

881 SHESS - 46 54 SCR

4. Purchasing Training Activities From Private Sector Experts

Federal funds are only available to pay private individuals and agencies (not state agency training employees) specializing in human service training for salary, fringe benefits, travel and per diem. Federal funds will not pay overhead costs such as clerical, equipment and rent. This prevents the state from purchasing training services from private providers since they are not able to pay their overhead costs. The state is able to contract with individual trainers and experts from local agencies as long as only their salaries are claimed for federal matching.



F. Bruce Steadman
Title XX Planner

PATRICK RODEY
ANCHORAGE

601 W. 5TH AVE. SUITE 820
ANCHORAGE, ALASKA 99501

DURING SESSION

POUCH V
JUNEAU, ALASKA 99811

Alaska State Senate
JUNEAU, ALASKA 99811

M E M O R A N D U M

TC: Sen. Glenn Hackney

FROM: Sen. Pat Rodey *PR*

DATE: April 16, 1980

SUBJECT: SCR 46, RE: Title XX Funds

I would very much appreciate it if you could expedite this bill being passed out of your committee as soon as possible. Thank you.

*Mary -
Let's set for Monday 4/21
4-17-80
Rodey notified
Ⓟ*

SCR

48

COMMITTEE REPORT
SENATE

FURTHER: Finance

2/19/80

Date: 3-17-80

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SCR 48

continuation of the satellite television project

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

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

MEMBERS SIGNING
DO PASS

Collette Pajoss

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

NO REC

Introduced 2-19-80
Logged 2-19-80
Referral Finance
Comm. Meeting 3-17-80

SCR 48 "Relating to the Smith Act of 1950
By the House of Representatives
Committee on Refuse the satellite television
project."

Called Jim Smith for F/N - 2/13/80
He said that if Transp. is the one not let
go with Helms in Transp. She will have
him get a letter & send me 2-17-80 2:30 PM.
F/N - no impact stated to him.



Alaska State Legislature
Senate

JUNEAU, ALASKA

TO: Senator Hackney
FROM: Senator Ferguson *JKF*
SUBJ: SCR 48, Continuation of the Satellite Television Project
DATE: March 14, 1980

I would first of all like to thank you for scheduling hearings on SCR 48, and to apologize for not being able to be present. Prior commitments in Kotzebue have necessitated delaying my return to Juneau until Tuesday evening.

SCR 48 was introduced at the request of the Alaska Public Broadcasting Commission in an effort to further their endeavours to reach an agreement with the Department of the Air Force to provide satellite television coverage to their Alaska Division. Additionally if this agreement is reached the Air Force would share with the State of Alaska Transponder #9. This would enable us to have two transponders for use in providing live television coverage to the urban and rural areas of the state.

Mr. Porcaro of the Broadcasting Commission asked our assistance in showing support for his efforts in securing this agreement and in response we introduced this resolution.

It is my understanding that negotiations are continuing on this agreement and that passage of the resolution would be helpful in showing support on behalf of the state legislature.

Thank you for your consideration in this matter. I will be glad to answer any questions upon my return to Juneau.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCR 48

Title Continuation of the Satellite Television Project

Requested by Senator Hackney

Date 3/17/80

II. FISCAL DETAIL

Agency Affected Transportation & Public Facilities

Program Category Affected Planning & Research

BRU, Program, or Subprogram(s) Affected _____

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

EXPENDITURES (Thousands of Dollars)

| | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 |
|--------------------------|-------|-------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | | | | | |

FUNDING (Thousands of Dollars)

| | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 |
|-----------------------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify Fund Source) | | | | | | |

POSITIONS

| | FY 80 | FY 81 | FY 82 | FY 83 | FY 84 | FY 85 |
|-----------|-------|-------|-------|-------|-------|-------|
| FULL TIME | | | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

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

It does not appear that implementation of the intent of Senate Concurrent Resolution Number 48 would have any appreciable financial impact on the existing costs.

The State and the Air Force are currently leasing satellite transponders to provide television services to their respective audiences. Some duplication of effort exists when the Air Force system carries programs which are also carried by the State system. These are generally commercial network programs carried by urban broadcast stations. If an agreement can be negotiated with the Air Force whereby certain programs of theirs can be made available to Alaska broadcasters, more time would be available on the State system for intra-State television delivery.

Because the State has leased full-time satellite television service and because of the tape delay center, from which most intra-State programs originate and which is manned during normal TV viewing hours, increasing the amount of intra-State programming would have little or no effect on the cost of this service.

IV. DATE 3/17/80

PREPARED BY Ted McIntire *JB*

AGENCY DOT/PE

PHONE 465-3900

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

JB

SJR

14

COMMITTEE REPORT
SENATE

(R)

1/31/79

FURTHER:

Date: 2-28-79

Mr. President:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had HJR 14

Protesting Internal Revenue Service regulations removing the tax-exempt status of certain private schools

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

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

MEMBERS SIGNING
DO PASS

Betty Johnson

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

AMENDMENT

OFFERED IN THE SENATE:

BY: SENATE HESS


TO: SJR 14 SENATE BILL No. _____

HOUSE BILL No. _____

PAGE: 1

LINE: 19 and 20

line 19: after "schools" delete "which do not meet stringent and capricious affirmative action requirements and quotas"



Alaska Baptist Association

Resolution # 15-6
Adopted at 15th Annual Conference
held on March 1 & 2, 1979

Whereas we see continuing attempts by the Internal Revenue Service to control our churches and Christian schools through regulations and procedures that would deprive us of our first Amendment rights, and whereas Senator Bradley has introduced Senate Joint Resolution # 14 which eloquently and forthrightly expresses our cause,

Be it resolved that we, the Alaska Baptist Association, convened in our Annual Conference in Sterling Alaska, March 1 & 2, 1979, do immediately inform our elected officials in Juneau that we desire them to pass this resolution without delay, and be it further resolved that copies of this resolution be sent to President Carter and other officials as are vitally involved in the investigation of this matter, and to National Association of Christian Schools, and the Alaska Association of Christian Schools.



Alaska Baptist Association

Resolution # 15-5
Adopted at 15th Annual Conference
held on March 1 & 2, 1979

Whereas, many of our members are bearing a double financial burden in the education of their children by supporting public education thru taxation while sending their children to Christian Schools, because it is their religious conviction that they should do so,

Be it resolved that we, the Alaska Association of Baptist Churches as convened for our annual meeting in Sterling on March 1 & 2, 1979, recommend the passage of SB-48 currently under consideration by our State Legislators, if underlines 23-36 of the bill be amended to include "or church denominational school".

Alaska Pacific University

Anchorage, Alaska 99504

907-275-8181

A STATEMENT TO THE SENATE HEALTH AND SOCIAL SERVICES COMMITTEE

As a representative of Alaska Pacific University, I would like to voice our support for Senate Bill 48 and Senate Joint Resolution 14, currently under consideration by the Senate Health and Social Services Committee.

The escalating costs of education, both public and private, have had a profound effect on the numbers of students in Alaska who are going on to a post-secondary education after graduation from high school. Although there is an apparent surplus of college-trained professionals in some areas, there continue to be serious shortages in others. Alaskan colleges and universities are faced with the responsibility of--in fact are charged by the public with--the development of accessible professional programs, the staffing and administration of those programs, and with informing the public of the availability of those programs in an efficient and economical manner. Increasing costs are adversely restricting these responsibilities. Ultimately the burden for maintaining well-educated leadership in Alaska rests with the taxpayer, with respect to public institutions, and the individual student or the parents of students enrolling in private institutions. Often that burden is too great. The alternative is increased reliance upon state or federal financial assistance programs. Invariably, these include educational loans, the availability of which is becoming more and more limited. Most of us are aware of the tremendous default rates for government loans; these defaulted loans not only escalate the costs of program administration, they also encumber the graduating student with considerable liabilities at the beginning of a career, liabilities in the form of debts that are more often than not uncollectable.

A reasonable tuition credit against taxes is an alternative that encourages participation in higher education and provides relief directly to those who need

it most--the career-bound students or students who seek a change in careers.

For these reasons, Alaska Pacific University supports Senate Bill 48 and Senate Joint Resolution 14, and we encourage their passage.

Thank you.

James E. Stevens
Assistant Dean



GRACE BAPTIST ACADEMY

(A Ministry of Grace Baptist Church)

1801 E. 68th Avenue

Anchorage, Alaska 99507

Alaska State Legislature
Teleconference Hearings
Legislative Information Office
1024 West Sixth Avenue
Anchorage, Alaska
February 28, 1979

With respect to SJR No. 14, I want to commend Senator Bradley for his keen understanding of the attempt of the IRS to force the closing of many of the Christian schools that have come into existence in the last two decades. His insight into the value of a "free marketplace of ideas" in order to keep our nation great clearly indicates that he is a man who has valuable ideas to promote in State and National governmental circles in behalf of the people he represents.

If the clear violation of the First Amendment as proposed by the IRS were to go unchallenged by our elected officials, we would lose hope of our survival as a church because both compliance or noncompliance with that proposal would dictate the demise of our Christian schools. We are praying for the passage of SJR14.

On the subject of Senate Bill No. 48 Senator Bradley's intent is welcomed with great enthusiasm by citizens who, whether by religious conviction or because they seek an educational and disciplinary philosophy differing from that offered by most public schools, have been paying double for the education of their children. Such discrimination against certain taxpayers is borne by them to demonstrate their sincere concern for the education and welfare of their children.

Relief from the double cost burden, or even a 50% credit as proposed strikes me as a right approach to the present inequity. But I see in SB48 that the "eligible educational institutions" are required to "meet accreditation or approval criteria established by the department by regulation."

Inasmuch as past attempts by the department to regulate private schools have included such regulations as would abridge our rights and could conceivably force us to compromise our religious convictions, I would respectfully ask that part (d) of SB48 and any reference to "eligible educational institutions" be excluded from the bill. This becomes a necessity to us because of the First Amendment Rights, and would be in accord with the thinking of Senator Bradley as expressed in SJR #14.

*Rev. Ludwig Zerbe, Pastor
Grace Baptist Church*

PLEASE PRINT

(T)

Name William Hovey
Representing Anchor Christian School
Address 6401 Northern Lights
Phone _____

Here to TESTIFY
Here to OBSERVE _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

William Hovey
(signature)

Have you participated in other legislative teleconferences? no How many? _____ Would you have participated in this hearing if the network were not available? no

PLEASE PRINT

(T)

Name Jerry O'Brien
Representing Anchorage Christian School
Address 6501 Dibarr
Phone 338-4025

Here to TESTIFY
Here to OBSERVE _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Jerry O'Brien
(signature)

Have you participated in other legislative teleconferences? _____ How many? _____ Would you have participated in this hearing if the network were not available? _____

PLEASE PRINT

(T)

Name Burton Carney
Representing Harvester Christian Church
Address 9101 Brayton Drive, 99507
Phone 344-0528

Here to TESTIFY
Here to OBSERVE _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Burton Carney
(signature)

Have you participated in other legislative teleconferences? no How many? _____ Would you have participated in this hearing if the network were not available? no

Name

JERRY PREVO

Here to TESTIFY

Representing

ALASKA ASSOC. OF CHRISTIAN SCHOOLS

Address

6401 E. NORTHERN LIGHTS

Here to OBSERVE

Phone

333-4812

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Jerry Prev
(signature)

Have you participated in other legislative teleconferences? NO How many?

Would you have participated in this hearing if the network were not available? YES

PLEASE PRINT

T

Name

Shyla Hansen

Here to TESTIFY

Representing

Anchorage Christian Schools

Address

Here to OBSERVE

Phone

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Shyla M. Hansen
(signature)

PLEASE PRINT

T

Name

Ron King

Here to TESTIFY

Representing

Anchorage Christian Schools

Address

6101 E. Northern Lights

Here to OBSERVE

Phone

337-9575

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Ronald H. King
(signature)

Have you participated in other legislative teleconferences? No How many?

Would you have participated in this hearing if the network were not available? yes

PLEASE PRINT

(T)

Name

Ray Frank

Here to TESTIFY YES

Representing

The Citizens League (state)

Address

SRB - 516 PALMERAK

Here to OBSERVE _____

Phone

745-4128

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Ray Frank
(signature)

Have you participated in other legislative teleconferences? no How many? _____ Would you have participated in this hearing if the network were not available? no

PLEASE PRINT

Name

GLENN W. CLARY

Here to TESTIFY X

Representing

SELF

Address

5700 College DR.

Here to OBSERVE _____

Phone

3376908

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Glenn W. Clary
(signature)

Have you participated in other legislative teleconferences? _____ How many? _____ Would you have participated in this hearing if the network were not available? _____

PLEASE PRINT

Name

Bill Leight

Here to TESTIFY ✓

Representing

SELF

Address

3011 Kerry Cir

Here to OBSERVE _____

Phone

337 2495

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

William W. Leight
(signature)

Have you participated in other legislative teleconferences? no How many? _____ Would you have participated in this hearing if the network were not available? no

(T)

PLEASE PRINT

(T)

Name Betty Burrows
Representing missile - parent
Address 2801 Melvin
Phone 243-3539

Here to TESTIFY
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Betty Burrows
(signature)

PLEASE PRINT

(T)

Name Margaret Green
Representing Tom Thumb Moulson
Address 2605 7th St
Phone 272 5033

Here to TESTIFY
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Margaret Green
(signature)

Have you participated in other legislative teleconferences? No How many? 1 Would you have participated in this hearing if the network were not available? No

PLEASE PRINT

(T)

Name Albert R. Keyes
Representing Self
Address PO Box 10-1212
Phone 344-5397

Here to TESTIFY
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Albert R. Keyes
(signature)

Have you participated in other legislative teleconferences? No How many? _____ Would you have participated in this hearing if the network were not available? Yes

How did you learn about this hearing? _____

Name

Dorothy Payne Edwaine Payne

Here to TESTIFY

Representing

S. P. Club of Alaska

Address

1211 S. Braganza

Here to OBSERVE

Phone

243-2822

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

DATE: _____ Would you have participated in this hearing

PLEASE PRINT

Name

Jack Bacher

Here to TESTIFY

Representing

Anchorage Christian Academy

Address

7145 Madeline Dr

Here to OBSERVE

Phone

333-1414

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Judith Bacher
(signature)

DATE: _____ Would you have participated in this hearing

PLEASE PRINT

Name

Fred B. Morgan

Here to TESTIFY

Representing

Self

Address

Box 2329; Anch, AK. -99510

Here to OBSERVE

Phone

277-8522

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Fred B. Morgan
(signature)

Have you participated in other legislative teleconferences? Yes How many? 2

Would you have participated in this hearing if the network were not available? No

Name PATRICIA A STEINMETZ
Representing MY SELF
Address 325-D GULKANA ST
Phone 862-5268

Here to TESTIFY (T) ✓

Here to OBSERVE _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Patricia A Steinmetz
(signature)

Have you participated in other legislative teleconferences? NO How many? _____ Would you have participated in this hearing if the network were not available? NO

PLEASE PRINT

Name Joseph O. Steinmetz
Representing MY SELF
Address 325 D GULKANA ST
Phone 862-5268

Here to TESTIFY (T) ✓

Here to OBSERVE _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Joseph O. Steinmetz
(signature)

Have you participated in other legislative teleconferences? NO How many? _____ Would you have participated in this hearing if the network were not available? NO

PLEASE PRINT

Name RICHARD C SOVERNS
Representing SELF
Address SRA Box 1507B Anch AK 99507
Phone 349-4165

Here to TESTIFY (T) ✓

Here to OBSERVE _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Richard C Soverns
(signature)

Have you participated in other legislative teleconferences? _____ Would you have participated in this hearing if the network were not available? _____

Name JAMES E. STEVENS
Representing ALASKA PACIFIC UNIVERSITY
Address ANCHORAGE, AK. 99504
Phone 276-8181

Here to TESTIFY
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

James Stevens
(signature)

Have you participated in other legislative teleconferences? No How many? Would you have participated in this hearing if the network were not available? Yes

PLEASE PRINT

Name Ed Reine
Representing My Self
Address 8310 Wellsey Ct
Phone 344-4131

Here to TESTIFY T
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Edwin V. Reine
(signature)

Have you participated in other legislative teleconferences? No How many? Would you have participated in this hearing if the network were not available? No

PLEASE PRINT

Name Rev. Ludwig Zerke
Representing Grace Baptist Church
Address 1801 E. 68th Ave.
Phone 349-5426

Here to TESTIFY T
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

Have you participated in other legislative teleconferences? How many? Would you have participated in this hearing if the network were not available?

Name DENISE KNAPP
Representing DELTA DENTAL PLAN OF ALASKA
Address 1400 W. 31ST AVE.
Phone 278-3624

Here to TESTIFY
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

D. Knapp
(signature)

| | |
|---|---|
| Have you participated in other legislative teleconferences? <u>NO</u> How many? _____ | Would you have participated in this hearing if the network were not available? <u>yes</u> |
| How did you learn about this hearing? <u>From notice mailed to Alaska</u> | If yes, did you use the network: _____ instead of travel _____ instead of phone conversations |

PLEASE PRINT

Name ALLEN BRAUN
Representing PRIVATE SCUBA DIVER
Address P.O. BOX 10 - 785
Phone 344-7338

T
Here to TESTIFY
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Allen Braun
(signature)

PLEASE PRINT

Name MRS EVELYN M. HADFIELD
Representing _____
Address 8050 Lake Axis #2
Phone 276-3656

T
Here to TESTIFY
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Mrs. Evelyn M. Hadfield
(signature)

| | |
|---|---|
| Have you participated in other legislative teleconferences? _____ | Would you have participated in this hearing _____ |
|---|---|

Name DENN ZUCK
Representing MYSELF
Address 955 E 79
Phone 344-2013

Yes to testify
Here to TESTIFY

Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Denn Zuck
(signature)

| | |
|--|---|
| Have you participated in other legislative teleconferences? <input checked="" type="checkbox"/> How many? <u>1</u> | Would you have participated in this hearing if the network were not available? <input type="checkbox"/> |
| How did you learn about this hearing? <u>bill</u> | If yes, did you use the network: instead of travel <input type="checkbox"/> |

PLEASE PRINT

Yes

Name Denny BALASCIO
Representing _____
Address S.E.A Box 1631-C 99507
Phone 399-7487

Here to TESTIFY

Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

D.M. Balascio
(signature)

PLEASE PRINT

Yes

Name ROD Thompson
Representing self
Address P.O. Box 2333
Phone 344-1026

Here to TESTIFY

Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Rodney A. Thompson
(signature)

| | |
|--|--|
| Have you participated in other legislative teleconferences? <u>NO</u> How many? <u>0</u> | Would you have participated in this hearing if the network were not available? <u>NO</u> |
|--|--|

PLEASE PRINT

Name Joan August Here to TESTIFY _____
 Representing Self (former) educator
 Address 2547 31st Ave Here to OBSERVE
 Phone 975-8179

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Joan August
 (signature)

PLEASE PRINT

Name NANCY N. MARKLEY Here to TESTIFY _____
 Representing SENATOR MIKE GRAVEL
 Address P.O. BOX 2283, ANCHORAGE 99510 Here to OBSERVE
 Phone 277-4591

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Nancy N. Markley
 (signature)

Have you participated in other legislative teleconferences? NO How many? — Would you have participated in this hearing if the network were not available? _____

PLEASE PRINT

Name Rob Maurant Here to TESTIFY
 Representing Alaska Student Lobby
 Address 631 E. 22nd St. B-11 99503 Here to OBSERVE _____
 Phone 276-7312

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Rob Maurant
 (signature)

Have you participated in other legislative teleconferences? 0 How many? _____ Would you have participated in this hearing if the network were not available? _____

PLEASE PRINT

Name Alan Daniels
Representing Anchorage Christian School
Address 6401 E. Northern Lights Blvd.
Phone _____

Here to TESTIFY _____
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Alan R. Daniels
(signature)

Have you participated in other legislative teleconferences? no How many? _____ Would you have participated in this hearing if the network were not available? _____

PLEASE PRINT

Name Rene Hunter
Representing Anchorage Christian Schools
Address 6401 E. Northern Lights
Phone _____

Here to TESTIFY _____
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Rene S. Hunter
(signature)

Have you participated in other legislative teleconferences? _____ Would you have participated in this hearing if the network were not available? _____

PLEASE PRINT

Name Jim Julien
Representing Anchorage Christian Schools
Address 6401 E. Northern Lights
Phone _____

Here to TESTIFY _____
Here to OBSERVE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Jim Julien
(signature)

Have you participated in other legislative teleconferences? _____ Would you have participated in this hearing if the network were not available? _____

PLEASE PRINT

Name Doni Hall Here to TESTIFY _____
 Representing Anchorage Christian Schools
 Address 5811 Bayliff A Anch. AK 99502 Here to OBSERVE
 Phone 242-0477

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Doni Hall
 (signature)

PLEASE PRINT

Name Albia Christa Here to TESTIFY _____
 Representing Anchorage Christian Schools
 Address 6401 Northern Lts. Here to OBSERVE
 Phone 337-9575

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

 (signature)

Have you participated in other legislative teleconferences? _____ How many? _____ Would you have participated in this hearing if the network were not available? _____
 How did you learn about this hearing? _____ If yes, did you use the network: _____

PLEASE PRINT

Name KEVIN MAGUIRE Here to TESTIFY _____
 Representing ANCHORAGE CHRISTIAN SCHOOLS (A.C.S.)
 Address 6401 E NORTHERN LIGHTS Here to OBSERVE
 Phone _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Kevin Maguire
 (signature)

Have you participated in other legislative _____ Would you have participated in this hearing _____

PLEASE PRINT

Name DOROTHY LEE

Here to TESTIFY _____

Representing THE SALVATION ARMY

Address 135 E. 9TH

Here to OBSERVE X

Phone 277-2591

~~TO WRITE~~

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Dorothy Lee
(signature)

Have you participated in other legislative teleconferences? no How many? _____

Would you have participated in this hearing if the network were not available? ?

How did you learn about this hearing?

If yes, did you use the network:

Mailed notice

- ___ instead of travel
- ___ instead of phone conversations
- ___ instead of mailed testimony

Date: 2/28/79

Subject: SB 48, SB 214, SJR 14

Location: Anchorage

The following teachers and students from the Anchorage Christian School were prepared to testify on SB 48 and SJR 14 during the teleconference 2/28/79, but because of the large number of witnesses scheduled agreed to have four spokesmen express their views. (The spokesmen were Mr. O'Brien, Mr. Hovey, Mr. Moreland and Miss Hanson).

Ronald Kine
Terry Roache
Harold Lewis
Tim Bishop
Alecia Chriscie
Kelly Mason
Theresa Pierce
Steven van Dusen
Ellis Blacksheer
Rogert Bogner
Jimmy Julien
Delores March
Debbie Summers
Linell Wood
Lori Gam
Lori Schultz
Allen Daniels
Vicky Bailey
Paul Green
Nanette Hunt
Katie Julien
Monte Moreau
Shawn Brownell
Randy Lewis
Theresa Cordesi
Kevin McGuire
Nancy Carter
Jimmy Carter
Tony Orr
Melanie Smith
Beth Vickrey
Pam Bond
Donna Charles
Terry Tickerson
Lori Hall
Renee Heyter
Danhy Church
Jeanie Day
Scott Willis
Philip Ullrich
Taylor Pinkney
Tammy McIntyre
 McCollough
David Hovey

ALASKA'S LARGEST SUNDAY SCHOOL



Anchorage Baptist Temple

6401 East Northern Lights
Anchorage, Alaska 99504
907.333-6535

JERRY PREVO
PASTOR

ASSISTANT PASTORS

BILL LEIGHT
W. CARLIN DEMPSEY
DEL BROCK
JOHN EMERY
MARK MULLINS

SECRETARY

GRACE MITCHELL

March 1, 1979

The Honorable Glenn Hackney
Senator from Alaska
Pouch V
Juneau, Alaska 99811

Dear Sir:

I am very much interested in SB 48 regarding educational tuition credit. I believe it is a fair bill, and one that is overdue. Some fear that it will hurt the public school system, but I believe to the contrary, that it will strengthen the public schools. It will finally convince the public school administrators and people that they must do something to improve the educational programs for our children today.

I believe part D under section 1 should be amended to read that an "eligible educational institution is one which meets accreditation or approval by criteria established by the Alaska State Legislature." This could be done by adding the words at the end "or Section 4 of AS 14.40.10 (b)1." This is the Alaska Compulsory Education Statute that states that a child must attend a public school or one of the three other kinds of schools. Since those schools have been approved by the Legislature, they should automatically be approved as eligible educational institutions. We believe this needs to be spelled out clearly by the Legislature in order to prevent the Department of Education from coming up with regulations beyond those which the Legislature has already prescribed.

Of course, this will not give any relief to parents who send their children to a church-sponsored school unless House Joint Resolution 11 is passed, which will allow indirect aide to religious sponsored schools.

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SECRETARY

GRACE MITCHELL

Senator Glenn Hackney

Page 2

Also, we are very much interested in SJR 14, protesting Internal Revenue Service regulations removing tax exempt status of certain private schools. Your support of this resolution will be very much appreciated. Action on this bill is very important, since IRS is steadily moving forward to invoke these unconstitutional regulations.

Thanks in advance for your help.

Sincerely,

Jerry Prevo
Dr. Jerry Prevo

HARVESTER CHRISTIAN ACADEMY

DIVISION OF SOUL HARVEST, INC.

9101 BRAYTON DRIVE
ANCHORAGE, ALASKA 99507
907-344-0528

February 28, 1979

Testimony before the House H.E.S.S. Committee
Legislative Information Office, Anchorage

SJR14

Good afternoon Senator Hackney and Committee members.

I am Burton Carney, Principal of Harvester Christian Academy in Anchorage which is the teaching ministry of Harvester Christian Church, Paul Glover, Pastor. Harvester Christian Academy is an active member of the Alaska Association of Christian Schools and affiliated with the American Association of Christian Schools.

I am strongly in favor of SJR14 and seek to enlist your support for its passage. The bill is well written and directly addresses the problem that church schools face in this state.

The U.S. government, acting through the IRS, presently requires each private religious school to register with the IRS, using their standard form 5578, which provides the IRS with certain information regarding the control of the school, and what exemption covers the school, and requires a statement of non discrimination. The schools are also presently required to include a policy statement of racial nondiscrimination in all of its brochures and catalogues dealing with student admissions, programs and scholarships. It must also presently make known its racially non-discriminatory policy through publication in a newspaper, or communication through use of the broadcast media, of such non-discriminatory policy.

The newly proposed guidelines go even further in extending the control of the IRS over private Christian schools. This includes a determination by the government as to the number of minority students actually enrolled, as well as an inquiry into the various activities of the school, covering such things as student admissions, the hiring of teachers and other staff personnel, the use of the building, which, in many cases is a church facility, and an examination of the curriculum to determine whether there is any special minority oriented curriculum or orientation programs.

With the new guidelines, the government proposes to control the school's ability to admit or deny admittance to any student applying to the school, as well as the school's ability to hire or fire the teachers. As many Christian schools only hire teachers who have the same religious belief, and admit only those students who either belong to the church or are willing to subscribe to the same religious beliefs, this decision to include private schools under the

Prepare and Prevent or Repair and Repent!

proposed guidelines infringes upon the right of our churches and parents to have their children taught by someone who holds the same values as they do, and to have the necessary religious atmosphere, generated by a unanimity of faith among the students. This not only infringes upon the religious liberties of the parents, the students, and the teachers, it does so in a way that is completely contrary to the reasons why exemptions were originally given to churches and church schools.

We object to the new IRS proposal because it puts the financially expensive burden of proof as to whether churches are operated in a nondiscriminatory manner on the churches themselves. It really uses the GUILTY UNTIL PROVEN INNOCENT APPROACH which is contrary to the basic American way for doing things.

For these reasons I ask that you please support SJR14 and pass it quickly so that it may be sent on to Washington.

SB48

I also wish to speak today concerning SB48 Tuition Credits.

I appreciate the fact that SB48 recognizes the fact that parents exercising their freedom of choice by sending their children to private schools bear an undue financial burden. They must not only pay taxes for public education, but also tuition that averages \$1,000 per child in this state. Tax relief is needed.

However, our church, its staff, and the church families are OPPOSED to the passage of SB48 unless an additional phrase is added to line 26 that includes the words, "OR school operated as a ministry of a church."

Without the additional wording being added, the State of Alaska would have to approve my church's educational ministry before our parents could receive the tax benefit. Not only does this violate the Constitutional separation of church and state, but sets a dangerous precedent for state intervention into church programs.

To be state approved implies that our school would have to conform to the same regulations as the public schools in this state. Our church schools purposefully operate in a manner different than the public schools. There is always the chance that an over-zealous official will attempt to interfere with our church school program, as has occurred in some other states, if we were to be state accredited or state approved.

Page 3

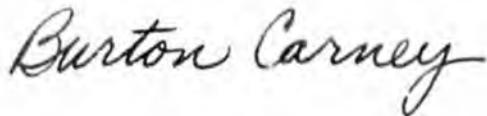
I would seek to remind members of the Committee that SB323 was passed into law last year. Alaskan statutes NOW recognize as private schools not only those that are state accredited or state approved, but ALSO those private schools which have their own teacher training and academic programs as long as they can demonstrate that the children are learning equally well as their public school counterpart.

Since an Alaskan statute NOW recognizes as a school one that is NOT state approved or state accredited, please add wording to SB48 that would likewise recognize this change in our laws.

I do want to say that if this Committee does not add this wording to protect the integrity of our church, we will find it necessary to do everything in our means to oppose its final passage into Alaskan law.

In summary, SB48 attempts to alleviate a definite problem that our parents face, but needs additional wording to PROTECT our church according to the principle of separation of church and state.

Thank you.

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

Burton Carney

SJR 14

Sen. Bradley. Mr. Chairman, I introduced both of these bills, SJR 14 and SB 48 by request of a lot of private schools in the Anchorage area. In regards to SJR 14, this resolution simply supplements hundreds of thousands of letters that have been sent to the President of the United States, U. S. Senators and Representatives, and the Internal Revenue Service, not to mention those sent to state legislators such as ourselves.

If we do not take action now, of which the resolution is a part, to inform the powers in Washington, D. C. of our intention to resist and hopefully prevent proposed IRS regulations which threaten our private schools at the loss of their tax-exempt status. Our contributions to these schools will eventually be considered a government subsidy if you claimed them as a tax exemption even though your contribution may be to a church or some other private and nonprofit school. If it is a church school this could even include your offerings. A government subsidy means only one thing: government control. If we permit, government will either eliminate or take over control of our private schools which are, for the most part, much superior to most of our public schools. Achievement tests have proven this. Many of the private high schools are graduating our youth from school as competent graduates at the age of 15 and 16 and are even teaching additional courses such as the principals of free enterprise, economic development and business, which made our nation the greatest on earth.

Passage of this resolution may subsequently assist in passage of U. S. Senate Bill 103 which has been introduced in the 94th Congress. This bill would delay implementation of the proposed IRS regulations and permit time for hearing in federal legislation if necessary. Our Congressman Don Young has joined numerous other congressmen in requesting Congressman Ulman, who is Chairman of the House Ways and Means Committee, to hold public hearings on the IRS regulations. The Internal Revenue Code now gives a tax exemption to charitable, religious and educational institutions. Tax exempt status is valuable to private schools for two reasons: it means that the government itself, they and their employees are not required to participate in the social security program; more important it means that the contributions to these schools are tax deductible by the donor. The effective government subsidy inherent in this tax deduction amounts to billions of dollars a year for all private schools and their benefactors. One of the purposes of the exemption is to encourage educational diversity.

To save time I shall provide a hand out which is a synopsis of the IRS regulation demands and the members of the committee can read it for themselves.

26 people from Anchorage proceeded to testify on both SJR 14 and SB 48. No one was opposed to SJR 14.

Sen. Sturgulewski. Line 19, I wonder if you would have a major

Overall I think there has been a very excellent idea expressed in your whereas's and conclusions, I think it is important that Congress does in fact allow for full public debate on an issue like this. I do, however, have a concern on line 19 when it begins "which do not meet stringent and capricious affirmative action requirements and quotas." I wonder if you might consider a deletion of that portion. I do not know all of the things that may be good, bad and indifferent about the particular regulations that are being proposed and I think that your statement is very strong without singling out a part of it and its really my personal feeling that weakens the ability of this particular resolution to go forward. I think it is an important resolution. I wonder if you would consider dropping that wording or having the bill amended to delete it?

Sen. Bradley. yes, I think it suggests something we don't need to suggest.

Sen. Sturgulewski. With that I see no reason I could not support with a do pass.

Sen. Fahrenkamp. Since this same type of bill is being heard at the present time in Congress in the House and Means committee, I think it would be appropriate if we planned on having this bill be effective in influencing those hearings. It would be good for us to address this just as quickly as we can and get it out.

Motion to make amendment. No objection to amendment. So ordered. Out with individual recommendations as amended.

Office copy

Introduced: 1/31/79
Referred: Health, Education
& Social Services

1 IN THE SENATE

BY BRADLEY

2 SENATE JOINT RESOLUTION NO. 14

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 Protesting Internal Revenue Service
6 regulations removing the tax-exempt
7 status of certain private schools.

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

9 WHEREAS a free marketplace of ideas is the cornerstone of a democratic
10 society, and a flourishing of private schools offering a choice of religious
11 and educational philosophies is essential to the greatness of our nation; and

12 WHEREAS Congress has recognized the important educational role of pri-
13 vate schools and implemented the constitutional requirement of separation of
14 church and state by granting tax-exempt status to private schools; and

15 WHEREAS most private schools cannot cover their operating costs with
16 tuition but depend heavily on tax-exempt donations; and

17 WHEREAS the Internal Revenue Service has threatened the very existence
18 of private schools by writing regulations which would remove the tax-exempt
19 status of private schools which do not meet stringent and capricious affir-
20 mative action requirements and quotas; and

21 WHEREAS this precedent-setting decision by the Internal Revenue Service,
22 which would have a major impact on the future course of American education,
23 is a profound change in the policies established by Congress, and is in
24 effect usurping the policy-making responsibilities of Congress;

25 BE IT RESOLVED that the Alaska State Legislature protests the regula-
26 tions proposed by the Internal Revenue Service which threaten private schools
27 with the loss of their tax-exempt status; and be it

28 FURTHER RESOLVED that the Alaska State Legislature urges Congress to
29 enact legislation similar to S. 103, now introduced in the 94th Congress,

1 which would delay the promulgation and effective date of the Internal Revenue
2 Service regulations and would give Congress a chance to weigh the effects of
3 such regulations and take appropriate action.

4 COPIES of this resolution shall be sent to the Honorable Jimmy Carter,
5 President of the United States; Mr. Jerome Kuntz, Commissioner, Internal
6 Revenue Service; the Honorable Orrin G. Hatch, U. S. Senator from Utah and
7 prime sponsor of the Save Our Schools Act; and to the Honorable Ted Stevens
8 and the Honorable Mike Gravel, U S. Senators, and the Honorable Don Young,
9 U. S. Representative, members of the Alaska delegation in Congress.

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SJR

22

LIR22 "Applying the ~~SAFETY~~ ^{SAFETY} ~~1980~~
By Hackney voluntary cost containment
efforts & requesting progress
Report to the legislature

noted by Janice Potter

Introduced: 2-13-79

Logged: 2-13-79

Referred: None

Comm. meeting 3-12-79

" action passed taken Senate Secy @ 8:30 AM - 3-13-79

January 1979

EXHIBIT #3
Vol. 7, No. 1

Allied Public Relations Directors to Meet in April

The annual meeting of the allied association PR directors will be held at LaMansion, San Antonio, TX, April 25-27. The program will include discussions of industry issues, and problems and programs as they relate to the public affairs function in state, regional and metropolitan hospital organizations.

Members are urged to begin making plans to attend and to send any program suggestions to Dick Bregstein, director, public affairs, Illinois Hospital Association, 1200 Jorie Blvd., Oak Brook, IL 60521, (312) 325-9040.

Update on Voluntary Effort Includes National and State-Level Priorities and Physician Involvement

For those who were not able to take part in the PR Commo-Net call on November 29 and requested information on the Voluntary Effort (VE), here is a summary.

The National Steering Committee met November 20 and reviewed the VE work plans from the state associations and approved them, asking that key staff of participating organizations assure that all figures are in sync.

National and state-level priorities

The committee set four priorities for state and national levels next year: 1) Continue to build awareness of and commitment to VE on the part of hospitals and physicians; 2) Increase monitoring and reporting activities on state and national levels; 3) Provide technical assistance to hospitals in their cost containment efforts; and 4) Lay the foundation for VE beyond 1979 and deal with issues in addition to hospital costs.



Voluntary Effort advances at surprising pace for such a task

The Voluntary Effort (VE) — which was just an idea only a few short months ago — is moving toward reality with surprising speed when you consider the enormity of such an undertaking and the diversity of the elements of the health care industry that are involved.

The National Steering Committee on Voluntary Cost Containment drafted a 15-point program in mid-December, 1977, as a blueprint for an unprecedented grass roots movement to hold down health care costs. Within less than two months, state-level cost containment committees were organized — or were in the process of being organized — in all 50 states and the District of Columbia, thanks to the joint cooperation of the hospital and medical associations in each state.

It is true, of course, that some states are moving faster than others to implement the program. But, take into consideration the fact that the various entities of the health care industry are better organized in some states than in others.

The Voluntary Effort was never intended to be something that could be accomplished easily. The vast complexities within the health delivery system would most certainly prevent any such eventuality.

By and large, the Voluntary Effort has been well received throughout the country by state hospital and medical associations and individual hospital administrations and medical staffs. There has been, of course, some skepticism. This is only natural because there are many questions to be answered and much restudy to be done to find out where and how to cut costs without affecting the quality of care.

It must be emphasized that the Voluntary Effort is not a one-shot program confined to a definite time frame. It will — and must — continue indefinitely, regardless of what happens legislatively because its

success or failure is not tied directly to legislation. It was not undertaken to thwart one piece of legislation — although, admittedly, the threat of mandatory cost controls was a major catalyst in getting the effort under way. Health care industry leaders are convinced that voluntary cost containment is a far better alternative than more government regulation.

The voluntary program is designed to tackle the tough problem of reducing the rate of increase in hospital costs. Thus, it is tied to the peaks and valleys of the nation's economy, and the dilemma of inflation is likely to be with us for a long time to come.

Also, voluntary cost containment must be an ongoing effort because there always will be those who believe that government can do a better job of holding down costs by law or regulation than the private sector can — or is willing to do — voluntarily. It is time to prove how wrong the skeptics can be, including those within our own industry.

It is very difficult to understand why leaders in the Executive Branch, especially the President and Secretary of HEW, won't support the industry's Voluntary Effort to police itself. The President said in his State of the Union Message in January that he did not believe in wage and price controls and stated that "a sincere commitment to voluntary restraint provides a way, perhaps the only way, to fight inflation without government interference." Yet, his Administration insists on going ahead with its mandatory cost control legislation.

We often hear various members of Congress say that anything government can do, the private sector can do better. Now is the time for them to back that belief.

To put it bluntly, the Voluntary Effort has placed the integrity of the health care industry on the line. We must not fail.

CORRECTION

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TO ASSURE LEGIBILITY

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CORRECTION

INTERCHANGE

January 1979

Vol. 7, No. 1

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A package was mailed in mid-November to institutional members to aid them with suggestions on how to achieve compliance with the Administration's wage and price guidelines. The subject heading on the VE Technical Assistance Program letterhead was "Salary Guidelines Under Voluntary Wage and Price Guidelines." Any questions about the mailing should be directed to Emily Johnson, Financial Systems Department, AHA.

Tips on resources for physician involvement

The primary resources for information on how to involve physicians in private practice as well as in hospitals are Bill Cohan and Robin Menes at the AMA, 535 N. Dearborn St., Chicago, IL 60610.

The AMA has produced a kit for use by individual physicians or medical staffs. It was mailed to state and county medical societies and is available to state hospital associations from the individual societies.

AHA resources for information about physician involvement are Patricia Parks, Division of Medical Services, (312) 280-6453; Paul Earle, VE executive director, (312) 280-6634; and Joe Rosmann, VE assistant director, (312) 280-6583.

National Hospital Week to Focus on Costs

The theme for National Hospital Week, May 6-12, is "The Voluntary Effort -- It's Working for You." Hospitals' strides in delivering cost-effective care in the best interests of the American people will be emphasized, as well as efforts to maintain the unique concept of voluntarism in this country.

Kits, which will be mailed to members in February, will contain materials and artwork that will help hospitals demonstrate how patients and the community can best utilize hospital services to get the most cost-effective care. Suggestions for involving employees will stress the importance of their contributions to reducing the cost of health care.

Maryland Survey Tells Pols' Views on Health

Maryland voters were able to find out, for the first time, how gubernatorial candidates stood on health issues through the laudable efforts of the Maryland Hospital Association (MHA).



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The National Steering Committee on Voluntary Cost Containment drafted a 15-point program in mid-December, 1977, as a blueprint for an unprecedented grass roots movement to hold down health care costs. Within less than two months, state-level cost containment committees were organized — or were in the process of being organized — in all 50 states and the District of Columbia, thanks to the joint cooperation of the hospital and medical associations in each state.

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success or failure is not tied directly to legislation. It was not undertaken to thwart one piece of legislation — although, admittedly, the threat of mandatory cost controls was a major catalyst in getting the effort under way. Health care industry leaders are convinced that voluntary cost containment is a far better alternative than more government regulation.

The voluntary program is designed to tackle the tough problem of reducing the rate of increase in hospital costs. Thus, it is tied to the peaks and valleys of the nation's economy, and the dilemma of inflation is likely to be with us for a long time to come.

Also, voluntary cost containment must be an ongoing effort because there always will be those who believe that government can do a better job of holding down costs by law or regulation than the private sector can — or is willing to do — voluntarily. It is time to prove how wrong the skeptics can be, including those within our own industry.

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To put it bluntly, the Voluntary Effort has placed the integrity of the health care industry on the line. We must not fail.



Steering Committee guides grass roots effort to curb health costs

When Congressman Dan Rostenkowski (D-Ill) challenged the health care industry late in 1977 to voluntarily contain costs as a means of avoiding mandatory controls, he touched off a massive grass roots program of unprecedented proportions in the private sector of the health delivery system.

The challenge carried the weight of authority because Rostenkowski is chairman of the Health Subcommittee of the House Ways and Means Committee and a sponsor of the Carter Administration's hospital cost control legislation.

The American Hospital Association (AHA), American Medical Association (AMA) and Federation of American Hospitals (FAH) joined forces, and, in November, 1977, launched the historic, industry-wide voluntary cost containment program — called the Voluntary Effort (VE).

The first major step was the appointment of a blue ribbon National Steering Committee on Voluntary Cost Containment — composed of representatives of providers, carriers, business and consumers.

The committee co-chairmen are:

□ Samuel Tibbitts, chairman of the AHA and president of the Lutheran Hospital Society of Southern California.

□ Robert B. Hunter, M.D., chairman of the AMA board of trustees and a general practitioner from Sedro Wooley, Washington.

Other committee members are:

□ Andrew W. Miller, president-elect of the FAH and senior vice president of Hospital Corporation of America (HCA).

□ Robert Froehlke, president of the Health Insurance Association of America (HIAA).

□ Harold Buzzell, president of the Health Industry Manufacturers Association (HIMA).

□ Walter McNeerney, president of the Blue Cross/Blue Shield Association.

□ Mrs. Virginia Knauer, former presidential special assistant on consumer affairs and president of Virginia Knauer and Associates, consumer consultants.

Then came the second major step.

Goals drafted

At its initial meeting in December, 1977, the National Steering Committee drafted a 15-point program of guidelines and goals — which is the crux of the Voluntary Effort.

The major goals of the program are:

A reduction in the rate of increase in hospital expenditures of 2 percentage points a year over the next two years.

No net increase in hospital beds during 1978.

A reduction in new capital investment during 1978 and 1979.

Here is a summary version of the 15 points established by the National Steering Committee:

1. Affirmed the action taken by the AHA, AMA, and FAH urging the immediate creation of state-level voluntary cost containment committees, established through the leadership of the state hospital association and state medical society.

2. Affirmed the action called for by the AHA in its recent mailgram to member institutions requesting an immediate reassessment of planned budget and charge adjustment to be implemented beginning January 1, to see if anything further can be done in



Robert B. Hunter, M.D.
AMA
Co-Chairman



Samuel Tibbitts
AHA
Co-Chairman



Andrew W. Miller
FAH



Mrs. Virginia Knauer
Consumers



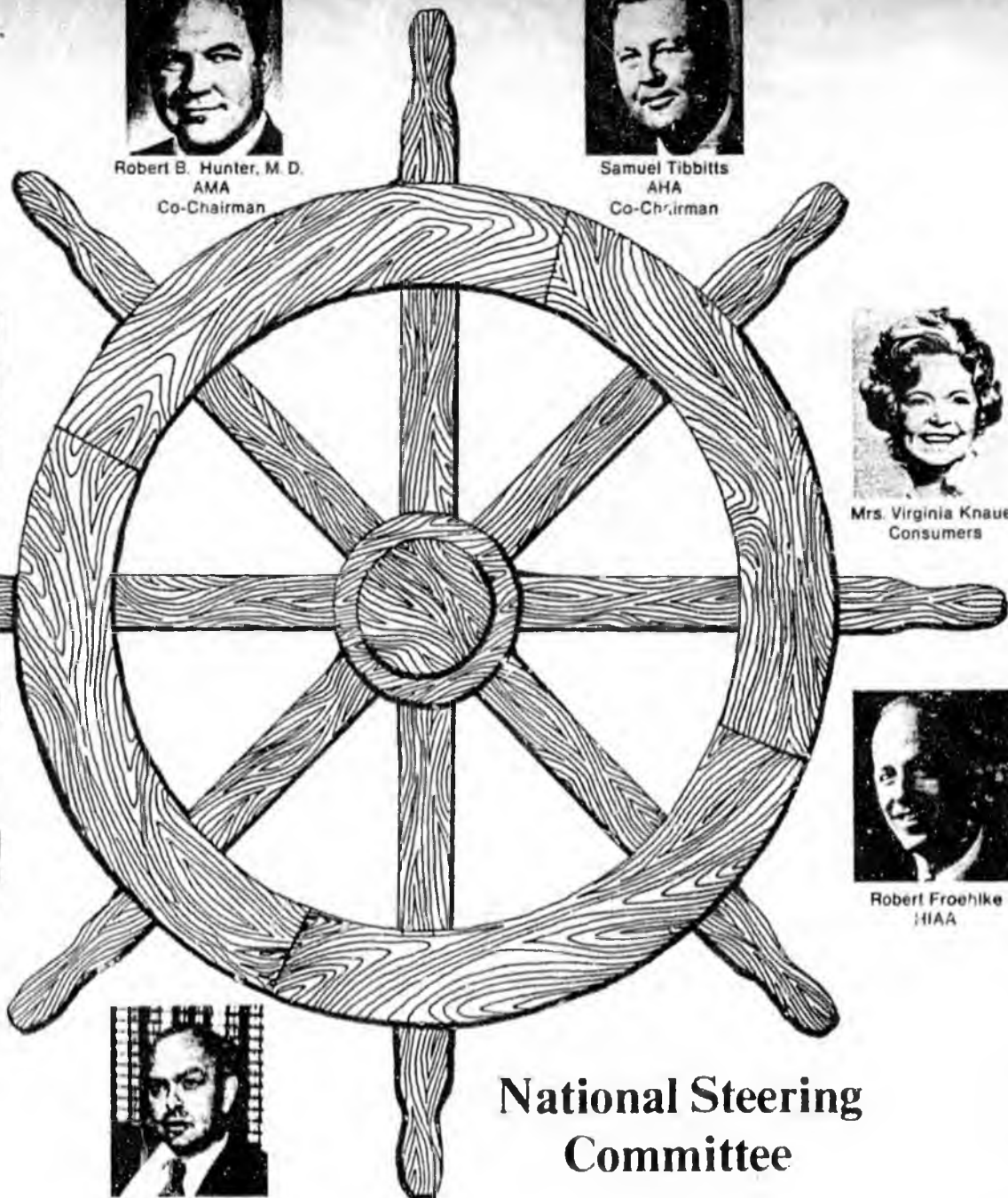
Walter McNerney
BCA/BSA



Robert Froehke
HIAA



Harold Buzzell
HIMA



National Steering Committee

the short term to reduce these increases, consistent with sound medical practices.

3. Established as the primary objective of the voluntary cost containment program a reduction in the rate of increase in hospital and health care expenditures so that the gap between this rate of increase and that of the Gross National Product is significantly narrowed over the next several years. The first step would be to reduce the rate of increase in total non-federal expenditures by 2 percentage points each year for 1978 and 1979.

4. Established interim guidelines linked to No. 3 above for consideration by (a) all hospitals for reassessing their current budget, and (b) the newly created state committees to identify those hospitals where special cost containment efforts need to be

carried out and to provide directions for state-level committees in developing their cos' containment and review activities.

Would trim investment

5. Establish a national goal of significantly reducing new capital investment over the next couple of years, including an objective of no net additions to the total stock of hospital beds as of December 31, 1977, and reducing capital expenditures to 80% of the price adjusted annual average for 1975, 1976, and 1977.

6. Requested that all hospital medical staffs reaffirm their commitment to carry out effective utilization review programs to assure the efficient provision of health care services and, consistent with

sound medical practice, all hospital medical staffs should consider ways to further tighten their utilization review programs.

7. Called for expanded study and development between state committees of programs to significantly improve productivity in hospitals, giving special emphasis to ways in which hospitals can hold the line on or reduce man hours per admission. The objective is for each hospital to improve productivity by 2% per year for 1978 and 1979.

8. To accelerate current trends to improve the health delivery system through multihospital systems, shared service programs, increased accessibility to primary care, and to increase the alternatives for delivery of health services, particularly through HMOs and single and multispecialty medical groups.

9. Called for the immediate communication of the above stated goals and guidelines to all hospital chief executive officers, chiefs of medical staffs, hospital board chairmen, state hospital and medical societies and all other allied associations, urging their support

and cooperation of this program.

10. Called upon the AHA, AMA, and FAH to develop technical assistance programs to assist both hospitals and state committees in meeting the goals of the voluntary cost containment programs.

Supplier's support asked

11. Urged each hospital supplier to support the voluntary cost containment program and to exercise restraint in its pricing policies.

12. Established a subcommittee for public education to develop approaches for explaining the voluntary program to the public. This committee also should consider ways to actively involve consumers, providers, trustees, industry, labor, and others in an effort to contain hospital and health care costs and to consider ways to resolve the problem of increasing public demand for health services.

13. Called upon the CEOs of the AHA, AMA, and FAH to contact the Department of Health, Education and Welfare, the Council on Wage and Price Stability, congressional leaders and the White

Model resolution in support of Voluntary Effort

Here is a model resolution that the governing boards of hospitals have been asked to adopt in support of the Voluntary Effort:

WHEREAS, the American Hospital Association, the American Medical Association, and the Federation of American Hospitals, in recognition of the need to restrain the rate of increase in health care expenditures, agreed to organize a Voluntary Cost Containment Program and urged each hospital to reassess its operating and capital budgets to see if anything further can be done to reduce these budgets, consistent with sound medical practice, and

WHEREAS, the American Hospital Association, the American Medical Association, and the Federation of American Hospitals have organized a National Steering Committee on Voluntary Cost Containment, which has developed a 15-point program to be implemented through state-level voluntary cost containment committees and through voluntary action of individual hospitals, and

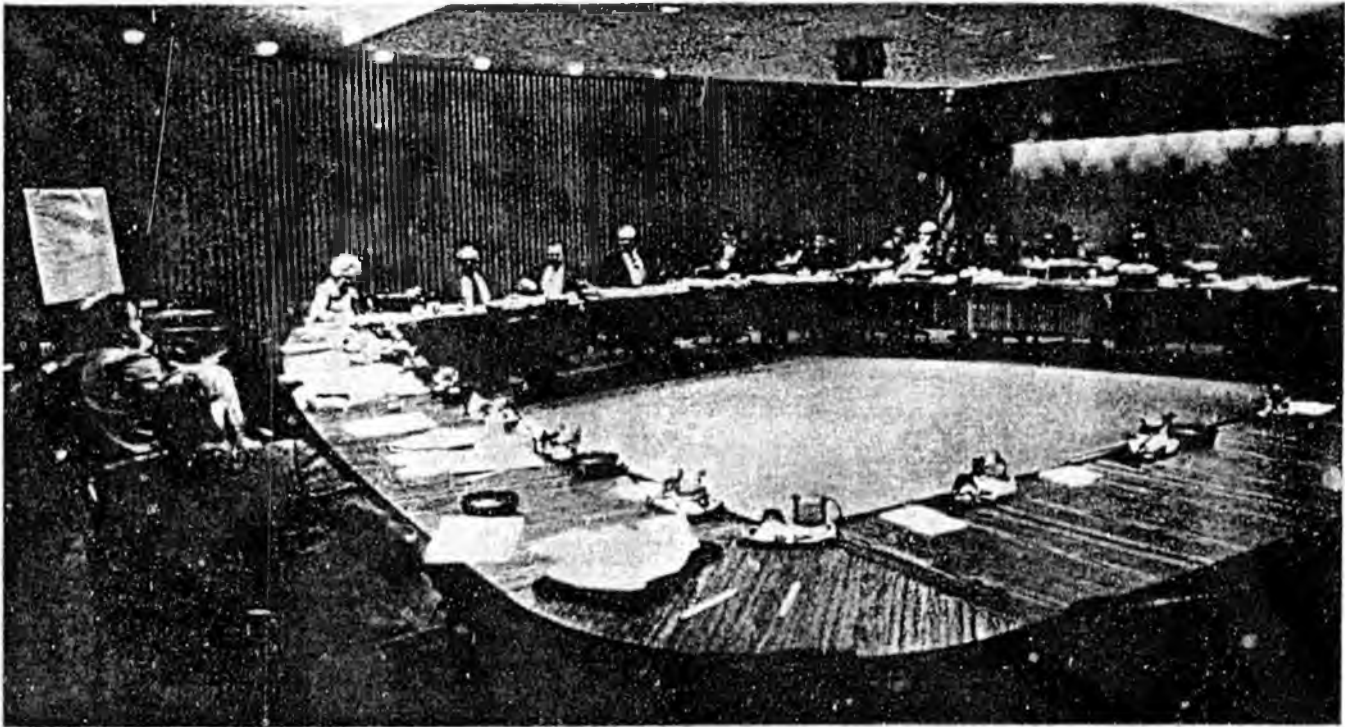
WHEREAS the State (name) Voluntary Cost Containment Committee has been organized, has endorsed the National Steering Committee's 15-point program, and

has developed a Provisional Certification Program, and

WHEREAS, the Governing Board (or other title) of the (name) Hospital has thoroughly reviewed these developments with the medical staff and the chief executive officer and is in agreement with the steps that have been taken at the national and state levels, and

WHEREAS, the Governing Board (or other title) of the (name) Hospital is strongly committed to voluntary action as the key to cost containment and desires to play a leadership role in demonstrating the value of voluntary action in cost containment,

THEREFORE BE IT RESOLVED, that the Governing Board (or other title) of the (name) Hospital strongly supports the program of the State (name) Voluntary Cost Containment Committee, has independently initiated a reassessment of its operating and capital budgets to see if any further reductions or postponements can be made, consistent with sound medical practice, pledges the use of all reasonable means to keep operating expenditures and capital budgets at the lowest levels on a continuing basis, consistent with sound medical practice, and seeks formal certification by the State (name) Voluntary Cost Containment Committee.



The National Steering Committee on Voluntary Cost Containment meets at the Chicago headquarters of the American Hospital Association.

House with respect to the program's goals and guidelines for the purposes of obtaining their support and cooperation, as well as industry and labor.

14. Called upon insurance carriers, other purchasers of care, industry and organized labor to examine alternatives to existing health insurance programs that would include expanded consumer cost sharing and cost effective alternatives to existing coverages, and other approaches to heighten the awareness of health care consumers regarding the cost of health services.

15. Called upon the Department of Health, Education and Welfare and other federal agencies to carry out cost effectiveness studies regarding all existing federal regulations affecting the health care industry to be completed by the end of 1978.

Committees formed

By January 30, 1978, state-level voluntary cost containment committees had been organized in 48 states and the District of Columbia by state hospital and medical associations — and the final two states formed committees in February.

Thus, the program was set in motion at the national and state levels in less than two months.

New impetus was added to the Voluntary Effort in early February when Rostenkowski addressed the annual meeting of the AHA in Washington, D. C. He praised the industry for launching the voluntary program and then made the surprise announcement that he would introduce legislation calling for stand-by cost controls, which would be implemented if it failed.

The sponsors of the Voluntary Effort are seeking antitrust clearance from the U. S. Justice Department on two primary issues relating to the use of specific numerical objectives by state committees in implementing the program with individual hospitals in the state, and the use of public disclosure as an incentive to gain participation by individual hospitals.

The massive Voluntary Effort has included the mailing of 23,000 letters to the nation's hospital chief executive officers, board of trustee chairmen and chiefs of medical staffs, urging their support of the program.

In separate interviews with the *Review*, members

of the National Steering Committee expressed appreciation over the response of the health care industry to the voluntary program, but their predictions of success ranged from "optimistic" to "wait-and-see."

Progress 'remarkable'

Committee co-chairman Tibbitts, AHA chairman, described the progress to date as "remarkable."

"We are getting all of the states lined up, and most of their committees have met. Also, I am amazed by the agreements that we have had on the National Steering Committee as to what our goals and objectives should be. I have to give credit to the AMA for really coming forward and saying — yes, the doctors have to be involved and recognize their part in hospital costs."

Tibbitts admitted that he was concerned about the psychological factors involved with the introduction of legislation for standby controls. He said he feared some hospitals might become discouraged because of the belief that "whatever we do, we might get the boom lowered on us anyway."

Speaking of the steering committee, Tibbitts commented, "I would say that, so far, our discussions have been very good, healthy and cooperative. Each member has a little different problem. Unfortunately, we don't have a labor representative as yet, but, we hope to get one in the future. Expansion of the committee is planned, and we soon expect to have a representative from the Association of County Governments."

The AHA chairman emphasized that he was a firm believer in the Voluntary Effort, and "I would encourage every state hospital association, every hospital, and every medical society to really get behind this program and work and push as hard as possible to make it a success."

Miller, president-elect of the FAH and the investor-owned hospitals' representative on the commit-

tee, believes the next two months will be "extremely critical to the success of this effort."

Cooperation needed

"In the next two months," he explained, "state committees will complete their organizational process, and hospitals will be endorsing and committing themselves to the objectives of the program. What is needed, of course, is 100 percent cooperation."

Miller said that hospital administrators and chiefs of medical staffs "are going to have to put the success of this program above their own immediate interests because it is important to the long-term progress of health care in this country."

"Personally, I feel that administrators and chiefs of staff will respond very positively to this challenge, and I believe that investor-owned hospitals will take the forefront in this effort," he said.

He believes that the Voluntary Effort "will accomplish more than just asking hospitals to re-examine their budgets and redouble their cost containment efforts."

"This effort will serve as a communications vehicle and a focal point to relate better to Congress, health insurance companies, consumers, and even to physicians, regarding the problems facing hospitals," Miller explained. "We must build on this foundation. We must focus first on the hospitals and then move beyond that into the physicians' influence on health care costs. Then, we need to expand to other areas. So, I foresee that this effort will go on for several years before being replaced by something else."

Buzzell, who heads the Health Industry Manufacturers Association (HIMA), said that his organization had endorsed the concept of the Voluntary Effort and "specifically endorses No. 11 of the 15-point program, which urges each hospital supplier to support the voluntary cost containment program and to exercise restraint in its pricing policies."

"So, our commitment is one of enthusiasm and full of cooperation to make this program work," he said.

Buzzell believes that standby controls could have both a positive and a negative impact. The positive impact, he explained, is that it would warn the hospital industry of the consequences if the voluntary program failed.

"The negative impact," he said, "is that the legislation would enable the federal government to expand its regulatory arm — and I think that would be disastrous."

Buzzell said he was disappointed that the Voluntary Effort had not been endorsed by both the federal and state governments.

"Also," he noted, "I see a major flaw in the sense that we have not yet obtained the cooperation of the segment of our society that really causes a good portion of the costs of hospitals to occur. I am referring, of course, to labor, and labor costs can only be controlled if we get the cooperation of labor unions."

Sees opportunity

McNerney, head of Blue Cross/Blue Shield,

believes the Voluntary Effort "is an excellent opportunity for the private sector to display initiative and to establish itself as a socially accountable and publicly accountable force."

McNerney said he would like to see the AHA, AMA, and FAH "move more aggressively and faster" in implementing the voluntary program.

He also believes that industries serving the hospital industry "are going to have to be part of the dialogue (of cost containment) and exercise as much restraint as possible."

McNerney says it is essential that each hospital have a cost containment committee — involving the trustees, administration and the medical staff in the format and procedures of such a panel.

"This is a very important point," he stressed. "It is very essential that a hospital administrator — and I mean all of them — does not sit back and wait to see how things are going — whether this is a successful venture — whether somebody else is going to give more or less. It concerns me that, in a situation like this, some people tend to be cozy and adopt a wait-and-see attitude.

"Now is the time for some individual leadership,

AHA vice president wears second hat . . .

Paul W. Earle, vice president of the American Hospital Association (AHA), is wearing a second hat as executive director of the Voluntary Effort.

He is responsible for the day-to-day activities connected with the first joint, voluntary program of its kind in the health care industry.

Organization and communication are the prime objectives as the Voluntary Effort moves through the embryonic stages. The emphasis has shifted from the National Steering Committee on the Voluntary Cost Containment Program to the state voluntary cost containment committees.

"We are now in the process of starting a provisional certification program," Earle said. "Some of the states have already done this.

"This is Stage One of the program wherein each

state committee will ask every hospital in its state to take the cost containment issue up with its board of trustees and medical staff," he explained. "Boards will be asked to approve resolutions supporting the voluntary program and indicating to the state committee or the state hospital association what its rates of increase will be and what it is doing to contribute to voluntarily restraining increases."

Earle has served in several executive capacities since joining the AHA staff in 1968. He is a graduate of Princeton University and holds a master's degree in business administration from the University of Chicago Graduate School of Business.

He became an associate director of AHA in 1971, and in 1973 was promoted to director of management services. He was named vice president in 1975. He is responsible for three major AHA divisions — health delivery systems, human resources management and medical services.



Earle

expressed at the individual hospital level. If the administrator is frustrated about his potential loss of control — his potential loss of flexibility — his ability to manage the institution — now is the time to pay a small price toward a very large end — a future where there is more flexibility to get things done, rather than less."

Effort required

Froehlke, head of the Health Insurance Association of America (HIAA), believes that the Voluntary Effort is going "to take much effort and sacrifice on the part of hospital people throughout the country."

He expressed the viewpoint that the program was not moving fast enough, because "we should have been moving three years ago."

"But, having had a late start, and looking at all the problems involved, I think the industry is moving as fast as it can — but not fast enough," he said.

Froehlke said that the HIAA board "applauded and endorsed the Voluntary Effort and urged member companies to cooperate," at its February, 1978, meeting. He qualified this by noting that the HIAA

was "not going to put all of its eggs in the Voluntary Effort basket."

"We are going to continue to stress peer review, prospective budget review and alternate methods of delivering health care," he said.

Froehlke said that the HIAA board had endorsed the Rostenkowski standby controls bill — just as it had endorsed the Administration's cost control legislation. He noted that the Rostenkowski bill "is the only piece of cost containment legislation in the hopper now that does, in effect, endorse the Voluntary Effort."

He believes that hospitals can show their sincerity in the voluntary program by statistically proving that they are holding down the inflationary spiral and making the kind of tough management decisions that will ensure this.

To explain program

Mrs. Knauer, who served as a special assistant on consumer affairs in both the Nixon and Ford Administrations, has been given the responsibility by the steering committee to develop a program to explain the Voluntary Effort and the impact on cost of

as executive director of VE campaign

Earle said he was gratified, generally, over the progress that was being made at the state level although, understandably, some states were moving faster than others.

"One of the encouraging things about the committees that are being appointed," he said, "is that they are broadly based, similar to the National Steering Committee. A key aspect of this whole program is the fact that we are not talking just about hospitals but the whole private sector of health care delivery. Some state committees that have been organized are involving government, business, and, in some cases, labor, too, or at least getting labor's support. Also planning agencies are involved, too. So, this is a broad direction for the state committees to follow."

Earle said that many questions, received by his office regarding the program, seek clarification of the various points of the 15-point guidelines and goals, established by the National Steering Committee.

"Actually, what we are doing is asking every hospital in the country to take another look at its budget and operating capital and see what they can do beyond what they already have done to constrain costs," he explained. "Then we are asking every hospital to make an ongoing commitment to voluntarily restrain their increases. What one hospital can do is going to be different from another. For example, some hospitals are looking at the possibility of shutting down wings while others are thinking about postponing capital spending or cutting back in capital projects. So it really varies all over the map."

Earle conceded that it was too early to tell how successful "this whole program is going to be, but the response that we have received from various states and individual hospitals — and from physicians — give us cause to be optimistic that we can get the job done."

REVIEW

April 1978

Program Introduced To Hold Hospital Costs

Hospital Affiliates International, Inc., has announced that it is introducing its containment program more than 100 hospital re-managers.

The program, an effective immediate designed to limit hospital cost increases for patient care average of 7.5% or less 12-month period.

It is intended and will facilitate under

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50 state panels formed for Voluntary Effort

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medical service

By TOM KEOCH Health-Relations Writer

In a cost-cutting move, Woman's General here has lca they tal in tw nu the Eas

For mor tale have director, months, they have begun sharing other administrative personnel. Now medical services are a joint operation.

Woman's General Hospital will be used for medical and surgical patients. Also, Merrick Hall, the 14-bed alcoholism unit for women will remain at the hospital.

Polyclinic Hospital will handle pediatry and gynecology patients and maintain a small nutritional unit. Polyclinic's Family Medical Care Center, operated with the

omitted any, but for now when hospital remains under the control of separate board of directors. Representatives from each board sit on a combined board to decide on matters affecting joint operations.

In situations in which the hospitals have similar medical departments, the departments will often be headed by one person or co-department heads

Dr. Robert Bowman of Woman's General and Dr. Harman Sheket of Polyclinic are co-chiefs of staff for the combined hospitals.

House Unit Backs Voluntary Cost Cuts By Hospitals, Rejects Mandatory Curbs

WALL STREET JOURNAL costs down in hospitals will work better than government attempts to put a ceiling on hospital cost

Besides voluntary pr recently proposed by largest medical associations

a hard fight at later stages in the legis process. Seven Democrats voted for the

Energy conservation goal of state hospitals

ing hospital energy conservation providing a safe and comfortable environment for patients in the of the Kansas Hospital the Kansas Hospital station

at the KHA annual ink in Overland Park, ve the problems of disrupted supplies of aiating utility costs n hospital costs. It

cerned with utility shortages and uncertainties of supplies. Last winter many Kansas hospitals reported curtailment of natural gas supplies and were forced to switch to alternate, higher priced fuel at substantially higher fuel bills. Many reported increases of approximately 300 percent in their fuel bills during that period. For example, an 80-bed Kansas hospital reported it was required to burn propane instead of natural gas for 77 days last winter which resulted in a

Hospital Commended For Cost Containment

Johns Community Hospital has received a Certificate of Recognition from the Texas

Statewide Hospital Productivity Center which is dedicated to effecting immediate and continuing savings in individual hospitals. To date, substantial cost savings have been demonstrated. Reduction in costs to date amount to more than \$6 million

In issuing the Certificate of Recognition, Johns Community Hospital was praised by Hurst for its efforts to contain health care costs, improve the overall productivity of the hospital system in Texas and maintain high quality community health care. Administrator Louis West and his staff were recognized for attaining high productivity goals. THA, based in Austin, is the trade association of hospitals in Texas with a membership of over 600 health care institutions.

Workers help hospital save

By Jerris Fackrell
Beaumont News correspondent

PANGUITCH — While hospital costs over the nation rose about 30 percent last year, Garfield Memorial Hospital managed to maintain a 10 percent decrease according to Texas Hospital Association.

THE NEW YORK TIMES, TUESDAY, JANUARY 31, 1978

Health Industry Forms a Voluntary Program to Control Hospital Costs

He suggested strict adherence to the principle, constantly keeping an eye to sustaining interest on the part of existing medical staffs and at the same time limit the hospital possible face on cooperative in the young future memberships.

Sian Groh, vice president of Presbyterian Hospital, the proposed cooperative to obtain a significant Agency and its subar Georgette Jean said "a Robert Armstrong management planning plained the rationale f, speakers included Les Northridge Hospital assistant administrator

The Texas Hospital Assn (THA) has announced total savings of some \$96,000,000 to nonfederal, short-term community hospitals. This was accomplished through the efforts of individual hospitals and the operations of the Statewide Hospital

information, sharing of ideas and suggesting better work methods all Texans as well as our friends in neighboring states will be able to utilize the finest in health care at the lowest cost. In fact, hospital costs in Texas are 20 percent lower than national average

It was pointed out by Hurst that these savings were being used by hospitals to offset the ravages of inflation while maintaining quality care. Another spokesman for THA pointed out that Hurst

Hospitals Save \$96 Million

year

Another spokesman for THA pointed out that Hurst

A LEGISLATOR'S VIEW OF THE VOLUNTARY EFFORT

by Dan Rostenkowski (D-IL)

The following remarks were made by Rep. Dan Rostenkowski, chairman of the Subcommittee on Health of the House Ways and Means Committee, before the National Invitational Symposium on the Voluntary Effort in Chicago, November 8, 1978.

This afternoon, I hope that you will forgive me if I do not focus primarily on the statistical evidence of the accomplishments of the Voluntary Effort [VE]. The results of your activities—as measured by the hospital panel survey data—have been quite broadly reported. So broadly reported that, in recent months, I have come to know hospital expenditure percentages almost as well as voting percentages in Chicago's Eighth Congressional District, and believe me, those latter percentages are ones that I really know quite well.

But to be serious for a moment or two, I would like to express my sincere recognition and appreciation of your achievements to date. As major inflation indicators have progressed steadily upward in recent months, hospital costs, for a change, have not been leading the charge. Your promises of last year and your efforts to fulfill them have resulted in a considerable improvement in the status quo—much to the surprise of many. For that, everyone in this room is to be commended.

When I addressed the House of Delegates of the American Hospital Association in Washington not quite nine months ago, I noted that your efforts to voluntarily restrain the rapid rise in hospital costs were consistent with the President's 1978 State of the Union address, which expressed the view that "a sincere commitment to voluntary constraint" provides a way to best grapple with inflation without direct government controls. You have made that sincere commitment, and the results of your commitment are being acknowledged more openly in Washington every day.

Just two weeks ago the President outlined his program to deal with inflation throughout our economy. In detailed fact sheets accompanying his prepared remarks, the President did again call for the enact-

ment of hospital cost containment—a subject I would like to return to in a few moments. But at least as significantly, the President's explanatory papers discuss in specific detail the need to decelerate the inflation in medical care costs—primarily hospital costs—by a rate greater than the one-half percent which was being asked of other industries. To be specific, and I quote, "A more appropriate standard for this industry is a deceleration of at least two percentage points next year and continued deceleration in future years until the rate of growth in medical expenditures is brought into line with the rate of growth of the overall Gross National Product." Those goals sound quite familiar to me. Although the VE may not be loved by all in Washington, your goals and your accomplishments certainly now are recognized in high places.

If I correctly interpret the President's goals, he wants to couple this year's accomplishments with a similar success next year so that the growth in total hospital expenditures is brought into line with the GNP growth rate. Sounds like somebody has been analyzing the effect of my compromise bill.

In my opinion, the President's goals, which also happen to be your goals, and consistent with the goals endorsed by my subcommittee—are reasonable. Simply stated, they mean the growth in overall hospital expenses each year—expenses which are related to increased utilization, improvement in your product (and growth of the hospital sector) as well as general inflation of the economy—should be approximately the same as the sum of real growth and inflation in the rest of the economy.

So, after two years of rather emotional debate on the issue of hospital cost containment, it appears that we all now agree on our major goal, where we should be heading to improve the present situation. In witnessing the Administration and your industry slowly narrowing the distant poles that once separated you, I have observed significant concessions on both sides. From the industry, I have for the first time seen a genuine admission that there is a real problem here; you have stopped being negative and publicly recognized that maintenance of the status quo was just

not acceptable. From the Administration, there have been concessions as well. The President's recently stated goal of keeping the growth in hospital costs consistent with the overall growth in the economy is certainly far more flexible than the original cost containment proposal which emerged from HEW in April of 1977.

So now that we have considerable agreement on where we want to go, the question remains what is the best way to get there. This is where your industry and I continue to have our differences.

Long experience in government has given me an acute sense of the limitations of government intervention and a deep respect for the importance of freedom of choice and diversity in the health industry. Like you, I want to see a system that handles cost containment through healthy competition and real bargaining processes, a system marked by voluntary efforts within bounds acceptable to the public and the government. And I believe that this is the kind of system the American people would prefer.

I have been well aware, however, that this view is not shared by everyone. Many sincere people—both within and outside the government—are discouraged by the hospital industry's past record in controlling costs, and what they view as unkept promises made

by the industry when wage and price controls were removed several years ago. I cannot, in all good conscience, ignore their views or their assessment of the record. And I have found that it is necessary, within the framework of our pragmatic political system, to take these views into account. Thus, I offered in the last Congress what I believed to be a reasonable reconciliation of divergent views—primary reliance on the industry's voluntary efforts to achieve a goal we all share, with recourse to a federal fallback program only if the industry's voluntary program fails to meet its objectives. Given the universal recognition of the fact that a serious problem does exist, I believe we can do no less than face up to the reality that a failure of the voluntary approach will leave no alternative but government intervention.

I must say that the response of the health community to my challenge to develop a voluntary program has persuaded me that my initial judgment was correct. I want to assure you that I—and many others—remain aware of what has been accomplished and that we will continue to closely follow and acknowledge your efforts.

In our habit of measuring successes and failures in this area strictly in terms of percentages, we can lose sight of the real dollar impact of the Voluntary Ef-





fort. From fiscal year 1977 to 1978, Medicare hospital benefit outlays increased by 17.1 percent. In the congressional budget for the fiscal year which began October 1, 1978, the projected Medicare increase for these same benefits is 12.5 percent. The sharp drop in percentage growth for this part of the Medicare program is \$805 million; \$680 million of this reduction is being attributed to the effect of the Voluntary Effort. Your work is making a difference.

I hope, however, that I will not be misunderstood. My compliments, like all compliments given to or by politicians, are provisional. Every politician knows that he cannot stand only on his past record—he has to be able to provide a program for the future, assurances as to what he will do tomorrow. You are all familiar with the question every constituency regularly poses: "Yes, but what have you done for me lately?"

The moral I draw from this is that you dare not think you can rest on your laurels. Nine months or even one year of success will not persuade those who need to be persuaded that the voluntary program can achieve its goals on a long-range basis and that we can rely on all within the industry to subordinate more narrow interests to the larger public interest. To accomplish that purpose you will have to repeat your success, maintain the high level of dedication and enthusiasm so far attained, and produce long-term results that continue to justify your faith in the capacity of the industry to meet freely and responsibly defined goals.

I believe that the critical test of the industry's sincerity and capacity to responsibly manage itself without the direct intervention of the federal government still lies ahead. There can be no letting up, no backsliding, no self-congratulation. Too much is at stake for all of us. Too much yet remains to be proved. And let me say, also, that it is an effort worth undertaking—not just for the negative reason of avoiding government controls, but for the positive reason of restoring public confidence in the industry's total commitment to the health and welfare of the American people.

As we look ahead to next year in the Congress, I cannot help but believe that progress on federal legislation to control hospital costs will inevitably be linked to progress that you make on the Voluntary Effort. Although I have not recently discussed next year's legislative agenda with anyone in the Administration, I am quite sure that some revised form of hospital cost containment legislation will be advocated early in the next session. From my standpoint, I continue to believe a rational standby program would be the most effective incentive to help you pursue your goals. In either event, much legislative improvement can of course be made—both in the Administration's original approach and in my standby program. These both surely will be considered during the next session.

But as I say this, it should also be noted that I am a political realist. I know—and you know—that whatever happens during legislative debate on this issue will be done with a full appreciation of the performance of the Voluntary Effort. Just as it is clear that your failure to continue to achieve your goals will accelerate congressional action next year on this issue, the continued success of the Voluntary Effort cannot be ignored. To put it simply, your best weapon to slow the advancement of federal legislation in this area—is to preempt the need for it. Continued success of the Voluntary Effort might well just do that.

In first discussing this issue at the American Hospital Association meeting last February, I compared your response to President Carter's proposal to the impact of the old army draft—I said that nothing stimulates volunteers as effectively as the genuine fear of the draft. So in closing today, let me remain consistent in my analogy. There are some in Wash-

ington who today regret that the Congress has done away with the old Selective Service System. They still believe compulsory military service should be required for all. There are others who believe that the draft should be available on a standby basis, in case there isn't sufficient voluntary effort to meet our military goals. Finally, there is a third group—the one which to date has prevailed. They argue that the voluntary army is working, so we should forget about the draft and focus on other legislative priorities.

For cost containment, the Administration has urged mandatory, and I have urged standby approaches, but you are going to make it tough for us to sell either program as long as your voluntary army is producing solid statistical results. Your future, ladies and gentlemen, is in your hands. Your cost containment performance in each of the 50 states will strongly influence what the Congress does during the next year. ■

During 1978, the Reader's Digest Association, in cooperation with the AHA's Office of Public Affairs, conducted a special program through which it donated more than 400 stereo home entertainment systems worth more than \$200,000 to AHA member institutions.

The quadraphonic systems, which included turntables, dust covers, AM-FM stereo radios, eight-track stereos, and four speakers, were part of a discontinued line of equipment that Reader's Digest Association wished to phase out. In exchange for its donation, Reader's Digest Association wanted the AHA to select the recipient institutions and publicity for the program.

The AHA recommended that the systems be offered to long-term care institutions, because they usually have recreation rooms where the equipment can be used and because the number of such institutions closely matched the number of available stereo systems. The AHA issued a general press release about the donation program, notified the selected institutions about the donation, and supplied them with sample press kits to publicize the donation.

Reader's Digest Association was delighted with the press coverage the program received and believed that it was very successful, especially because of the AHA's cooperation. AHA membership response to the program was overwhelmingly favorable, as shown by some of the comments that appeared in members' publications or in letters of thanks received by the Reader's Digest Association:

"The system serves as a constant reminder that there is a way and a role for private enterprise to show its concern for people who are institutionalized."

"Our employees are devising methods of making the system portable so that a maximum number of our residents, located in separate wards, might enjoy the excellent sound reproduction."

"The Entertainment System has been installed in our main hospital dining room, where approximately 400 patients will now have the opportunity of listening to background music during meal periods."

"I hope that you have an idea of the limited recreation budget in a state hospital so that you will know just how much this fine system will add to the pleasure of our patients."

"Our kids are deriving a tremendous amount of pleasure from this great audio equipment."

In addition, this program was a valuable undertaking for the AHA, enabling it to provide a tangible benefit to its member institutions and their patients and providing it with an opportunity to work effectively with a segment of private business. ■

AHA, READER'S DIGEST TEAM UP TO BENEFIT LTC INSTITUTIONS

DECEMBER 16, 1978

hospitals

JOURNAL OF THE AMERICAN HOSPITAL ASSOCIATION

Synopsis '78
Including the index to Vol. 52

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Position Paper

Senate Joint Resolution 22

"Applauding the Alaska hospitals' voluntary cost containment efforts and requesting a progress report to the legislature."

The position of this department is to wholeheartedly support the SJR which resolves that the Legislature: applauds the voluntary cost containment efforts of the Alaska Hospital Associations; desires a continued information exchange between the two bodies; and, respectfully requests a report of the latter body to the former body not later than January 15, 1980.

Recommended by: Joe Betit Date 2-23-79
Joe Betit
Coordinator
Office of State Health Planning
and Development

Approved by: Helen D. Beirne Date 3/18/79
Helen D. Beirne
Commissioner
Department of Health and
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Office of State Health Planning
and Development

Approved by: Helen D. Beirne Date 3/18/79
Helen D. Beirne
Commissioner
Department of Health and
Social Services

Position Paper

Senate Joint Resolution 22

"Applauding the Alaska hospitals' voluntary cost containment efforts and requesting a progress report to the legislature."

The position of this department is to wholeheartedly support the SJR which resolves that the Legislature: applauds the voluntary cost containment efforts of the Alaska Hospital Associations; desires a continued information exchange between the two bodies; and, respectfully requests a report of the latter body to the former body not later than January 15, 1980.

Recommended by:

Joe Betit
Joe Betit
Coordinator
Office of State Health Planning
and Development

2-23-79
Date

Approved by:

Helen D. Beirne
Helen D. Beirne
Commissioner
Department of Health and
Social Services

3/18/79
Date

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

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Coordinator
Office of State Health Planning
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frames of

Position Paper

SJR 22

SJR

27

COMMITTEE REPORT
SENATE

3/9/79

FURTHER: None

Date: 3-12-79

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SJR 27

urging Congress to return to the states the right to regulate mines with respect to health & safety standards

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

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Betty Schenkman

CHAIRMAN

SJR 27 "Urging Congress to ^{strengthen} retain to the
By: Bennett stated the right to regulate mines
with respect to safety & health
standards

Introduced 3-9-79

Logged 3-9-79

Referrals none

Comm. Meeting 3-11-79
" action - passed - taken Senate floor @ 8:30 AM 3-13-79

SJR

34

SJR34 "Relating to the disposal ^{S.H.S.S. 79.8D} of nuclear
waste material in Alaska"
By Kertulla

Introduced 4-18-79
Logged - 4-18-79
Referrals Judiciary
Comm. Hearing
" Action

Ret'd & Rem Secy 1-21-80

SJR

54

COMMITTEE REPORT
SENATE

2/22/80

FURTHER: None

Date: 3-17-80

Mr. President:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SJR 54
marine sanitation requirements imposed by U.S. Coast Guard regulations

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

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

MEMBERS SIGNING
DO PASS

Goldwater
Strom Thurmond

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Sam Altmeyer
CHAIRMAN

DO PASS

Introduced 2-22-80

Traced 2-22-80

Referred none

Comm. meeting 3-17-80

7 action passed taken Senate May 3-19-80 - 8:30 AM.

SJR 54 "Relating to maritime ~~essentials~~
By State Affairs requirements imposed by U.S.C. D.
Committee regulations."

✓ notified Mr. Hutcheson U.S.C. D.
✓ M. L. G. H. M. S.