would be cut off. This component is comprised of one Administrator and two Clerical support positions. Without funding, employees would have to be laid off to stay within the appropriation level of State General Funds.
- C. OTHER INFORMATION: No lapse in another BRU is anticipated, therefore, no funds can be identified which could be transferred to reduce this supplemental need.

FY 79 SUPPLEMENTAL REQUEST ANALYSIS

	FY 77 ACTUAL	FY 78 FINAL AUTH.	FY 78 ACTUAL	FY 79 GOV. BUDGET	FY 79 INITIAL AUTH.	FY 79 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1/-11/30	OTHER OBLIGATIONS 7/1/-11/30	PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 79 (DEFICIT) OR EXCESS	FY 80 CONTINUATI.
PERSONAL SERVICES	61.0	78.6	79.9	84.7	84.7	84.1	32.4	3.6	48.1	-0-	92.0
TRAVEL	2.9	6.0	3.0	3.9	3.9	3.9	1.0	-0-	2.8	.1	4.1
CONTRACTUAL SERVICES	.2	6.2	4.3	6.5	6.5	6.5	5.2	-0-	1.3	-0-	8.1
COMMODITIES	.8	1.0	.6	.7	.7	.7	.5	-0-	.2	-0-	.7
EQUIPMENT	.2	1.4	.6				.1			(.1)	
LANDS, BLDG. ...											
GRANTS, CLAIMS, ...	4.7										
MISCELLANEOUS											
TOTAL	69.8	93.2	88.4	95.8	95.8	95.2	39.2	3.6	52.4	-0-	104.9
FEDERAL RECEIPTS	234.4	38.5	259.5	39.6	39.6	39.6	.1		27.3	12.2	20.6
REQUIRED GF MATCHING	76.0	38.4	36.5	39.5	39.5	39.5	.1		27.3	12.2	20.6
PER GENERAL FUND	(240.6)	16.3	(207.6)	16.7	16.7	16.1	39.0	3.6	(2.2)	(24.4)	63.7
INTER-AGENCY RECEIPTS											

AGENCY: Health and Social Services BRU: Office of Internal Review COMPONENT: Administration REVISED: \_\_\_\_\_

# MEMORANDUM

TO: F Ron Lind, Director  
Division of Budget and Management  
Office of the Governor

DATE: December 18, 1978

FILE NO:

TELEPHONE NO:

FROM: *Catherine M. Lloyd*  
Helen D. Beirne, Commissioner  
Department of Health  
and Social Services

SUBJECT: FY 1979 Supplemental Appropriation  
Request - Office of Internal Review

A supplemental appropriation request for \$75,800 of State general funds for the Office of Internal Review, Audit Component is forwarded for your review and action.

- A. REASON FOR THE SUPPLEMENTAL: Children in Foster Care and Institutional Care, for the most part, are no longer considered AFDC eligible by the Federal criteria. Reimbursement for activities related to children in care of the Department can no longer be claimed. The change in eligibility criteria by the Federal Agency was not known until after the FY 1979 budget was passed by the Legislature. General funds to replace the appropriated Title IVA Funds are requested.
- B. CONSEQUENCES OF NOT FUNDING THE SUPPLEMENTAL: The required audits will not get completed. The backlog of audits to be completed will increase sharply. Two current employees would have to be laid off immediately.
- C. OTHER INFORMATION: Expenditures for this component have been less than one-twelfth of authorized per month. Vacant positions which have been filled during this fiscal year have been considered in this request. The total of Title IVA funding authorized for this component is \$96,200, but vacancies resulting in approximately \$40,000 has resulted in the lower Supplemental Request. No lapse in another BRU is anticipated, therefore, no funds can be identified which could be transferred to reduce this supplemental need.

FY 79 SUPPLEMENTAL REQUEST ANALYSIS

	FY 77 ACTUAL	FY 78 FINAL AUTH.	FY 78 ACTUAL	FY 79 GOV. BUDGET	FY 79 INITIAL AUTH.	FY 79 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1/-11/30	OTHER OBLIGATIONS 7/1/-11/30	PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 79 (DEFICIT) OR EXCESS	FY 80 CONTINJ.
PERSONAL SERVICES	148.8	215.5	152.7	305.1	305.1	303.0	69.3	9.2	184.5	40.0	321.5
TRAVEL	17.7	32.4	18.9	43.0	43.0	43.0	16.6	4.0	22.4	-0-	45.6
CONTRACTUAL SERVICES	9.7	12.2	8.9	65.5	65.5	65.5	11.4	6.5	47.6	-0-	71.3
COMMODITIES	1.8	3.2	2.7	4.9	4.9	4.9	.3		2.9	1.7	5.2
EQUIPMENT	.8	2.5	2.5				1.0			(1.0)	
LAND, BLDG. ...											
GRANTS, CLAIMS, ...											
MISCELLANEOUS											
TOTAL	178.8	265.8	185.7	418.5	418.5	416.4	98.6	19.7	275.4	40.7	444.1
FEDERAL RECEIPTS	22.9	86.1	-0-	148.5	148.5	148.5	-0-	-0-	72.7	75.8	62.9
REQUIRED GF MATCHING	22.9	86.1	60.1	148.6	148.6	148.6	-0-	-0-	72.8	72.8	62.9
OTHER GENERAL FUND	133.0	93.6	125.6	121.4	121.4	119.3	98.6	19.7	111.9	(110.9)	318.3
INTER-AGENCY RECEIPTS											

AGENCY: Health & Social Services      BRU: Office of Internal Review      COMPONENT: Audit      REVISED: \_\_\_\_\_

POSITION PAPER

SENATE BILL NO. 142

"An Act making a supplemental appropriation to the Department of Health and Social Services; and providing for an effective date."

Office of Internal Review

Senate Bill No. 142, in regard to the Office of Internal Review, provides for replacing a shortfall of federal funds with state general funds. The AFDC eligibility for children in foster care and institutional care changed drastically since the preparation of the FY 1979 budget. Activities by the Administration and Audit Components of the Office of Internal Review relating to children in foster care and institutional care are no longer eligible for Title IV-A federal reimbursement. A significant amount of effort by this unit is made in auditing and rate setting of AS 47.40 related services.

If state general funds are not made available to replace the lost federal receipts, all Administrative and Audit staff will be subject to layoff by mid-April.

Division of Social Services

Senate Bill No. 142 provides for supplemental funding of \$1,353,800 to replace unclaimable federal Title IV-A funds and to meet the increased costs of the foster care and institutional care programs. Recent projections based upon actual expenditures, the first six months of the fiscal year, indicate it may be possible to reduce the supplemental request to \$1,332,000.

Under AS 47.10.230 and 47.40.040, the Division is required to provide 24-hour care and supportive costs for children in need of aid. Children placed in foster and institutional care are committed to the Division's custody, and the Division has no control over the number of children for who care must be provided or the rates paid (see attached audited rates).

Supportive costs, such as travel to and from placements, witnesses at court hearings, initial placement clothing purchases, medical care and psychiatric and psychological evaluations and treatment (the majority of which are court ordered for the child and parent(s)) must also be provided. The majority of the costs for evaluation, testing, examinations and other medically related care were borne by the Division of Public Assistance's Medicaid program in the past; however, such costs must now be assumed by the program. This policy change was enforced in FY 79 and therefore, the increases were not anticipated at the time the original budget request was prepared.

Replacement of \$880,900 federal Title IV-A funds with general funds is required. Federal representatives conducted a review of the cases for which Title IV-A funds were being claimed, resulting in a drastic reduction in revenues for FY 78. The number of children meeting the federal criteria for AFDC-FC eligibility (45 CFR 233.110(a)(1) and (a)(2), has decreased drastically. Therefore, Title IV-A funds appropriated for FY 79 will far exceed actual revenues. Total replacement of these funds with general funds is requested, however, both the Divisions of Social Services and Public Assistance will continue determining eligibility and claiming all possible federal reimbursement.

If general funds are not appropriated to cover the above, we will be unable to meet foster care costs beyond mid-May, and institutional care costs beyond mid-April.

Supplemental need for travel are based upon a one-month payment lag; professional costs upon actual contract limitations; clothing, provider payments and medical upon a two-month lag in Foster Care and a one-month lag, plus recent encumbrances, in Institutional Care. The total request is as follows:

	200	300	400	700	Fed Shortfall	GF Total
Foster Care	\$51.8	\$58.1	\$26.4	-0-	\$314.6	\$450.9
Institutional Care	30.3	-	9.9	274.6	566.3	881.1
	<u>82.1</u>	<u>58.1</u>	<u>36.3</u>	<u>274.6</u>	<u>880.9</u>	<u>1,332.0</u>

Enactment of Senate Bill No. 142 is recommended.

RECOMMENDED BY: Roger C. Lange DATE: Feb. 22, 1979  
 Roger C. Lange, Administrator  
 Office of Internal Review

RECOMMENDED BY: Art Holmberg DATE: 2/22/79  
 Art Holmberg, Director  
 Division of Social Services

APPROVED BY: Catherine M. Floyd DATE: 2/22/79  
 Helen D. Beirne, Commissioner  
 Department of Health and Social Services

Attachment

18

Explanation

FY 79

FY 80

Institutional Care Daily Rates

Facility	FY 76 Audited Rate	FY 77 Audited Rate	Provisional FY 78 Rate	Est. FY 78 Revised Rate	Estimated FY 79 Rate	FY 78 Audited Rate	FY 79 Provisional Rate	FY 80 Esti Rate - 6%
aska Children's Services Inc.								
Jesse Lee	42.83	61.55	75.43	83.73	88.75	81.59	91.1	96.63
North Star House	33.91	39.88	64.52	71.62	75.92	67.01	40.56	42.99
Aquarius	27.43	36.26	45.79	50.83	53.88	47.61	47.01	49.83
Colletti	27.16	36.94	48.70	54.06	57.30	50.42	38.98	41.32
Youth Services Center	45.99	54.26	69.57	77.22	81.85	71.76	109.99	116.59
askan Youth Village	31.17	37.19	44.06	48.91	51.84	-	53.24	56.43
arrow Receiving Home			Rate not yet established			57.93	52.15	55.28
athel Receiving	24.68	44.09	Closed in FY 77					
both Memorial Home	50.30	60.65	75.63	83.95	88.99	110.19	110.19	116.80
ovenant High School		14.89	*			36.04	46.96	49.78
allcrest Receiving Home	35.32	33.55	Rate not yet established			75.63	92.26	97.80
alltop Home	35.47	42.43	46.30	51.39	54.47	18.42	16.52	17.51
ope Center*	40.51	55.01	*			46.30	51.00	54.06
ope Cottage "A"*	28.70	31.70	*					
esuit Volunteer Corps Group Home	29.53	26.21	36.04	40.00	42.40	62.04	66.03	69.99
aneau Receiving Home	26.76	47.81	Rate not yet established					
aneau Teen Home								
Boys	22.52	39.67	40.88	45.38	48.10	39.57	46.12	48.89
Girls	32.71	39.67	40.88	45.38	48.10	39.57	46.12	48.89
anai Peninsula Community Care Center	36.58	48.06	51.54	57.21	60.64	51.54	55.96	59.32
atchikan Children's Home						48.50	60.52	64.15
Receiving Home	39.22	43.30	48.50	53.84	57.07	20.72	18.19	19.28
Teen Home	34.95	43.30	48.50	53.84	57.07	62.25	59.97	63.57
odick Baptist Mission & Group Home	14.89	20.56	20.72	23.00	24.38	42.45	40.83	43.28
ome Receiving Home	42.87	43.67	Closed in FY 77			65.52	64.86	68.75
orth Star Home	18.94	22.92	Closed			46.81	65.51	69.44
resbyterian Hospitality House	61.48	62.36	Rate not yet established			42.26	57.32	60.70
ffield House (Hope Center)*	22.91	22.46	*			68.71	68.71	72.8
L. Mary's High School	7.71		*					
urning Point Boys Ranch	44.92	43.31	46.81	51.96	55.08			
Not under Institutional Care								

U Program Services - Institutional Care Dept. of Health & Social Services BRU CODE Health & Social Services REVISD NT Institutional Care DATE REVISED

18 EXPLANATION

000591

000

*our copy*

Introduced: 2/13/79  
Referred: Health, Education  
& Social Services and Finance

Funding Information:  
General Fund: \$1,441,800  
Other Funds: -0-  
\$1,441,800

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Health and Social Services; and pro-  
8 viding for an effective date."

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

10 \* Section 1. The sum of \$1,441,800 is appropriated from the general  
11 fund to the Department of Health and Social Services, to be allocated as  
12 follows:

13 Office of Internal Review -

14 Replacing shortfall of federal  
15 funds for FY 79

\$ 88,000

*47.3*  
*35.1*  
*12.2*

16 Division of Social Services -

17 Replacing shortfall of federal  
18 funds for FY 79 and cover  
19 excess expenditures of FY 79  
20 appropriation

1,353,800

*1,310.5*  
*43.3*

21 \* Sec. 2. The unexpended and unobligated portion of the appropriation  
22 made in sec. 1 of this Act lapses June 30, 1979.

23 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
24 10.070(c).

25  
26  
27  
28  
29

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION  
POUCH W — ALASKA OFFICE BUILDING

FINANCE DIVISION  
POUCH WF — STATE CAPITOL

JUNEAU 99801

February 23, 1979

TO: Senator Hackney  
FROM: John Lucas  
SUBJECT: SB 142

The following changes should be considered for SB 142:

1. Section 1. The FY 79 supplemental request for for the Division of Social Services should be reduced from \$1,353,800 to \$1,310,500. A Revised Program is in process which would transfer \$43.4 from Day Care to Foster Care.
2. Section 1. The FY 79 supplemental request for the Office of Internal Review should be reduced by \$40.7 to a total of \$47.3. In submitting their request, they did not take into account the fact that they expect to lapse \$40.7 in the audit component.

In addition this bill only takes into account the amounts required by the Division of Social Services for FY 79. I have attached the additional funds which the Division will require for FY 78. This amounts to \$704,600 to replace the shortfall in federal and program dollars. It is basically comprised of the following:

	<u>Foster Care</u>	<u>Institutional Care</u>	<u>Total</u>
FY 78 Expenditures	.2	(.2)	-0-
Fed. Receipts shortfall	194.8	441.3	636.1
Pgm. Receipts shortfall	<u>59.6</u>	<u>8.9</u>	<u>68.5</u>
Totals	<u>254.6</u>	<u>450.0</u>	<u>704.6</u>

STATE  
of ALASKA

# MEMORANDUM

TO:  Art Peterson  
Assistant Attorney General  
Department of Law

DATE: February 2, 1979

FILE NO:

TELEPHONE NO:

FROM: Ron Lind, Director  
Division of Budget & Management  
Office of the Governor

SUBJECT:

Supplemental Appropriation  
Department of Health & Social  
Services

*RL*  
Please prepare a bill for the Governor's introduction making a Supplemental appropriation in the amount of \$704,600 to the Department of Health & Social Services for the purpose of replacing a shortfall in federal dollars during FY 78 in the program services BRU in the Division of Social Services.

This \$704,600 should be appropriated from the general fund.

This act should take effect immediately and include a lapse date of June 30, 1979.

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 77 ACTUAL	FY 78 FINAL AUTH.	FY 78 ACTUAL	FY 79 GOV. BUDGET	FY 79 INITIAL AUTH.	FY 79 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1/-11/30	OTHER OBLIGATION: 7/1/-11/30	PROJECTED EXPENDI- TURES + ENCUMBRANCE: 12/1-6/30	FY 78 (DEFICIT) OR EXCESS	FY 80 CONTINUING
PERSONAL SERVICES											
TRAVEL	42.5	65.3	87.8							(22.5)	
CONTRACTUAL SERVICES	51.3	101.0	211.1							(105.1)	
COMMODITIES	21.8	22.1	37.2							(5.1)	
EQUIPMENT	.2										
LANDS, BLDG. ...											
GRANTS, CLAIMS	1,341.8	1,906.7	1,764.2							142.5	
MISCELLANEOUS										(.2)	
TOTAL	1,457.6	2,100.1	2,100.3							(194.8) IV A shortfall 0 RCF to OCF (59.6) Prop. Act. shortfall (254.6) Total supplement (194.8)	
FEDERAL RECEIPTS	337.4	437.4	242.6								
REQUIRED GF MATCHING	234.4	372.3	98.0							(40.8)	
OTHER GENERAL FUND	616.1	1,107.8	1,636.7							(295.4)	
INTER-AGENCY RECEIPTS											
Program Receipts	128.4	182.6	123.0							(59.6)	
Other Funds	141.1										

AGENCY: Health & Social Services BRU: Program Services COMPONENT: Foster Care REVISED: \_\_\_\_\_

FY 79 SUPPLEMENTAL REQUEST ANALYSIS

	FY 77 ACTUAL	FY 78 FINAL AUTH.	FY 78 ACTUAL	FY 79 GOV. BUDGET	FY 79 INITIAL AUTH.	FY 79 CURRENT AUTH.	EXPENDITURES + ENCUMBRANCES 7/1/-11/30	OTHER OBLIGATIONS 7/1/-11/30	PROJECTED EXPENDI- TURES + ENCUMBRANCES 12/1-6/30	FY 78 (DEFICIT) OR EXCESS	FY 80 CONTINUATIO:
PERSONAL SERVICES											
TRAVEL	41.5	45.2	45.2							0	
CONTRACTUAL SERVICES	17.7	( 138.0)								(138.0)	
COMMODITIES	5.3	12.4	10.3							2.1	
EQUIPMENT											
LANDS, BLDG. ...											
GRANTS, CLAIMS	2,891.4	4,298.0	4,161.9							136.1	
MISCELLANEOUS											
TOTAL	2,955.9	4,217.6	4,217.4							.2 (441.3) IV ( 8.9) RCF (450.0) Pro to OGF (451.3) Total Supplement	shortfall to OGF Req. shortfall
FEDERAL RECEIPTS	421.9	719.3	278.0							161.3	
REQUIRED GF MATCHING	464.6	719.3	278.0							(891.3)	
OTHER GENERAL FUND	1,902.2	2,751.2	3,929.4								
INTER-AGENCY RECEIPTS											
Program Receipts	26.1	27.8	18.9							(8.9)	
Other Funds	161.1										

AGENCY: Health & Social Services      BRN: Program Services      COMPONENT: Institutional Care      REVISED: \_\_\_\_\_

12

- ① At what point did info arrive re Federal criteria change? Do you have a letter? How advised?
- ② Were you only auditing to conform to a Federal requirement?
- ③ 75,800 was audit cost  
12,200 was adm.
- ④ What posits. would be elim.?
- ⑤ What happens if you
- ⑥ Is audit reqd. before reimbursement to agencies or

① Seabone

② What employees would be laid off?

Simplified solution on HB 142

Would it be possible to mandate that individual parents of children from the middle class be made responsible for the costs of foster care, custodial care or institutional care for children of this class who require it since they are not covered by AFDC?

SB

143



A M E N D M E N T

OFFERED IN THE SENATE:

By: SENate Hess

To: \_\_\_\_\_ SENATE BILL No. SB 143

HOUSE BILL No. \_\_\_\_\_

PAGE: (1)

LINE: 13

Line 13    change \$132,400 to 232,400

A M E N D M E N T

OFFERED IN THE SENATE:

By: Senate Hess

To: \_\_\_\_\_ SENATE BILL No. SB 143

HOUSE BILL No. \_\_\_\_\_

PAGE: (1)

LINE: 10

Line 10 change \$253,300 to \$234,992

CONFIDENTIAL

Handwritten: 2-13-79  
Log #: 2-13-79  
Address: [unclear]

Committee Meeting 2-23-79

II Action Planning Committee - [unclear] 2-23-79 @ 1:00

Handwritten notes:  
Party for [unclear]  
Son of [unclear] (General [unclear])  
Louis [unclear] - HESS - 3030  
Class. Action - [unclear] - 3376  
Pro Office

2/23/79

SB 143

Sen. Summer. I've had a background in the care and feeding of human beings for 14 or 15 years in terms of board and care facilities; people who have emotional or social adjustment problems, mental illness, and I've been able to see through firsthand involvement hardships in terms of individuals' lives. But I was introduced to a family and then I found out there are several families that have as one member of their family an autistic child. What we are dealing with in autistic children is a personality behaviour that almost forbids the option or forecloses the option of being able to get any sort of relief in terms of sitters or in terms of someone to stay with or care for that child. Their erratic behaviour is such that they can burst into uncontrollable behaviour, then can tend to attack the person trying to care for them, they tend to do things that are so shocking; its out of the line of emotionally disturbed children or mentally ill children.

These youngsters are really difficult to control and difficult to predict their behaviours. What happens then in that family is that after days and weeks and months of consistent high intensity observation of this child it just comes apart. There is a torment in a whole family, not just in terms of having someone which they wish could participate in normal activities, in sports and functions; but youngsters that absolutely require full attention on almost a day and night basis to care for. They tell me that from time to time they pray for somebody who has some training or some facility that can sit with this youngster or keep the youngster for 24 hours. They said sometimes 24 hours away is like a month's vacation and they need that sort of family support to help provide for these children.

The group of parents that I met with invited many of the legislators from the Anchorage area to come and they gave us an overview. One of the things they said that was typical among autistic children is that it is very difficult to be able by physical observance to tell that a child is autistic -- very beautiful children. They radiate no behaviour patterns that would cause you to exercise caution when dealing with them or working with them. Yet, you can be riding along and stop at a stop sign, they are liable to get out of the car and run and you can't get them back. If they are playing in the yard they are liable to run into the stree. It's this sort of unpredictable behaviours that doesn't let a mother or a father for one minute have a bit of peace. In many instances it ultimately drives the family to divorce and separation because there is no program no facilities capable of handling or dealing with these children.

In Alaska there is no funding program or project, as I understand it, to provide these types of services. I understand it is even difficult to get and I hate to use the term lable, but diagnosis to get it diagnosed in that category. As

4

a result most of them are precluded from many of the other programs.

To establish a program that would do two things: (1) a home care, in other words, a full 24 hours, 7 day a week service. I understand there are 2 to 4 children in API at the moment but that is the only type facility that is available for them to provide for that program, the autistic program, would take about \$165,000. They budget they have submitted to me is \$165,542. A separate respite program which involves more the capacity of keep one of these youngsters either on a babysitting evening or 24 hour short term basis or maybe for a short vacation for the family at \$163,492.

When it comes to which is the more important of these two programs, it's one of those things which is difficult to say. However, the respite program would serve more people. The autistic program would serve at a higher level of care, but it would serve fewer people. I would urge the committee to at least consider the total program, but I know and I know what the budget is this year. But, I would urge that at least one of the programs, the respite program be approved and if later in the budget if we can find the dollars or we can exercise some priority we could find room for the other month. At least for the time being, I believe one of the greatest callings that we can do this year is to be able to provide the families not only the children some short term peace of mind to know that their children are being cared for to give the family a little relief.

Sen. Sturgulewski. I think you've outlined what obviously is a real concern. As I understand, it is an extraordinary difficult to diagnosis. There is one 'diagnosis' case in API, two possibles in Valdez and others that at least the parents are absolutely convinced this is true. To go into a residential program I think it is better to move slowly into new areas to determine the need, but I notice some hesitation on the part of the Department of H&SS as to really some of the components of the respite program. Have you worked closely with them, or do they have people here that can speak in detail to that?

Sen. Sumner. My knowledge is basically that of having seen the families, having seen the behaviour of the children and having listened to the family say that there is no way in the world we would get somebody to sit with one of these children for a short period of time. You'd never get them back. Soon you run out of people.

Sen. Fahrenkamp. Would this program be on a statewide basis or were you planning on starting a pilot project in one area?

Sen. Sumner. A majority of the families with children that would be cared for in this program live in Anchorage. To the best of my knowlege, it does not include facilities outside of the Anchorage area. The one thing that it does include that would be statewide is that it provides for some funding in terms of psychiatric consultant at \$5,400. So we are talking roughly maybe

21  
\$17,000 or \$18,000 at which they were hoping to be able to identify other children throughout the state and it would service anyone if they brought their children in for a week or two if they wanted just a bit of relief or rest, they could bring their children in and it would service people from all over the state except it would not provide for transportation to get them into Anchorage.

Sen. Fahrenkmap. I know of cases that though not formally identified are definitely . . . So I was concerned that persons in other areas could not have this relief. If however, it is planned in this that people who are taking a short vacation or are getting away for the weekend could have someone in the Anchorage area and drop their children there knowing they would be perfectly safe until they returned that that would be helpful.

Sen. Hackney. I think that would be understood because I noticed the one individual that had been identified was a Barrow youngster.

Sen. Sumner. I think so. This would provide for a facility and for the cost of care except it may occur for not only short periods of time but it could occur for significant periods of time.

Sen. Fahrenkmap. It bothers me very much that we put children with this identification in API. I think it is an injustice to both the family and the child. However, it is better than nothing.

Sen. Sumner. I can tell you I often said that every elected official ought to have to go through Sonoma State Hospital at least twice a year to keep in touch with reality because there are some priorities out there that exist when I look at the millions that drop through the cracks.

Sen. Hackney. Is it your understanding then that the individual is already on board down there at Hope Cottage?

Sen. Sumner. I don't know. I corresponded with a Mrs. Hohman I think it is for almost 3 years now and was invited into the home just before to see physically what is at work and to listen to them and to relate to you that their needs and cries for some respite.

If the autistic program, if that was under consideration, is a . . . I'm reasonably sure what they wanted to do there was to hire someone with specific training and specific capacity to diagnose and that would be a statewide effort and once identified hopefully we can begin to generate some sources other than general funds. I'm advised that what they are in hopes to do, Hope Cottage will be seeking alternate sources of funding in the future and will be reworking the proposal in order to be eligible for foundation monies. There are some foundation monies.

It says \$329,035 is being requested for a pilot program for respite and residential care of autistic children. The funds will go to the Hope Cottage who has developed the program. Each committee member has a copy, etc. The program will be for at least 13 children, 3 of which are residential and between the

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ages of 4 and 18. At the present time there are 11 children identified as needing the respite with 4 in the residential care. These children are presently institutionalized at API and Harborview.

Sen. Hackney. A thought just occurred to me. The rate hearings are coming up next week, Tuesday or so, The man from Hope Cottage will be down here for the rate hearings. Would you have any objection if we do two things. The cost projections that you indicate here break this down to recurring costs, 8 month costs and 2nd year costs. It is my feeling that 2nd year costs very definitely should be included in the budget if we want to get serious about that. But, that start-up costs would legitimately be a concern as an addition to this bill if that is what we want to do. I think I would like very much to hear from the guy at Hope Cottage first. I think John . . .

Sen. Sumner. I've advised the families as well that there are some loan programs available. I didn't know the final status. Once we pass it we think it is law but then it gets killed someplace else. But, there were some loan programs available at one time in terms of this respite care program or the residential program at which they might be able, collectively, to borrow money and buy one of the existing home facilities for this purpose. The one thing I will state now for the record that I do not want to see is anything - this program graduate to anything more in terms of regulations, requirements or law other than a babysitting program. I don't want it to get into all that criteria that sometimes accompanies institutional care. This is specifically for certain minimal programs and I really hope that the committee . . .

Sen. Sturgulewski. I appreciate your information. I personally would want to have more knowledge of how that would work but I've got to say that I've never seen 10 or 12 women that were as effective in making a presentation.

Sen. Hackney. It would not be your understanding that if we were to fund the respite program section of this that that would only be for autistic children.

Sen. Sumner. I don't follow. I know it would accommodate at least that care, if we've got the people and the facility it would be appropriate that it be fully utilized. I am in hopes that what we see here is only part of the overall input to this because I know that if there is a facility available for this specific purpose that the mothers will alternate share or time share some of the sitting costs. The problem they have is when they bring another child into their home, the exploratory attitudes sometime causes them to tear up a home, so there is some hesitance to do that. But if there was a place they could go I'm sure that they will time share and participate.

Sen. Hackney. I think also that these programs require some specialized equipment too, such as toys and that type of thing that isn't available to the ordinary home owner.

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Sen. Sumner. I would have no objection because my initial plea to you is to getting the program ongoing and I will share in the most articulate terms the responsibility that the group has to continue its search for additional monies.

Cathy Lloyd. 143 is the corrections supplemental. If you'll take section 1, we have reduced that by \$18,000. These are all the unpaid bills after we submitted the supplemental we were able to release some encumbrances and bring down the unpaid invoices \$18,000. So we ask you to amend section 1 to read \$234,992.

On page 2 of the position paper you will see that we had all the funding in the original appropriation but last year things were allocated by line item and we couldn't move the components around. So in effect we are just asking you to reappropriate in the lines where they are needed.

Sen. Fahrenkamp. As I understand it then, this appropriation is well within the budget, it is just a matter of transferring those parts that have to go back to the general fund if they are not expended.

Cathy Lloyd. That's right.

Section 2, we have asked from the original bill, please add \$50,000. As you see in the position papers this was due to perhaps 2 things; the extra OMVIs we had and the fact that we did not have enough space here in the state.

Section 3, we ask this amount for the underfunding in line item 100 which is the personal services. Corrections runs institutions and security is a major problem. All the posts must be fully funded and fully secured. The budget last year, as you will see, was underfunded in line item 100. The state works on a 7 1/2 hour day which automatically builds in 2 1/2 hours overtime for these posts also which dries up that line.

Sen. Sturgulewski. The budget was underfunded, why was that? Are we talking about vacancy factors here?

Cathy Lloyd. Vacancy and turnover factor does more or less a double whammie . . .

Sen. Sturgulewski. Is that built in to as a budgetary figure at a 2% or 5% or something and that is what we are looking at?

Cathy Lloyd. Basically yes.

Sen. Sturgulewski. What is the figure that is used? Why did you get here?

Cathy Lloyd. In the budgeting process they usually, they have been taking every year a larger and larger vacancy and turnover. In most programs of a fair size you can manage the vacancy and turnover. You can try to stagger hours. At down times you can have less people on duty. However, in institutions, especially in in insitution where security is a factor, you cannot turn down

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your security at any particular time. We have to keep our security posts fully funded. I have here with me Mr. Sothan who is the acting director of Corrections who can speak to that if you'd like him to.

Mr. Sothan. The security posts basically are those posts that are most necessary as needed for the care and confinement of . . . we are talking security, not talking about treatment for the 24 hour security, the dormitories, the intake section, the single cell portions of it, those that have people there on a 24 hour basis even though some of them may be in transit. These are stationary posts that must be maintained 24 hours a day. There are other posts inside the institutions that don't necessarily have to be maintained 24 hours a day, the kitchen for instance. so you can pull off of that.

When we are talking about strickly security confinement or security posts, they are ones that must be maintained whether someone is sick, whether they have been injured on the job, whatever the reason may be, there must be a corrections officer there without fail to maintain security.

Sen. Fahrenkamp. In this shortfall of appropriations, is included the positions that the court fuled that under staute must be there at the 6th Avenue jail in Anchorage, is that in this appropriation?

Mr. Sothan. Yes.

Sen. Sturgulewski. What is the percentage vacancy factor you run and what are you budgeted for? Is there a nice science to that when the Finance Department gets through with your budget?

Cathy Lloyd. No.

Mr. Dalby. I'm the administrative officer. We run 24 hours and we have a 37 1/2 hour work week which really calls for 5.2 people per post in order to get your 24 hour coverage. The vacancy factor historically has been 5% plus, but it does vary between institutions. This is based upon an appropriated personnel record which shows vacancy. The problem is that when you have a PCN which is vacant we have to fill that with either a temporary or with overtime. On that basis we do not get credit against that vacancy factor for a temporary fill or a overtime fill. Therefore, it is historically we get assesse a vacany factor. We come up with this problem every year.

Sen. Sturgulewski It seems to me that if it is a chronic program, a justified one that ends up here every year that there should be some consideration of adjusting your budget process.

Cathy Lloyd. Yes, we agree and we have tried to do that every every year but they still seem to put consistently the same vacancy and turnover even though we are running 24 hour institutions.

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Mr. Dolby. You'd asked whether there was that money included the appropriation for those extra officers at the Annex. I wasn't clear as what the meaning of that question was.

Sen. Fahrenkamp. The meaning of that question is that I have a copy of the court's order which says that according to state law you would have to have that many people there and I understood that even though we might want to take it out of the judicial budget, I'd just like to know if we are going to have to have another appropriation or if it were included in this #3.

Mr. Dolby. We are budgeted for those positions and they are there, 40 people are at the Annex.

Mr. Sothan. I think what you may be referring to Senator is that the court order says that you will increase 9 positions. Let me answer that. What he is talking about 9 positions over and above when the court case was originally filed almost 3 years ago. Since that point in time there are 40.5 positions. We already have those 9. We are under the statutes as far as Judge Singleton's order.

Sen. Fahrenkamp. How long have you been up to the statutes according to this.

Mr. Sothan. We came under when the Judge first came down on his order. We came under the full scale and we were finally able to locate, identify, train, advise and so forth last fall. This court case has been on so long that we've even had a change of defendant.

Sen. Fahrenkamp. Might we enlist your aid in getting a rush order on the Juvenile Facility we are trying to get built in Fairbanks so we can relieve that overcrowded situation before 1980.

Mr. Sothan. We find ourselves caught up quite often in a bureaucratic system which, based upon some of the laws in trying so many people together. And DOTPF, of course, it would be nice that if the bond money that has been awarded to the Division of Corrections was given over and they said 'OK, get to it boys, talk to your people and get it going.' Unfortunately it doesn't work that way, you can't spend the money before you have it, the bonds haven't been issued, so to get the money you've got a long process of paperwork, shuffling back and forth to do the designs before you are even ready to form your committees. It would be presumptuous for the DOC or the Dept. of H&SS to go to these various locations to build these facilities without input from the citizenry there because we basically feel that they know the needs, so then we have to form committees to say we are ready to go for our design. It sounds like a lot of bureaucratic nonsense but if the system really does work, it just doesn't go as quickly as we'd like.

Sen. Fahrenkamp. I know the system orks, but it works too slowly to suit me, If you let me know how many committees you are going to appoint, Ill see tht they get down here tomorrow so we can

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get this thing going. We need jobs in Fairbanks. I would appreciate cutting every bit of the red tape you can cut.

Sen. Hackney. You're tell us now that these positions were filled, the nine positions that Judge Singleton came out with this order, but the only way that you are going to pay for them is by passing this supplemental? Am I correct there?

Mr. Sothan. No. We are not just isolating just down to those 9 positions. The supplemental appropriation covers the full gamut of all the DOC and all security aspects. The nine positions that were brought in on the Judge Singleton orders were awarded to us especially last year on a supplemental. It was awarded, they were staffed and brought in. The request for supplemental appropriation to cover the amount of payroll we have for security positions now. That's doesn't actually enter into it as a total picture.

Sen. Fahrenkamp. I think the thing that is bothering you and bothering me is the type of publicity on this type of thing just now hits the fan and that upsets you.

In line of the questioning that I was after in regards to Juvenile Facilities, I would like to extend the invitation to you to join with the Interior Delegation on Tuesday night at 8:00 with Commissioner Beirne to help us try to solve this problem.

Sen. Hackney. Are there other questions? If not, we've had an amendment suggested.

Sen. Sturgulewski. I would move to amend section 1 by a decrease of \$18,000 and to increase section 2 by \$50,000.

Sen. Hackney. Any objection. so ordered

Sen. Sturgulewski. I move that we pass out of committee with individual recommendations SB 143 as amended.

Sen. Hackney. No objections? So ordered.

Date Revised 3-29, 63

## FEASIBILITY STUDY

### DEVELOPMENTAL GROUP HOME/AUTISTIC

#### HOPE COTTAGES, INC.

#### 1. The Need: Background and Rationale

Leo Kanner first identified autism as a developmental disability in 1943. Despite the passage of over three decades, the behavior of autistic children remains bewildering to clinicians as well as to parents and has proven to be a most difficult syndrome for which to obtain an adequate developmental history. Unless a physician or mental health specialist suspects autism and knows what signs are characteristic, the process of diagnosis is frequently thwarted from the beginning. The existence of wide differences in severity, a lack of specific physical signs and confusing terminology make diagnoses difficult at best. Research, however, has been ongoing and the diagnostic procedure continues to be refined with some recent signs of real progress occurring.

At present, there is no specific treatment for autism. Clinicians and educators involved in particular treatment approaches have made strong claims of success, but no treatment has as yet been demonstrated to dramatically alter the natural history of the disease. Many individual approaches have been attempted including psychotherapy, family therapy, speech therapy and special education. Other approaches include day treatment, residential treatment, psychiatric hospitalization, medication, megavitamins, sensory stimulation and sensory isolation. More recent research advances have indicated the strong possibility that an enzyme malfunction may be a major factor in the occurrence of this syndrome in a majority of the cases. Despite all of this, it appears that for the foreseeable future the major factor in the treatment of this disability will be patience, as one must recognize that improvements and regression are likely to occur within this population despite the influence of the most optimistically presented treatment plan.

Programs for the autistic in the Alaska area have been most noticeable by their absence. With the single exception of the program developed through the auspices of the Center for Staff Development and implemented within the Anchorage School District, there is no well-known structured educational or residential program for children exhibiting this syndrome now extant within our state. There is, however, a well functioning and devoted group of parents operating under the title of Parents of Autistic Children who have supported existing efforts in the treatment of their children and have moved to initiate improvements on those programs through group action and expressed individual interest. They are presently speaking to the needs of approximately 11 children exhibiting autistic or autistic-like syndrome who are living at home as well as the needs of at least four other students who are presently known to be institutionalized at the Alaska Psychiatric Institute in Anchorage and at Harborview Developmental Center in Valdez. Recently, there has been a new surge of energy in the parents' attempts to develop a more adequate residential program for those children who must remain away from their natural home as well as development of a respite activity that will continue the training programs for autistic children within a formalized structure after school hours. These are occasions when parents desperately need

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to re-energize their depleted resources or, as frequently occurs, need that type of respite support to allow them to continue their training, to recreate and, in other ways, to remove themselves temporarily from the exhausting process of maintaining an autistic child.

This parent group, generally, appears to be well trained from frequent involvements within the school district program. They also continue their own individual efforts to update their knowledge in the area of autism and to move strongly to implement that knowledge within their child's learning structure as well as to demonstrate the ability to experimentally introduce new approaches to the treatment of autism within their living structure. This group is highly supportive of this proposal to develop and implement a residential/respite program for autistic children within the Hope Cottages complex. (See appendix for case descriptions of presently known autistic children within the Anchorage area.)

## 2. Numbers of Autistic Children in Alaska

The number of autistic children in Alaska is not accurately known. As previously stated, the process of diagnosing an autistic child is at best a loose one and these children frequently find themselves diagnosed within various psychiatric syndrome areas or within the mentally retarded categories. Further, since the State of Alaska is in a developmental stage in the sense of treating these youngsters and has not as yet developed a formal program for the treatment of autistic children, there is no state listing of children that we can utilize to estimate the existent need for services within this state. However, through the efforts of the Parents of Autistic Children group, we know that in Anchorage alone there are 13 children between the ages of five and 13 years who exhibit behaviors and developmental disabilities sufficiently to nominally classify them as autistic. It is difficult to come to a final estimation of the numbers of these children within this area until such time as more formal and effective procedures for diagnosis are utilized as common procedures within our treatment and educational areas. In addition to the children presently diagnosed in Anchorage, there are at least two other children in the Harborview Developmental Center in Valdez who appear to fall within this classification. Of the population presently known, at least three are in need of continued residential placement while the remaining seem to be able to be maintained within their natural home environment providing respite care becomes available to the parents as required.

In further examining the situation in Alaska, we should fall back on the results of surveys and inquiries to identify autistic children carried out in England, Wales, U.S.A. and Denmark. There have been at least three studies where a total population of children or a wide range of handicapped children were screened using case note inspection and interviews. All of these studies estimated the problems of the autistic syndrome to be between four and five children per 10,000 aged under 15 years.

Utilizing these results we might estimate the existence of approximately 40 autistic children within the Alaska area in need of specific programming developed for their diagnosed needs, when, and if, these needs are properly diagnosed. (1)

### 3. Definition - The Syndrome of Autism

The syndrome of autism is a developmental disability which is defined and diagnosed behaviorally. Signs and symptoms appear before 30 months of age and indicate disturbances in each of the following areas:

- a. Developmental rates and sequences - Normal coordination of the three developmental pathways (i.e., motor, social-adaptive, language-cognitive) is disrupted by delays, arrests, and/or regressions among or within one or more of the pathways.
- b. Responsiveness to sensory stimuli - There may be generalized over or under reactivity or alternations in these areas. One or more sensory systems are involved, e.g., sight, hearing, touch, balance, position, smell and taste.
- c. Development of Speech, Language/Cognition and Nonverbal Communication - Speech may be absent (mutism) or delayed in onset with persistent immature inflections, syntax and articulation. Language/cognitive deficits include absence or limited ability to use symbols, only specific capacities may be present, failure to develop the use of abstract terms, concepts and reasoning, echolalia and/or the nonlogical use of concepts. Disturbances of nonviewable communication, include absence or delayed development of the appropriate use of gestures, disassociation of gestures and language, and/or failure to assign conventional symbolic meaning to gestures.
- d. Relationships to people and objects - These are manifested by the failure to develop normal responsivity to people and to use objects appropriately (to assign proper symbolic or thematic meaning to objects.) There is a preference for self stimulation which refers to stereotyped repetitive behavior which appears only to provide the child with proprioceptive feedback (e.g., rocking, spinning objects, etc.).

The syndrome is caused by an underlying physical dysfunction within the brain, the exact nature of which is as yet unknown. It occurs alone or in association with mental retardation and other disorders known to affect the brain. This syndrome occurs approximately four or five times per 10,000 births and is four to five times more common in males. It afflicts persons in all parts of the world, of all racial and ethnic backgrounds, and all social classes. Studies of families with autistic persons have failed to identify any unique features including personality characteristics and I.Q.

Although autistic persons live a normal life span, the syndrome is severely incapacitating. Symptoms change over the course of time and periodic medical evaluations and special educational programs are required. Facilities with behaviorally structured developmentally appropriate programs have been demonstrated to be most helpful.

#### 4. Program Goals

We propose the implementation of a pilot project residential/respite program for autistic children within the Hope Cottages program by November, 1978, or as soon thereafter as possible. We are looking at the development of one group living facility for autistic children and youth which will promote planned developmental growth toward self-dependence for a highly structured program in the context of a small, family oriented environment. This program will be developed in close coordination with the existing Judevine program at Whaley Center on a daily living routine basis and will, by the nature of these children's needs, develop a program tailored to suit each individual resident. This unit will function as a facility within the Hope Cottages structure and will be managed and developed by the organization's administrative staff.

It is recognized that this autistic program will not be successful until we can clearly define the problems that we are dealing with. In the past, efforts to educate autistic kids have been separated by professional issues. In this instance, we will approach the problem with a generalistic viewpoint that will give primary attention to the needs of the children and their families. Such orientation to the child will create a functional, instead of hypothetical, rehabilitative program. We cut across any categorical attempts to label and "pidgeon hole" those children since recent research has demonstrated that the label "autism" covers a wide variety of syndromes and results from the clustering of individuals who share similar ways of functioning.

This approach to primary attention to the needs of the child and his family and a sympathetic recognition of their plight does much to eliminate the scapegoating tendency identifiable in professional practice. A rehabilitative intervention lends itself to the direct involvement of parents, family and community in solving the child's problem. To accomplish this our program will carry a heavy component of ongoing inservice education for our staff as well as for the parents of these children. Where the parents have already developed a high level of expertise through their involvement in other existing programs, their inservice education will occur only as new methods and approaches evolve and require their further training.

Utilizing a rehabilitative process for the training of parents helps them to experience developing effectiveness with their child as well as the development of broader understanding of their child's needs. This serves to destigmatize parents, encourage effective action and decrease the degree of professionalization. For too long the parents of autistic children have been seen as a basic cause in their children's disability. We now know there is no proven research that gives strong support to this supposition. Our program, recognizing this fact, will involve the parents as equal partners in this rehabilitative effort (3).

This pilot program will be evaluated at the conclusion of one year of operation for effectiveness as a base model for a continuing program within the Hope structure as well as a model for other programs in the Southcentral region and thence throughout the State of Alaska.

The above stated goals will be met in the following ways:

By extending and expanding the structured, normalizing developmental program already employed in the Whaley Center of the Anchorage School District into a group home situation.

By extending and expanding a structured normalizing environment into the leisure time and the life style of the group home family through systematically exposing each resident to not less than four leisure time activities that can be done independently and four different recreational activities that are usually done in teams or groups for a minimum of 400 hours during the proposed project period.

By providing high quality residential training in basic skills for three autistic children and youth in residence and approximately 11 within the structure of our respite program functioning within the residential project to prepare them for an existence as close as possible to that of the mainstreams of society. To attain this goal, each resident will systematically sample not less than six different activities with vocational potential for a minimum of 240 hours during the proposed period.

Our object is to prevent institutionalization now and to facilitate deinstitutionalization in the future.

By developing a continued training model for the parents of these children that will enhance their present level of knowledge concerning their child's developmental disability and encourage acceleration of their ability to understand the nature of their child's needs and to respond to those needs in a highly structured and productive manner directly in line with the program's operation within the school district and within the residential unit.

Following a successful initial one year pilot period, a permanent program structure within the Anchorage community will be developed to serve as a model for other such programs throughout the State of Alaska and in other sections of the 50 states where such situations and program needs situations similar to Alaska exist.

This pilot program will function across initial age spread of four to 18 years and will serve a population of at least 13 children, at least three of whom will be residents within the program and the remainder will be clients who will be involved at various times with the respite portion of this pilot effort.

Clients will be provided with maximum therapy and training through highly structured behavioral programming directed to moving them to an adequate and independent self management posture as is feasible for their particular situation. Major emphasis will be given to developing communication skills, self management skills, self security concepts and others, not only as they relate to the individual's emotional need but also as they can be directed to the client's vocational planning and development. In addition to the group residents' training program for an initial nucleus of two or three resident clients, a respite care program will be provided for the pool of children now residing in the general Anchorage area numbering approximately 11. This respite care will be offered as required on the cyclical basis for parents. Exact programming of this offering will be determined by parent need and a schedule developed from that need as well as the program's operational realities. In addition, a training program for the parents of children in residence or respite will be offered in conjunction with the Judevine program within the Anchorage School District and attendance will be required on a schedule to be determined by the parent's present level of expertise. Parents will be required to maintain a demonstrated level of measured competency in caring for their children through the behavioral management program structure.

A base rate for the amount of respite care provided to a given family by the facility is established at 15 hours respite per month. To receive this service, the parents are required to actively participate in the Judevine Training Program which is conducted by the Anchorage School District. This training program includes ongoing training sessions and seminars and the parents involvement in this is a prerequisite to participation in the residential/respite program under the auspices of Hope Cottages, Inc.

Parents will be able to earn credit for time given to the training program, as well as for time volunteered to serve as management aides within the respite and residential portions of the program. These credits can be utilized by parents for additional respite time for their children within the center. If additional respite is wanted by the parents, then it will be necessary for them to earn that time through direct service to the actual facility.

A program will be developed to certify the parents based on demonstrated proficiency in the application of various techniques involved in the training programs. A certified parent will get four hours respite for each one hour of involvement in the program. A non-certified parent will get two hours respite for every hour of active service. The certification will be reviewed at least annually to ensure an adequate level of proficiency on the part of the parents.

This proposed group resident/respite program is envisioned as a pilot effort for the possible future establishment of additional group residences for clients with similar developmental need throughout the State of Alaska. We envision this program as having the potential, both to prevent institutionalization of these clients as well as to bring autistic persons out of institutions and into the life of the community. We also

see the respite and training portions of our programs as ways of enhancing the child's natural parents' ability to work effectively with their children. In addition, we also look to the respite portion of our program to assist in developing the situation which will prevent the burning out of parental energies and allow them to maintain custody of their children instead of placing them in custodial institutions. For the vast majority of these children, being placed in our program will be seen as a means of enhancing the client's interaction with his natural family and every effort will be made to maintain that relationship and to build more effective management skills within the family structure to carry through the behavioral management programs proposed. It will only be a small minority of these children that will find long term residence within the Hope Cottages program.

This will be a full time facility operating on a seven day per week basis, 52 weeks per year. The client served within this program will either be diagnosed as autistic or will demonstrate autistic like syndrome to the extent that they are seen as feasible clients for our program.

#### 5. Program Objectives

As previously noted, this pilot residential/respite program will serve as a learning center for that part of each child's day that is not involved within the public schools or in his natural home environment. In collaborating with the already existing program at the Whaley Center, it will concentrate on three objectives to meet the above stated goals.

- a. Providing an environment for learning a basic communication system consisting of speech, gesturing, writing and so forth. In many instances, these learnings will be an extension of the programs underway for that child within the public school program.
- b. Provide a learning environment that will serve for the continuation of the child's replacement of bizarre and inappropriate behaviors with adaptive social and interpersonal coping behaviors. This will provide an environment to promote basic skills including reading simple instructions, writing, telling time and money handling. The program will include emphasis on the maintenance of good personal hygiene, self dressing, preparing meals, cleaning rooms, washing and drying clothes and learning self meditating behavior control techniques where these objectives are in line with the existing learning stage of the child.
- c. In addition and in coordination with the above objectives, the basic objective of the Hope Cottages, Inc. treatment program is to achieve spontaneous goal directed, age appropriate behavior from the children under treatment. The aim of treatment is, therefore, to bring about those behavioral changes or to continue the development of those behavioral changes necessary to ensure the child's placement in the community rather than having him or her spend their life in a chronic institutional setting. Treatment at this stage will be highly structured and individualized, designed to eliminate inappropriate behavior and to substitute normal responses.

Cognitive development, socialization skill development, prevocational skill development and a body awareness program will also serve as fundamental objectives for program organization within this residential/respite structure.

There will be strong emphasis in our program to the integration of programs within the treatment center with the parents and with community agencies, thus providing a continuum of care for children so that they are ready to move from one program to another and eventually out into the normal environment as soon as it is feasibly possible.

Further, and in coordination with the above objectives, this program will serve a training function for the parents of these children who are in need of such services. For those parents who have already acquired a high level of expertise in the behavioral maintenance of these children, this program will continue to prepare them in conjunction with activities now existing at the Whaley Center and to participate fully and in a coordinated fashion with our program goals within the child's home base situation. A facilitating program component reaching towards this objective will involve a voluntary or employed participation of certain of these parents within the respite and/or residential components of this program in such a manner that a continued level of their competency to assist in the managing of their children's programs will be displayed. It should be noted again that parents who are evaluated as possessing a high level of competency in managing and maintaining the behavioral management approach within their home structure will not be required to be involved in further training except only as new approaches to new habilitations are developed.

Each resident will be assessed in the area of communication skills, behavioral skills, including interpersonal coping behaviors and basic life skills, within four weeks of entering the group program. Assessment of a similar nature will already have been accomplished within the Whaley structure. This assessment period will be specific and directed to an organized diagnostic procedure operating in conjunction with and enhancing the child study team approach of the school district. That organization structure, which will include the child's parents, will serve to assist our assessment staff in evaluating areas in need of further specific evaluation. These evaluations will be conducted through the auspices of our psychological consultant program and our existing assessment staff. Specific skills and specific deficits of the residents will be identified and further development encouraged through the resident individualized programming. In addition, special attention will be directed to those activities which have vocational potential to assist in developing vocational training activities that can be realistically included in the residential and/or respite program developed for this child. An Individual Developmental Educational Plan will be developed for each resident and will be implemented by the resident staff. Progress towards educational plan goals will be reviewed each month and adjustments will be made as needed. A complete evaluation of the progress of each individual resident will be conducted on a monthly basis by the residential/respite

program staff in coordination with the consultant teams, parent representatives, school district representatives and Hope administrative staff. Any recommended changes in the individual's program will be implemented immediately.

## 6. Treatment Approach

The treatment approach will be a unique combination of humanistic psychology and behavior modification. Most of the children who enter our residential/respite program have limited ability or desire to relate to people as human beings. People are frequently treated as objects and mostly objects to be avoided. In order to break through this barrier we will try to have a primary therapist, or aide, assigned to each child. They will become the child's main source of training, discipline and satisfaction with the aim of forming a close, affectionate relationship which is based on reality. In this manner, the therapist or aide becomes a socialization trainer of the child.

With most children who are autistic, behavior modification is used extensively at the beginning of treatment. Specific autistic behaviors are eliminated through the principles of reward, extinction and punishment. Through the principles of positive reinforcement, toilet training, self care and other essential living skills are taught step by step, the child's responsibility gradually being increased as each subtask is mastered. As each child emerges into awareness, appropriate spontaneous behavior such as eye contact and initiation of physical contact are encouraged in a more permissive atmosphere. In our approach, rigidly controlled behavior modification programs will be discontinued as soon as practical. A more normal interaction between therapist and child is necessary in order for the child to respond independently and appropriately in different situations. Once the child begins to verbalize, the expression of feelings and needs is encouraged using the reflection and interpretation approaches developed in humanistic psychology. Our eventual aim will be to produce spontaneous age appropriate behavior in the children. This can only be accomplished by encouraging and allowing it to develop in the context of a warm and caring relationship. Socialization only develops when it becomes important to a child to have emotional and physical contact with people he cares for. As soon as a child seems ready to make the transition, other therapists will be assigned to him at various times during the day. He will maintain contact with the primary therapist but the behaviors which have been learned with one therapist generalize to other important people in the child's environment.

Spontaneous interaction with other children will be encouraged throughout the program. Once the child has learned to relate to more than one therapist, structured situations will be set up on a two to one basis (one therapist and two children) to develop peer socialization skills. Once he has reached this level of performance, the training will be group oriented. The only time a child receives formal one to one therapy will be for specific skill development, then the child will go back to the group, where peer pressure and desire are motivating factors. The ultimate goal of our treatment is to keep the child in the community and where he is not now presently in the community to have him rejoin that setting if possible. As he develops, transfer can take place to family or other residential settings in the community. Wherever possible, children in the residential programs will spend weekends and vacations with their family or with a foster family.

## 7. Residents

There will be a projected population of 3 persons in residence at all times. Three other beds will be available for guests and will be expected to be in continuous use for purposes of respite care. These beds will be used only for children or youths participating within our overall program structure and whose parents attend the training programs within the Whaley Center structure and/or within our own program. In addition, students will receive respite care hours in direct relation to the number of volunteer hours given by their parents to the residential program.

The age range of the clients will be 4 to 18. The three residential clients will be drawn from the populations at API and Harborview Developmental Center. The Hope Cottages, Inc. facilities are designed to provide normalization experiences through the demands of daily living within the school, home and community. It will, therefore, be simply a matter of expansion of this concept to this unit to allow it to operate effectively within the Hope Cottages' structure.

It is difficult to assess the average length of residence for residential clients since it will vary with the individual. In those instances where it is possible for a client to return to his natural home, the length of stay may be a year or under. In most instances, it is expected that the length of stay will average approximately 2 years, terminating at some degree of independent living experience with support services from various sources. The sources could include other group homes operating at a lower level of individualization, their own home structure or in similar activities. The permanent residents are seen as moving into the facility by the 1st of November, 1978. This will allow for preparation of staff and facilities, structuring of program and other activities necessary to ensure optimum operation of the facility. The respite program will begin at approximately the same time.

## 8. Facility

We propose, for this program, a duplex facility. A residential program will be housed on one side of the facility, staffed by a Living Unit Manager, Living Unit Manager Assistant and others. The other portion of the residence will house the respite program and will be staffed by a respite Child Development Technician. (Further information concerning this will be outlined in the staffing section of this paper.)

## 9. Delineation of Personnel Request

The autistic child has severely disordered behavior accompanying his communication deficit which serves to isolate him and deny him access to normal learning opportunities. He usually shuns human contact, apparently by choice, and his only spontaneous action is to produce the absolute minimum his environment will tolerate. Consequently, working effectively with such children requires a high concentration of individual attention so the barriers to communication must first be broken down and then means of reaching the child must be painstakingly built. Initially, the staff to resident ratio must be 1:1. Then, as the child develops and communication skills grow, he can share his aide with another resident and eventually with several others. Working effectively with autistic

children may seem very expensive, especially during the initial stages; however, providing effective developmental training is certainly cheaper in the long run. The cost of maintaining these children presently in institutions in Alaska runs to approximately \$50,000 per year. The respite portion of our program must also be adequately staffed, hopefully, on at least a 1:3 basis. Our respite program will not serve as a care taking facility. Instead, it will specifically continue the activities developed within the Judevine program in the school district and within our own structure and the respite client will be seen as a member of this program in active participation while he is in respite care. In addition, the parent and other part time aide involvement with these children during respite will be held to as high a professional level as is possible and will, by its nature, continue their training for effective operation with children demonstrating this syndrome. Staff coverage for regular weekdays when the residents attend the Whaley Center program (8:00 a.m. to 3:30 p.m.) will be limited to Living Unit Manager. Emergency respite care may be required during these periods and, hopefully, this could be covered by the pre-arranged presence of program aides. Weekend days and holiday coverage will be handled by resident staff supplemented by aides on a pre-arranged basis. There must also be supplementary staff available in addition to the Living Unit Manager and the Living Unit Relief person, even during the residents' sleeping hours.

10. Staff

10.1 Programming Staff

This program will be developed and managed through the services of a Behavioral Management Team that will be assigned for approximately 25 hours per week to the project. In addition, there will be working full-time within the residential and respite duplex unit, a Living Unit Manager, Living Unit Manager Assistant, a Residential Child Development Technician and a Respite Child Development Technician.

The proposed staff for the duplex facility will consist of a Living Unit Manager, Living Unit Manager Assistant (possibly spouse) who will manage and maintain the residential portion of this autistic living unit. In addition, a Child Development Technician will manage and maintain the respite section of this unit. This staff will be supplemented by a Child Development Technician who will function within both sections of the unit as required but will be attached to the residential section. In addition, as outlined within this paper, parents of autistic children will be available, on varying schedules, to supply relief assistance within the program. During periods of extreme need within periods of extreme need within the respite aspects of the program, there will be further supplementation of this staff through the use of on call staff. (See attached Job Descriptions.)

The Behavioral Management Team and all other staff, plus parent aides, will be required to participate in the initial planning and development of the individual child's programming and any adjustments to that programming. Representative staff from Hope Cottages and from the Whaley Center will be invited to participate in planning/review activities for this pilot project as the needs arise. If feasible, the paid/volunteer parent aides will share one full time position among four or more individuals and will possibly fill the living unit relief staff position.