

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 86/2

1405 HESS SB 256 - SB 649 / 90

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 256 "An Act repealing the requirement that the person  
Title managing or administering an AK Pioneers' Home be a licensed nursing home adminis  
Requested by for Senator Paar Date 3-10-81

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
Program Category Affected Public Protection  
BKU, Program, or Subprogram(s) Affected Regulation and licensing of professions.  
(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

No fiscal impact.

*Marjorie Odland*

IV. DATE 3-10-81 PREPARED BY Marjorie Odland, Regulations Specialist  
AGENCY Division of Occupational Licensing  
PHONE 465-2535  
Original: Legislative Finance  
cc. Budget and Management  
Prime Sponsor (First Legislator Named)

Editor's note. — As to the purpose of ch. 126, SLA 1977, see editor's note to AS 47.23.010.

**Sec. 47.23.280. Severability:** Alternative when method of notification held invalid. If any provision of this chapter or the application of it to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable. If any method of notification provided for in this chapter is held invalid, service as provided for by the laws of the state for service of process in a civil action shall be substituted for the method held invalid. (§ 29 ch 126 SLA 1977)

Editor's note. — As to the purpose of ch. 126, SLA 1977, see editor's note to AS 47.23.010.

## Chapter 25. Destitute and Needy Persons.

### Article

1. Pioneers' Home (§§ 47.25.010 — 47.25.110)
2. General Relief Assistance (§§ 47.25.120 — 47.25.300)
3. Aid to Families with Dependent Children Act (§§ 47.25.310 — 47.25.420)
4. Old Age Assistance (§§ 47.25.430 — 47.25.610)
5. Aid to the Blind (§§ 47.25.620 — 47.25.780)
6. Aid to the Permanently and Totally Disabled Act (§§ 47.25.790 — 47.25.790)
7. Food Stamp Program (§§ 47.25.975 — 47.25.990)

### Article 1. Pioneers' Home.

Section	Section
10. Maintenance of Alaska Pioneers' Home	60. Trust fund.
20. Admission to home	70. Indebtedness of beneficiary to state
30. Admission on payment	80. Enforcement against estate
35. Exception to admission criteria	90. Enforcement against property outside state
40. Transfer of insane inmates to asylum or sanitarium	100. Certificate as evidence
50. Maintenance funds	110. [Repealed]

**Sec. 47.25.010. Maintenance of Alaska Pioneers' Home.** (a) The state shall maintain an institution for the care of needy persons, known as the Alaska Pioneers' Home. The principal home shall be maintained at Sitka, and a branch may be maintained at a site or sites designated by the commissioner of administration.

(b) The Department of Administration shall formulate general policies, but has no administrative or executive functions other than those set out in AS 47.25.010 — 47.25.110. It may hold hearings and subpoena witnesses and documents and may administer oaths in connection with them.

§ 47.25.020 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.25.020

(c) The Department of Administration shall

(1) cooperate with the federal government in matters pertaining to the welfare of Alaskan pioneers, make the reports in the form and containing the information the federal government from time to time desires, and accepts funds allotted by the federal government, its agencies or instrumentalities, in establishing, extending and strengthening services for pioneers of Alaska;

(2) adopt regulations necessary for the conduct of the business of the Pioneers' Home and for carrying out the provisions of AS 47.25.010 — 47.25.110, require bonds and undertakings from persons employed by it as in its judgment are necessary, and pay the premiums on them, and establish regional and local offices and the advisory groups which are necessary or considered expedient to carry out or assist in carrying out a duty or authority assigned to it;

(3) perform all executive or administrative duties necessary and advisable to carry out the purpose of AS 47.25.010 — 47.25.110, including the power to make contracts and to make disbursements on vouchers against funds for the purpose of AS 47.25.010 — 47.25.110, within the limit of funds available;

(4) study the needs of Alaska's pioneers and submit recommendations for new rules, regulations and proposed legislation;

(5) prepare an annual report to the legislature.

(d) The Department of Administration may employ the necessary subordinate officers and employees, and shall prescribe methods for operation of the Pioneers' Home, standards of care and service to residents, and rules governing personnel and rewarding employees on a merit basis. (§ 51-2-11(a) (c) ACLA 1949; § 51-2-12 ACLA 1949; am § 1 ch 71 SLA 1963; am Executive Order No. 30 (1968); am §§ 1. 2 ch 11 SLA 1979)

Effect of amendment. — The 1979 amendment deleted "north and west of Yakutat" from the end of subsection (a) and substituted "residents" for "inmates" in subsection (d).

**Sec. 47.25.020. Admission to home.** Every worthy person residing in the state who has been a resident of the state continuously for more than 15 years immediately preceding his application for admission, and who is destitute and in need of the aid or benefit of the home because of physical disability or other cause, is entitled to admission to the home under the conditions, limitations and penalties prescribed by the regulations of the Department of Administration. No person may be admitted as a resident of the Alaska Pioneers' Home under the provisions of AS 47.25.010 — 47.25.110, if the support and maintenance of the person is imposed by law upon a relative or member of the family of the person.

(b) Every person admitted to the Pioneers' Home, except a person admitted under AS 47.25.030, who receives income from any source in

excess of \$35 a month may be required by the Department of Administration to pay the excess to the Department of Administration immediately upon receipt of the money in payment, or part payment, of the cost of his maintenance.

(c) At the end of each month the payments made under (b) of this section shall be transmitted to the commissioner of revenue together with the names of the persons making them and the amount paid by each. The Department of Administration may pay the sum of \$35 a month to a resident without funds.

(d) The money received by the commissioner of revenue shall be deposited in the general fund. (§ 51-2-13 ACLA 1949; am § 1 ch 158 SLA 1955; am § 1 ch 118 SLA 1957; am § 1 ch 89 SLA 1961; am § 1 ch 63 SLA 1965; am Executive Order No. 30 (1968); am §§ 1, 2 ch 7 SLA 1971; am § 3 ch 11 SLA 1979)

The 1979 amendment substituted "resident of" for "guest to" in the second sentence of subsection (a). Legislative history report. — For report on ch. 7, SLA 1971 (SB 70), see 1971 House Journal, p. 217.

**Sec. 47.25.030. Admission on payment.** A citizen of the United States over 65 years of age who is a resident of the state and has been a resident for not less than 15 years continuously immediately preceding his application, but who is not destitute, may on application be admitted to the home upon his agreement to pay to the state a sum for each day as the Department of Administration considers sufficient to compensate the state for the cost of care and support of the person at the home. When this agreement is entered into the Department of Administration may receive the security for the payments, which it considers expedient. (§ 51-2-14 ACLA 1949; am § 2 ch 89 SLA 1961; am Executive Order No. 30 (1968))

**Sec. 47.25.035. Exception to admission criteria.** An applicant for admission to the home who has been a resident of the state for 30 years and is otherwise qualified for admission under AS 47.25.020 or 47.25.030 may not be disqualified for admission because of absence from the state if the commissioner of administration determines the absence was reasonable, and admission is consistent with the intent of this chapter. (§ 2 ch 89 SLA 1978)

**Sec. 47.25.040. Transfer of insane inmates to asylum or sanitarium.** A person regularly admitted into the home who is found to be insane may be transferred to an institution provided for the care and custody of insane persons for the state in the manner provided by law for the admission of other persons to the institution. (§ 51-2-15 ACLA 1949)

**Sec. 47.25.050. Maintenance funds.** The legislature shall each session appropriate the necessary funds for the maintenance of the

home to be expended by the Department of Administration, and that department may receive funds, donations and bequests from private individuals, societies or organizations, and funds from the federal government for the support and maintenance of the home. (§ 51-2-16 ACLA 1949; am Executive Order No. 30 (1968))

**Sec. 47.25.060. Trust fund.** Unless otherwise provided by the donor, all money bequeathed to the Alaska Pioneers' Home constitutes a special trust, and shall be deposited in a special fund designated the "Alaska Pioneers' Home Trust Fund." Unless otherwise provided by the donor, interest from this fund is under the control, and at the disposal of the Department of Administration, and expenditure from it is limited to the benefit and comfort of the residents of the home. (§ 51-2-17 ACLA 1949; am Executive Order No. 30 (1968))

**Sec. 47.25.070. Indebtedness of beneficiary to state.** (a) An expense incurred for a person under AS 47.25.010 — 47.25.110 with interest at a rate of six per cent a year from date of payment, is a debt to the state and may be recovered during the life of the beneficiary. The debt is a first, prior and preferred claim against the estate of the beneficiary after his death, and after all claims for food, clothing, fuel, shelter, medical aid or burial expenses are paid.

(b) Money left in charge of the Department of Administration by a deceased resident of the Pioneers' Home may be used for the burial and funeral expenses of the deceased resident and for the improvement of the burial plot of the Alaska Pioneers' Home.

(c) The clothing and other personal effects left by a deceased resident of the home may be used for the benefit of other residents, or may be given to relatives or sold and the proceeds applied in the manner provided for money left by a deceased resident. (§ 51-2-101 ACLA 1949; am Executive Order No. 30 (1968); am §§ 4, 5 ch 11 SLA 1979)

**Effect of amendment.** — The 1979 amendment substituted "deceased resident" for "deceased inmate" in two places in subsections (b) and (c) and substituted "other residents" for "other inmates" in subsection (c).

**Conduct of decedent entitling claim of state to priority.** — Where (1) the decedent swears initially and annually thereafter

that she owns no property, although during all that time she has approximately \$10,000 in cash; and (2) the transfer thereof is without consideration, the claim of the state is entitled to priority in conformity with the provisions of this section. In re Jackson's Estate, 15 Alaska 116, 123 F. Supp. 143 (D. Alas. 1954).

**Sec. 47.25.080. Enforcement against estate.** If a beneficiary under AS 47.25.010 — 47.25.110 dies leaving an estate in the state, the attorney general, or the Department of Administration, shall file with the executor or administrator, or with the probate court, the claim of the state against the estate, and the attorney general shall take the steps necessary to enforce and collect the claim. Money collected shall be paid into the treasury of the state. (§ 51-2-102 ACLA 1949; am § 1 ch 46 SLA 1957; am Executive Order No. 30 (1968))

A REVIEW OF  
ALASKA PIONEERS' HOMES  
DEPARTMENT OF ADMINISTRATION

July 1, 1975 - June 30, 1976

Commissioner, Department of Administration  
Deputy Commissioner, Department of  
Administration

B. B. Allen

Robert S. Gates

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## PURPOSE OF THE REVIEW

In accordance with the provisions of Title 24 of the Alaska Statutes, a comprehensive review of the Alaska Pioneers' Homes (APH), Department of Administration, was conducted to determine if:

1. The financial statements which appear in the State's Annual Report for fiscal year 1976 are presented fairly.
2. The performance of the Pioneers' Homes is acceptable in terms of economy, efficiency and effectiveness.

The performance section more specifically evaluated:

1. Quality of care - medical and social - at the Pioneers' Homes.
2. Cost of care provided by the Homes.
3. Activities and duties of the APH Advisory Board.
4. Financial recordkeeping for the residents of the Homes.

## ORGANIZATION AND FUNCTION

The Alaska Pioneers' Homes, established under AS 47.25, are run by a Home manager who reports to the Division of Pioneer Benefits, Department of Administration. The four homes presently in operation are located in Sitka, Palmer, Fairbanks and Anchorage. The purpose of the Pioneers' Homes is to provide for the personal needs, medical care, general comfort and welfare of Alaska's pioneers.

To be eligible to enter a Pioneers' Home, applicants must be 65 or older and must have been a resident of Alaska for 15 years. Residents are charged \$225-275 per month depending on the type of care they receive.

The Pioneers' Home Advisory Board was established under AS 44.21 to provide an outside review of the Pioneers' Homes. The Board members are appointed by the Governor. They perform semi-annual inspections of the Homes, review applications, investigate complaints, and review construction plans.

## FINDINGS AND RECOMMENDATIONS

### Recommendation No. 1

Policies and procedures should be established for handling finances for residents unwilling or unable to take care of their own affairs.

The administrative personnel in the Pioneers' Homes help residents with their financial affairs. This help is performed from verbal instructions from the resident or, in the case of extreme senility, the perceived needs of the resident. Between the various services performed for the resident by administrative personnel, some residents never see their money except to sign their income checks. The degree to which help is given depends upon:

1. If the resident is both willing and competent to handle his own affairs (a number are competent but do not want to be bothered, other residents cannot sign their name or do not know the meaning of what they are signing).
2. If the resident is physically able to go to the bank.
3. If the resident has given power of attorney to a friend, relative or bank to handle financial affairs for them.

Without proper written authorization and good internal control, the handling of resident's financial transactions could be subject to misinterpretation of verbal instructions and conflicts due to the forgetfulness or errors of residents or personnel. The State could be held liable for discrepancies from errors which arise from transactions which are not fully documented.

The Homes should have a system of control which includes written authorization by each individual for the Homes to:

1. Cash checks for residents.
2. Make payments for care directly out of income.
3. Deposit excess cash in the trust fund.
4. Withdraw funds from the trust fund for the resident or in direct payment of a bill.
5. Do local shopping for the resident.

Types of authorizations which the Homes might use could include: Signatures on withdrawal slips, written instructions as to disposition of monthly income, power of attorney, or authorization from the resident's guardian.

Every financial transaction performed by the Homes should be covered by an authorization from the resident or his guardian. The help of Internal Audit and the Attorney General should be enlisted to insure that procedures initiated minimize the liability of the State.

#### Recommendation No. 2

The Department of Administration should develop a systematic method of evaluating and changing payment rates for care in the Pioneers' Homes. Rate determination should be based on the residents' ability to pay.

Prior to Social Security, Longevity Bonus and other retirement funds, the pioneers had little money and were not expected to pay for cost of care. When residents began receiving retirement income, the State began requiring partial payment for care. Increases in required payments for care have not kept pace with increases in cost of care and increases in resident income.

Alaska Statute 47.25.030 requires residents to pay to the State what the "Department of Administration considers sufficient to compensate the State for the cost of care and support of the person at the Home", although residents are to be cared for regardless of how much they are able to contribute. In 1967, Sitka Home residents paid 66% of the cost of care. In 1976 Sitka Home residents were required to pay only 21% of the cost of care. Fairbanks residents paid as low as 14.5% of the cost of care.

In 1975-1976 both the Pioneers' Homes Advisory Board and Internal Audit recommended substantial rate increase but only a slight increase resulted. Some residents can afford to pay more. Residents should be charged what they can afford to pay, up to the full cost of care.

#### Recommendation No. 3

The Pioneers' Homes should adopt the Medicaid/Medicare regulations in order to provide minimum standards for the Homes.

While visiting the three Pioneers' Homes we observed an atmosphere of well-being in the Homes. The residents appeared content and healthy. However, because the Homes are medical institutions we feel there should be strict standards governing the quality of care.

To provide a basis for setting minimum standards we feel the Homes should adopt the Medicaid regulations. The Homes have had unwritten standards of care, however we feel the Medicaid standards should be adopted for the following reasons:

1. Medicaid/Medicare regulations are the only current nationwide standards for operation of nursing homes.
2. The Homes have been considering applying for Medicaid in order to receive Medicaid payments.
3. The private nursing homes in the State operate under Medicaid standards.
4. Some of the areas we determined needing attention are covered by Medicaid standards:
  - a. Written receipts for all deposits and withdrawals from a resident's trust account.
  - b. An overall plan of care for each resident including medical, social, physical, recreational, and dietary needs.
  - c. Guidelines for prescribing and administering drugs to patients.
  - d. Qualified licensed therapy personnel, including a licensed dietitian which the Homes do not presently have.
  - e. A pharmacy under the supervision of a qualified pharmacist.

A policy and procedures manual was recently completed and distributed by the Director of Pioneers' Homes. The manual does not, however, provide for overall coordinated plans of care for each resident and does not require a registered dietitian to supervise the food service.

#### Recommendation No. 4

The Pioneers' Home Advisory Board should make formal reports to the Governor at the conclusion of each meeting as to the issues discussed and recommendations made.

The Board is required by AS 44.21.100 to make recommendations to the Governor on the Pioneers' Homes which are administered by the Department of Administration. There were no formal reports available on the Board activities at the Office of the Governor. The Department of Administration has some correspondence on major problems but no formal

reports as to the Board's discussions on issues raised at meetings. One informal letter report was made on the request of the Commissioner of Administration to confirm a telephone conversation.

The Alaska Statutes require that the Board recommend to the Governor changes and improvements. Stated objectives of the Board are to provide the Governor firsthand reports on the situations existing in the Homes. The Governor is not being made aware of conditions of the Pioneers' Homes as was intended. In addition, the persons ultimately responsible for the Board, the Governor and his staff, have no way to effectively evaluate the performance of the Board.

Recommendation No. 5

A complete physical inventory should be taken of all equipment under the control of the Pioneers' Homes to update the property list. The property list should then be maintained in accordance with the State Property Manual.

The Pioneers' Homes equipment figure in the Annual Report is understated by \$237,454. The understatement is a combination of the following:

1.	Not all equipment was listed under Pioneer Homes, Department of Administration.		
	a. Sitka home equipment listed under the Department of Health and Social Services	\$148,894	
	b. Fairbanks home equipment was listed under Longevity Bonus	<u>23,558</u>	\$172,452
2.	FY 1976 purchases not tagged and recorded		21,457
3.	Approximate understatement of Fairbanks equipment calculated by taking the increase in equipment during FY 1977 (\$51,304) less purchases of equipment over the same period (\$7,759).		<u>43,545</u>
	TOTAL Understatement		<u>\$237,454</u>

The FY 1976 understatement had been corrected by the time this audit was completed. In addition to the above problems, we found that 22% of the individual equipment items tested were not properly recorded. The improperly recorded equipment included items that could not be located, tag numbers on the property list not consistent with tag numbers on the equipment, property not tagged, and property which still had Health and Social Services tags on it.

Each agency is responsible for maintaining current and accurate inventory records of property under its control. These records establish accountability and provide essential information for the effective management of State owned property.

We recommend that the agency take complete inventory of all controlled property using the official property list as a starting point. When the inventory is completed and the property lists updated, all provisions of AS 37.05.060 and the State's property accounting manual should be followed to maintain these lists in an accurate condition.

Recommendation No. 6

The Department of Administration should report buildings at historical cost.

The financial statements for fiscal year 1976 report Pioneers' Home buildings at insurable value, \$17,561,147. This is \$5,726,452 greater than property list value. The Department of Administration feels insurable value more accurately reflects the current value of the buildings.

However, generally accepted accounting principles require buildings to be stated at historical cost which is verifiable and less subject to fluctuation or manipulation. Insurable value could be reported parenthetically or as a footnote along with historical cost.

DISPOSITION OF RECOMMENDATIONS PRESENTED IN THE  
INTERNAL AUDIT REPORT ON THE SITKA, PALMER  
AND FAIRBANKS HOMES

Internal Audit issued a report on the Pioneers' Homes in March, 1976. Their scope included a review of internal control and operations. As part of our review, we followed up on the recommendations made by the State's Internal Auditor to determine if the recommendations have been implemented during the intervening 1½ years.

Many of the Internal Audit recommendations concerning internal control over trust funds and food inventory have not been implemented. Their report noted other aspects of internal control which were being followed, but are not now being followed. Below is a summary of those controls not implemented (A) or not presently followed (B). In some cases, the procedure was already in effect and continues to be in effect in a specific home (N/A).

Description of Control

<u>Trust Funds</u>	<u>Sitka</u>	<u>Palmer</u>	<u>Fairbanks</u>
1. Combine Guest Trust Fund and guest envelopes	A	N/A	A
2. Issue receipt and withdrawal slips	A	N/A	A
3. Transfer trust funds from checking account to a savings account	A	A	A
4. Reconcile cash overage to guest trust fund ledger cards (1)	A	N/A	A
5. Distribute interest from savings account to applicable residents	A	N/A	N/A
<u>Food Inventory and Other Supplies</u>			
1. Keep perpetual inventory	A	N/A	A
2. Someone other than person issuing/receiving supplies should take physical inventory	A	A	A
3. Storage areas should be kept locked at all times	N/A	B	B

Sitka   Palmer   Fairbanks

4. Distribution of food inventory and supplies should be made by a stockhandler from written requisitions:

N/A            B            B

NOTE:    (1) The Fairbanks cash overage as of 4/30/77 was \$136. The Sitka cash overage as of 4/30/77 was \$9,143. (Of this, \$7,575 is interest from the trust savings which has never been distributed to trust fund participants.)

Disposition of Federal Review - June 1975

See Accompanying Notes to the Financial Statements

## STATE OF ALASKA

AUDIT DIVISION  
POUCH W-ALASKA OFFICE BUILDING

## THE LEGISLATURE

FINANCE DIVISION  
POUCH WF-STATE CAPITOL

BUDGET AND AUDIT COMMITTEE

IUNEAU 99801

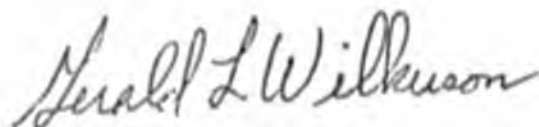
July 31, 1977

Members of the  
Legislative Budget and Audit Committee:

We have examined the Statement of Revenues - Estimated and Actual, the Statement of Expenditures and Encumbrances Compared with Appropriations - Operating Programs, the Statement of Expenditures and Encumbrances Compared with Appropriations - Capital Outlay Projects, and its related schedule, and the Statement of General Fixed Assets for the Department of Administration, Pioneers' Homes for the fiscal year ended June 30, 1976. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Statement of General Fixed Assets includes buildings valued at insurable value and not cost, which overstates the fixed assets for the Pioneers' Homes by \$5,726,452. Equipment for the Homes is understated by \$237,454.

Because of the materiality of the items described in the preceding paragraph, the accompanying Statement of General Fixed Assets does not present fairly the fixed assets for the Department of Administration, Pioneers' Homes as of June 30, 1976. In our opinion, the Statement of Revenues - Estimated and Actual, the Statement of Expenditures and Encumbrances Compared with Appropriations - Operating Program, the Statement of Expenditures and Encumbrances Compared with Appropriations - Capital Outlay Projects and its related schedule, present fairly the revenues, expenditures, encumbrances and appropriations of the Pioneers' Homes for the fiscal year ended June 30, 1976 in accordance with generally accepted governmental accounting principles.



Gerald L. Wilkerson, CPA  
Legislative Auditor  
Division of Legislative Audit

DEPARTMENT OF ADMINISTRATION  
PIONEERS' HOMES  
STATEMENT OF REVENUES - ESTIMATED AND ACTUAL  
July 1, 1975 - June 30, 1976

<u>Classification</u>	<u>Estimated</u>	<u>Actual</u>	<u>Over or (Under) Estimate</u>
Food Service Receipts	\$ 10,900	\$ 9,990	\$ (910)
Guest Receipts	751,200	642,851	(108,349)
Quarters Rentals	-0-	1,600	1,600
Possessions at Time of Death	-0-	29,029	29,029
Social Security Death Benefits	-0-	2,185	2,185
Jury and Workmen's Comp	-0-	619	619
Deposits in Suspense	-0-	196	196
Miscellaneous Revenue	-0-	2,171	2,171
<b>TOTALS</b>	<u>\$ 762,100</u>	<u>\$ 688,641</u>	<u>\$ (73,459)</u>

DEPARTMENT OF ADMINISTRATION  
PIONEERS' HOMES  
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS  
OPERATING PROGRAMS  
July 1, 1975 - June 30, 1976

	<u>1975-76</u> <u>Budget Act</u> <u>Appropriation</u>	<u>Continuations</u> <u>Supplements</u> <u>and Revisions</u>	<u>Authorizations</u>	<u>Expenditures</u>	<u>Encumbrances</u> <u>at Close</u> <u>of Year</u>	<u>Balance</u> <u>Lapsed</u>
Pioneer Homes	<u>\$4,717,200</u>	<u>\$ 493,374</u>	<u>\$5,210,574</u>	<u>\$4,735,404</u>	<u>\$ 335,120</u>	<u>\$ 140,050</u>
<u>By Object</u>						
Personal Services	\$3,477,500	\$ 493,374	\$3,970,874	\$3,733,982	\$ 180,057	\$ 56,835
Travel	14,000	-0-	14,000	6,725	259	7,016
Contractual	701,000	-0-	701,000	210,957	121,546	368,497
Commodities	426,500	-0-	426,500	455,951	30,567	(50,018)
Equipment	65,000	-0-	65,000	45,706	2,691	16,603
Grants, Claims	33,200	-0-	33,200	-0-	-0-	33,200
Non-Expense Items	-0-	-0-	-0-	282,083	-0-	(282,083)
<b>TOTALS</b>	<u>\$4,717,200</u>	<u>\$ 493,374</u>	<u>\$5,210,574</u>	<u>\$4,735,404</u>	<u>\$ 335,120</u>	<u>\$ 140,050</u>
<u>Source of Funds</u>						
<u>General Fund</u>						
Appropriation Act SLA 75, Chap. 209	\$4,717,200					
Supplemental Approp- riation, SLA 76, Chap. 5	361,200					
Salary Increase SLA 76, Chap. 67	292,174					
Revised Programs	<u>(160,000)</u>					
<b>TOTALS</b>	<u>\$5,210,574</u>					

See Accompanying Notes to the Financial Statements

DEPARTMENT OF ADMINISTRATION  
PIONEERS' HOMES  
STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS  
CAPITAL OUTLAY PROJECTS  
July 1, 1975 - June 30, 1976

STATE OF ALASKA

15

DIVISION OF LEGISLATIVE AUDIT

	<u>Continuing Authorizations</u>	<u>Expenditures</u>	<u>Unencumbered Balance Continuing Programs</u>
Kotzebue Pioneer Home Equipment	\$ 39,492	\$ 1,822	\$ 37,670
Sitka Pioneer Home Renovation	<u>204,630</u>	<u>200,387</u>	<u>4,243</u>
<b>TOTALS</b>	<b><u>\$ 244,122</u></b>	<b><u>\$ 202,209</u></b>	<b><u>\$ 41,913</u></b>
 <u>By Object</u>			
Travel	\$ -0-	\$ 543	\$ (543)
Contractual Services	204,630	133,171	71,459
Equipment	39,492	-0-	39,492
Land and Structures	<u>-0-</u>	<u>68,495</u>	<u>(68,495)</u>
<b>TOTALS</b>	<b><u>\$ 244,122</u></b>	<b><u>\$ 202,209</u></b>	<b><u>\$ 41,913</u></b>
 <u>Source of Funds</u>			
<u>General Fund</u>			
Continuing Programs			
SLA 74, Chap. 135	\$ 39,492		
SLA 72, Chap. 204 and			
SLA 74, Chap. 147	<u>204,630</u>		
<b>TOTALS</b>	<b><u>\$ 244,122</u></b>		

DEPARTMENT OF ADMINISTRATION  
PIONEERS' HOMES  
SCHEDULE OF EXPENDITURES BY OBJECT  
CAPITAL CUTLAY PROJECTS  
July 1, 1975 - June 30, 1976

	<u>Travel and Per Diem</u>	<u>Contractual Services</u>	<u>Land and Structures</u>	<u>Total</u>
Kotzebue Pioneer Home Equipment	\$ 543	\$ 1,279	\$ -0-	\$ 1,822
Sitka Pioneer Home Renovation	<u>-0-</u>	<u>131,892</u>	<u>68, 95</u>	<u>200,387</u>
<b>TOTALS</b>	<u>\$ 543</u>	<u>\$ 133,171</u>	<u>\$ 68,495</u>	<u>\$ 202,209</u>

DEPARTMENT OF ADMINISTRATION  
PIONEERS' HOMES  
STATEMENT OF GENERAL FIXED ASSETS  
June 30, 1976

Land	\$ 494,850
Buildings	15,964,679
Improvements Other Than Buildings	1,596,468
Equipment	<u>56,491</u>
TOTAL	<u>\$18,112,488</u>

See Accompanying Notes to the Financial Statements

DEPARTMENT OF ADMINISTRATION  
 PIONEERS' HOMES  
NOTES TO THE FINANCIAL STATEMENTS  
 July 1, 1976 - June 30, 1977

Note 1 - Expenditures

The Pioneers' Homes have a contingent liability of \$705,873. For the three quarters ending September 30, 1972 the State received Federal funds from Region 10 of the U.S. Department of Health, Education and Welfare (HEW) to provide comprehensive social services at the Pioneers' Homes. As the result of a 1975 Federal review, Region 10 has asked for repayment of those funds based on their contention that the Homes were not providing comprehensive social services. The case was appealed to the HEW Administrator of Social and Rehabilitation Services on December 6, 1976. No final decision has come out of that appeal as of November 15, 1977.

Note 2 - Equipment

The \$237,454 understatement in equipment is composed of the following:

1.	Not all equipment was listed under Pioneer Homes, Department of Administration.		
	a.	Sitka home equipment listed under the Department of Health and Social Services	\$148,894
		b.	
		Fairbanks home equipment was listed under Longevity Bonus	<u>23,558</u>
			\$172,452
2.	FY 1976 purchases not tagged and recorded		21,457
3.	Approximate understatement of Fairbanks equipment calculated by taking the increase in equipment during FY 1977 (\$51,304) less purchases of equipment over the same period (\$7,759).		<u>43,545</u>
	TOTAL Understatement		<u>\$237,454</u>

# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C - JUNEAU 99811

February 16, 1978

RECEIVED

FEB 17 1978

LEGISLATIVE  
AUDIT

Mr. Gerald L. Wilkerson  
Legislative Auditor  
Division of Legislative Audit  
Pouch W  
Juneau, AK 99811

Dear Mr. Wilkerson:

This is in response to your findings and recommendations contained in your preliminary report entitled "A Review of Alaska Pioneers' Homes - Department of Administration", July 1, 1975 - June 30, 1976.

Our comments are arranged in the order your findings and recommendations appear in the report.

### RECOMMENDATION NO. 1

Policies and procedures should be established for handling finances for residents unwilling or unable to take care of their own affairs.

### RESPONSE

Policies and procedures will be established for handling finances for residents. Every precaution will be taken to insure that these new policies and procedures do not create an undue burden on the residents. Many residents do not feel secure having their money in the banks. They prefer to place their funds in the safe or the trust account at the various Homes. This situation requires that the homes maintain the trust of the residents but simultaneously provide adequate control, safeguards and accountability for these trusted funds.

Our new procedures will accommodate distinct custodianship and accountability measures for all entrusted monies maintained at the Homes.

To the extent possible, every transaction involving resident funds will be certified by signatures or initials of the residents. Written authorizations or power of attorney will be obtained when it is considered necessary. For residents unwilling or unable to manage their own affairs the signature of his/her guardian will be sought to authenticate expenditures of resident funds entrusted to the Home. In all cases the Home manager or other personnel engaging in transactions of residents' funds will make every effort to obtain certification by appropriately designated persons. In instances where the usual methods of verification are impossible, the Home manager will authorize payments only

after obtaining the witness of another competent person.

RECOMMENDATION NO. 2

The Department of Administration should develop a systematic method of evaluating and changing payment rates for care in the Pioneers' Homes. Rate determination should be based on the resident's ability to pay.

RESPONSE

While we are hesitant to utilize the ability to pay as the sole basis for an increase in the rates charged to Pioneer Home residents, we don't disagree that a systematic method of evaluating payments needs to be developed. In all fairness to the Alaska Pioneers and the philosophy surrounding the Homes, input will be sought from the public, and the Pioneer Advisory Board on this issue. Accordingly, we will reevaluate all pertinent data when they are available and seek to arrive at an appropriate basis for establishing rates in the future.

RECOMMENDATION ON. 3

The Pioneers' Homes should adopt the medicaid/medicare regulations in order to provide minimum standards for the homes.

RESPONSE

Each home does have a resident care plan. We wholeheartedly agree that some formal standards of care be established in the homes but are not currently convinced that the federal medicaid/medicare standards are the most appropriate. Additional research will be undertaken to review various State regulations in this area before the final standards are set. Today, all the homes have a skilled nursing care facility which is licensed and inspected regularly by the State Department of Health and Social Services which requires certain minimum standards be met. In the past, the homes had attempted to become eligible for medicaid/medicare. It proved to be an expensive proposition in that numerous expensive changes would have to be made to the Pioneers' Homes. Currently, the Pioneers' Homes would not be eligible for medicaid because of their admission policies which require fifteen year residency before entering.

State statutes require that a licensed pharmacist administer all drugs. All of the homes now have a consulting pharmacist which controls the prescription of drugs including stop orders for drugs of a sensitive nature.

Three of the four facilities currently have licensed physical therapists on staff. The remaining home has a position for a physical therapist but the position is currently vacant. This home currently receives physical therapy treatment from a visiting consulting physical therapist.

In the area of dietetic control services, the Anchorage Home currently has a professional dietician on the staff of the food service contracted there. The menu currently meets or exceeds any standards in any part of the nation for this type of facility. We are currently looking into expansion of these types of professional services to insure high dietetic standards are maintained in all of the Pioneers' Homes.

RECOMMENDATION ON. 4

The Pioneers' Homes Advisory Board should make formal reports to the Governor at the conclusion of each meeting as to issues discussed and the recommendations made.

RESPONSE

The Pioneers' Homes Advisory Board has been contacted to inform them of this recommendation. Their Co-Chairman and Board Secretary has informed us that they will be complying with this recommendation effective immediately.

RECOMMENDATION NO. 5

A complete physical inventory should be taken of all equipment under control of the Pioneers' Homes to update the property list. The property list should then be maintained in accordance with State property manual.

RESPONSE

Recognizing the condition of the homes' inventory, complete physical inventory will be completed in all four homes by the end of this fiscal year. One person from the Division of General Services and Supply Property Management program will be going from home to home to administer the accomplishment of this task.

RECOMMENDATION NO. 6

The Department of Administration should report buildings at historical costs.

RESPONSE

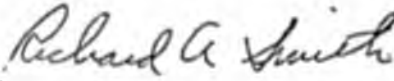
We agree, but unfortunately cost data are not available for all buildings. However, to begin implementing your recommendation we are requesting the Department of Transportation and Public Facilities to accumulate and report cost data on all current and future capital projects.

Prior Audit Recommendations

Recommendations contained in the previous audit by Internal Audit have been substantially implemented or are presently being implemented.

We appreciate the efforts of you and your staff in performing this review. We have found the auditor's comments and recommendations most helpful in reassessing and updating our policies and procedures affecting the Homes.

Sincerely,

  
for B. B. Allen  
Commissioner

BBA/VP/RS/ch

Enclosure

US

FB

32

20

COMMITTEE REPORT

HOUSE

5/14

FURTHER: Finance

(5)

5/11/82

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

Mr. Speaker:

The Committee on Ness has had CSSSSB 320 (NESS)

"An Act relating to training for employees of borough or city school districts or regional educational attendance areas; and providing for an effective date."

under consideration and reports it back as follows:

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

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

\_\_\_\_\_

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CHAIRMAN

A M E N D M E N T

OFFERED IN THE HOUSE:

By: House HESS

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

SENATE BILL No. CSSSSB 320 (HESS)

PAGE: \_\_\_\_\_

LINE: \_\_\_\_\_

Amend as follows:

Page 1, line 13 Add: Contingent upon DOE approval under 14.20.658 and funding under 14.20.660.

Page 2, line 6 Del: (and implement)

Add: and make recommendations to the board for final approval of

Page 2, line 8 Del: (completed)

Add: board approved

Page 2, line 14 add: Nothing in this section shall be construed to prohibit a school board from conducting a staff development program outside of the provisions of AS.14.20.652-662.



Alaska Adult Education Assn

The Honorable Tim Kelly  
Capitol Building, Room 101  
Juneau, AK 99811

Dear Senator Kelly:

I'm writing this letter to support SB 320 for Staff Development Programs and Training.

The Alaska Adult Education Association represents membership in over 100 communities in Alaska, that provides free programs for Adults in Literacy, Life Coping Skills, and GED studies and testing.

The staff working in these programs are both professional and non-professional. All of the rural programs have local residents as staff. In most cases, these residents rely on in- and pre-service in Alaska, in their own communities or regions. Presently, degree programs in Adult Education is only offered at Kuskokwim Community College (AA) and Alaska Pacific University (MAT). We do not have a four-year program, or a good process for on the job college credits that lead to a degree.

Coordination for Adult Basic Education Training teacher is absolutely essential. Criteria for possible certification must be established mainly by Alaskans in the field. In put and development for in- and pre-service must be planned and implemented.

The Department of Education has just begun in this very important process. Our Post Secondary Education System must coordinate, communicate and meet some of those needs. Private non-profit educational staff development must participate in this process. In-service is so essential to this program because of the very nature of Adult Basic Education's responsibility to teach adults to cope with Social Change.

I support this bill. Please help us "get it altogether." Thank you.

Sincerely,

  
Constance Munro  
AAEA President

OM: f,jw



# UNIVERSITY OF ALASKA, ANCHORAGE

3221 Providence Drive  
Anchorage, Alaska 99504

SCHOOL OF EDUCATION

March 25, 1981

Senator Charles H. Parr  
Pouch V  
Juneau, Alaska 99811

Dear Senator Parr:

I am writing in support of Senate Bill #320 (by Stinson), entitled "An Act Relating to Training for Certificated Employees of Borough or City School Districts or Regional Educational Attendance Areas; and Providing for an Effective Date."

In my opinion this legislation would strengthen the efforts of many to improve the quality of instruction in the schools and to lower the attrition rate of good teachers leaving the state due to the lack of adaptive skills related to the particular problem of the Alaskan scene.

While I cannot speak officially for UAA or my professional colleagues, of course, I personally believe the bill to be an important step in a very fine direction and urge your support in Committee and on the floor.

Thank you.

Sincerely,

S.W. Johnson, Dean  
School of Education

cadn.

# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

PUPIL PERSONNEL SERVICES



Special Services

Nursing Services

Counseling

Media

SOLDOTNA, ALASKA 99669

Alaska Special Education  
Inservice Training Center  
P. O. Box 1200  
Soldotna, Alaska 99669

April 10, 1981

The Honorable Terry Stimson  
The Senate of Alaska  
Capital, Room 516  
Fouch V  
State Capital  
Juneau, Alaska 99811

Dear Senator Stimson:

I am writing this letter in support of Senate Bill 320. As director of the Alaska Special Education Inservice Training Center for the past two years, I have had extensive opportunity to work with teachers from around the state.

The purpose of the Training Center is to improve teacher skills in mainstreaming handicapped students. We train regular classroom teachers, special education teachers, aides and administrators in methods and procedures which facilitate the placement of handicapped students in regular classrooms.

During this two year period nearly 100 trainees have spent time in our Center here in the Kenai Peninsula Borough School District. These educators have come from the breadth and width of Alaska, Ketchikan to Point Hope, Fort Yukon to the Pribilof Islands. Through this contact we have opportunity to assess the needs of a variety of teachers.

This opportunity to work with teachers from around the state has enabled me to see first hand the high need for inservice training and staff development activities. In my experience districts which are able to plan these activities over a long period, having both long range goals and short term objectives, are the most successful in meeting the needs of their students and parents, teachers, and administrators. Planning and execution of long range staff development activities is becoming increasingly recognized in importance by all concerned.

Senate Bill 320 and its House companion, H. B. 297, should help considerably in assisting school district personnel in being less reactive and more proactive in meeting the needs of their students and teachers. As you well know, the conditions of weather and geography virtually isolate village teachers from their central office staff and support for many of the winter months. Urban and suburban school districts are able to bring in support staff almost immediately to



# UNIVERSITY OF ALASKA, ANCHORAGE

3221 Providence Drive  
Anchorage, Alaska 99504

SCHOOL OF EDUCATION

March 25, 1981

Senator Terry Stinson  
Pouch V  
Juneau, Alaska 99811

Dear Senator Stinson:

I am writing in support of Senate Bill #320, entitled "An Act Relating to Training for Certificated Employees of Borough or City School Districts or Regional Educational Attendance Areas; and Providing for an Effective Date."

In my opinion this legislation would strengthen the efforts of many to improve the quality of instruction in the schools and to lower the attrition rate of good teachers leaving the state due to the lack of adaptive skills related to the particular problem of the Alaskan scene.

While I cannot speak officially for UAA or my professional colleagues, of course, I personally believe the bill to be an important step in a very fine direction and urge your support in Committee and on the floor.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "S.W. Johnson".

S.W. Johnson, Dean  
School of Education

cadn.



# SHELDON JACKSON COLLEGE

P. O. BOX 479  
SITKA, ALASKA 99835

April 1, 1981

The Honorable Terry Simpson  
Senator, Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator:

Thank you so much for your kind letter of March 24 relative to supporting Senate Bill 320 which you have introduced into the legislative hopper relating to professional development of certificated teachers.

We at Sheldon Jackson College are highly interested in continuing the upgrading of teachers' competence, and we attempt to serve the schools in our attendance areas in whatever specialties the teachers feel a need to improve. Often times our effectiveness in the so called bush schools is just to go, listen and show them that someone cares. As we observe in schools, it sometimes seems that the current demands for accountability have resulted in a dependence on programmed type materials developed by large corporations which really produce little in the way of helping children grow and learn, to score on someone's standardised test which measures very little that our Alaska children need to know in order to prepare them for occupations, family living, or the reduction of the use of alcohol and violence. The procedures often regulated by board members in order to produce stability of program because of teacher turnover, might better be changed to help prevent teacher burnout, improvement of acceptance by Alaskans in villages and plain survival in the communities.

We will continue to support your efforts in promoting this bill because we believe that funds to help our teachers give our children the best education possible is essentially necessary.

Please keep us advised when you need help.

Thanks again.

Sincerely,

William J. Caven, Director  
Teacher Education Program

WJC:ren



# NEA - ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

Robert C. Manners  
Executive Secretary  
Juneau Office

Robert C. Cooksey  
Deputy Executive Secretary  
Juneau Office

James D. Alter  
Field Staff  
Juneau Office

Charles L. O'Connell  
Deputy Executive Secretary  
Anchorage Office

Dianna Anderson  
Field Staff  
Anchorage Office

Steve Pulkkinen  
Field Staff  
Anchorage Office

Mary Ann Eininger  
Deputy Executive Secretary  
Fairbanks Office

JUNEAU OFFICE  
147 SOUTH FRANKLIN #207  
JUNEAU, ALASKA 99801  
PHONE: (907) 584-3080

ANCHORAGE REGIONAL OFFICE  
1411 WEST 33rd  
ANCHORAGE, ALASKA 99503  
PHONE: (907) 274-0536

FAIRBANKS REGIONAL OFFICE  
825 COLLEGE ROAD  
FAIRBANKS, ALASKA 99701  
PHONE: (907) 456-4435

April 2, 1981

TO: Senator Charlie Parr, Chair  
Senate HESS Committee

FROM: NEA-Alaska  
Robert Manners *BM*

RE: SB 320 "An Act relating to training for  
certificated employees of borough  
or city school districts or regional  
attendance areas; and providing for  
an effective date."

## MEMORANDUM OF SUPPORT

NEA-Alaska strongly supports and urges passage of SB 320.

The need for an ongoing, comprehensive in-service program for all certificated staff is essential in all school districts throughout the State. Further, such a program must constantly emphasize the currency of special needs along with the unique differences that make each school district distinctive.

There exists a special need for substantive in-service program and orientation for newly employed teachers, especially those who are in Alaska for the first time and, more importantly, for those who will be teaching in rural Alaska.

A major share of the planning and in-service program delivery should come from classroom teachers, the "practitioners", who are constantly involved in the total educational programs of the State and possess the knowledge and insights as to the special needs which are appropriate in keeping our total educational program current.

We respectfully suggest that the primary objective must be to provide greater program continuity while enhancing the total educational opportunity for all students within the State of Alaska.

We encourage that specific in-service programs be designed for delivery before the commencement of each school year and that members of boards of education be encouraged to participate in these sessions.

Thank you for your consideration of this very important issue.

C: Members of the HESS Committee  
Senator Rodey, Senator Bradley

RM:jw



# Alaska Adult Education Assn

The Honorable Terry Stimson  
Capitol Building, Room 516  
Juneau, AK 99811

Dear Senator Stimson:

I'm writing this letter to support SB 320 for Staff Development Programs and Training.

The Alaska Adult Education Association represents membership in over 100 communities in Alaska, that provides free programs for Adults in Literacy, Life Coping Skills, and GED studies and testing.

The staff working in these programs are both professional and non-professional. All of the rural programs have local residents as staff. In most cases, these residents rely on in- and pre-service in Alaska, in their own communities or regions. Presently, degree programs in Adult Education is only offered at Kuskokwim Community College (AA) and Alaska Pacific University (MAT). We do not have a four-year program, or a good process for on the job college credits that lead to a degree.

Coordination for Adult Basic Education Training teacher is absolutely essential. Criteria for possible certification must be established mainly by Alaskans in the field. In put and development for in- and pre-service must be planned and implemented.

The Department of Education has just begun in this very important process. Our Post Secondary Education System must coordinate, communicate and meet some of those needs. Private non-profit educational staff development must participate in this process. In-service is so essential to this program because of the very nature of Adult Basic Education's responsibility to teach adults to cope with Social Change.

I support this bill. Please help us "get it altogether." Thank you.

Sincerely,

Constance Munro  
AAEA President

ON: f j w

CSSS SENATE BILL No. 320 (HESS)

PAGE: 1

LINE: 23

Subsection (b) is amended to read:

(b) a majority of the members of the staff development planning committee shall be members of the local Parent, Teacher Association. [classroom teachers employed by the district or attendance area.]

DEPARTMENT OF EDUCATION  
POSITION PAPER  
S.S. S.B. 320

The Department of Education supports this bill.

The department is involved in a number of activities that would be enhanced by the passage of this bill. The State Board of Education has identified improving inservice education as a high priority for FY 1982. The bill would provide the resources to enable the department to meet this goal. A statewide professional development steering committee, composed of representatives from teacher and administrator professional associations, institutions of higher education, regional resource centers, the school boards associations, and the department, has identified several crucial needs that will be addressed by this bill.

Most districts presently conduct inservice training programs, but thus far there has been very little coordination or long range planning. During the current year the department is working with a number of local school districts in the area of staff development. Our goal is for each of these districts to identify a person in the district who is responsible for staff development. These persons will then develop plans for implementing staff development in their districts. Most districts (approximately 35) have indicated that they are interested in being members of a consortium to work towards meeting this goal. This bill will serve as the catalyst for the development of comprehensive staff development programs in each school district.

Several educational research studies, particularly the Rand Study on the Effects of Educational Innovations, document the key role effective inservice training can play in improving district education programs. A review of educational research documents the effectiveness of certain inservice training practices, such as long range planning and involvement of participants in planning and implementing inservice programs. This bill will foster these effective inservice practices.

Signed   
Commissioner of Education

Date February 22, 1982

~~MAA~~

PAGE 1, LINE 13 ADD. CONTINGENT  
UPON DOE APPROVAL UNDER 14.20.658  
~~FUNDING UNDER 14.20.660.~~

PAGE 2, LINE 6. DELETE (AND IMPLEMENT)  
ADD AND MAKE RECOMMENDATIONS TO  
THE BOARD FOR FINAL APPROVAL.

~~P~~ LINE 8 DELETE (COMPLETED) ADD -  
SCH. 20. APPROVED PLANS.

PAGE 2, ~~LINE~~ AFTER LINE 14

\*\*\* ADD. NOTHING IN THIS SECTION SHALL  
BE CONSTRUED TO PROHIBIT A  
SCH. BO FROM CONDUCTING A STRA-  
DEV. PROGRAMS OUTSIDE OF THE  
PROVISIONS OF AS. 14.20.652-662

Original sponsors: Stimson, Rodey,  
Fischer, et al

Offered: 3/2/82  
Referred: Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 320 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to training for employees of borough  
7 or city school districts or regional educational atten-  
8 dance areas; and providing for an effective date."

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

10 \* Section 1. AS 14.20 is amended by adding new sections to read:

11 ARTICLE 8. STAFF DEVELOPMENT PROGRAM. *Staff training days*

12 *add Section amendment*  
13 Sec. 14.20.652. STAFF DEVELOPMENT PROGRAM. A borough or city  
14 school district or a regional educational attendance area may establish  
15 a comprehensive staff development program. A staff development program  
16 shall include orientation training for newly hired employees of the  
17 district or attendance area and may *limit to how many days per*  
18 employees of the district or attendance area. *year*

19 Sec. 14.20.654. ESTABLISHMENT OF STAFF DEVELOPMENT PLANNING COMMIT-  
20 TEES. (a) If a school board of a borough or city school district or a  
21 regional educational attendance area establishes a staff development  
22 program under AS 14.20.652, the school board shall also establish a  
23 staff development planning committee. *how many per area*

24 (b) A majority of the members of the staff development planning  
25 committee shall be classroom teachers employed by the district or atten-  
26 dance area.

27 (c) If a staff development planning committee meeting is held  
28 during the school day, an employee of the *for* district or attendance area  
29 who is a member of the committee shall be released from classroom or  
30 other assigned duties to attend the meeting without penalty or loss of

1 pay.

2 Sec. 14.20.656. POWERS AND DUTIES OF THE STAFF DEVELOPMENT PLANNING  
3 COMMITTEE. A staff development planning committee established by a  
4 borough or city school district or regional educational attendance area  
5 under AS 14.20.654 shall, under the direction of the school board, plan  
6 <sup>(add) from amendment</sup> and implement a comprehensive staff development program.

7 <sup>(add) from amendment</sup> Sec. 14.20.658. APPROVAL OF PLANS BY DEPARTMENT. To apply for  
8 state money under AS 14.20.660 a school board shall submit completed  
9 plans for a staff development program to the department no later than  
10 April 1 during the school term before the term covered by the plans.  
11 The department shall approve or disapprove a staff development program  
12 plan within 30 days after receiving it from a school board. A staff  
13 development program plan may be amended, subject to department approval.  
14 Only an approved program is eligible for state money under AS 14.20.660.

15 Sec. 14.20.660. STAFF DEVELOPMENT TRAINING. The department shall,  
16 subject to the availability of money appropriated for that purpose, make  
17 payments to a borough or city school district or a regional educational  
18 attendance area to assist the district or attendance area to pay for the  
19 cost of implementing an approved staff development program under AS 14.-  
20 20.652 - 14.20.662. Assistance under this section shall be based on a  
21 daily rate set by the department to be paid for each employee of a school  
22 district or regional educational attendance area who participates in a  
23 staff development program. A district or attendance area that has fewer  
24 than 31 employees is eligible for a higher daily rate than that estab-  
25 lished for a district or attendance area with more than 30 employees.

26 Sec. 14.20.662. REGULATIONS. The department shall adopt regula-  
27 tions to implement the provisions of AS 14.20.652 - 14.20.662.

28 \* Sec. 2. Notwithstanding AS 14.20.658, a school board that applies for  
29 state money under AS 14.20.660 to conduct a staff development program during

1 the school term beginning in 1983 shall submit a completed staff development  
2 program plan to the Department of Education by July 1, 1983.

3 \* Sec. 3. This Act takes effect July 1, 1983.  
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SECTIONAL ANALYSIS: SB 320(HESS)

Section 14.20.652: School districts and REAA's may establish a comprehensive staff development program that includes orientation training for newly hired employees and in-service training for all employees.

Section 14.20.654: Establishes a staff development planning committee in each school district or REAA that will plan a district-designed in-service program.

Section 14.20.656: States that the local school board shall provide direction to the staff development committee in planning and implementing the staff development program.

Section 14.20.658: Staff development plans shall be submitted to the Department of Education by April 1. The Department will approve or disapprove the plan within thirty days after receiving it, which will allow the school district or REAA to plan for the program before the end of the school year.

Section 14.20.660: Establishes funding to assist school districts or REAA's in implementing their staff development programs.

STATE OF ALASKA  
THE LEGISLATURE

POUCH V. STATE CAPITOL  
JUNEAU ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 5, 1982

SUBJECT: Training for ~~certificated~~ employees of  
school districts [SB 320] (Work Order  
No. 12-2464)

TO: Senator Terry Stimson

FROM: *LHA* Linn H. Asper  
Legislative Counsel

SB 320 -- Sectional Analysis

\* Section 1. Amends AS 14.20 to encourage establishment of staff development programs in school districts or REAA's. The programs must include orientation for newly hired ~~certificated~~ employees and in-service training for all ~~certificated~~ employees; must be implemented by a staff development planning committee consisting of members specified in the statute, after approval by the Department of Education within time limits also specified in the statute. If money is appropriated to support staff development programs, the department will assist a district or REAA to pay for an approved staff development plan. The department will adopt regulations to implement the staff development program

\* Sec. 2. Extends deadline for submitting staff development program plan to July 1st for plans that are to be implemented during the school year beginning in 1982.

\* Sec. 3. Establishes a July 1, 1982 effective date.

LHA:ljb

SB 320 file

SOUTH EAST REGIONAL RESOURCE CENTER  
S.E.R.R.C.

538 Willoughby Ave • Juneau, Alaska 99801  
(907) 586-6806

March 27, 1981

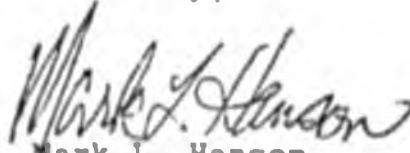
The Honorable Charles Parr  
Chairman  
Senate Health Education and  
Social Services Committee  
Behrends Building, Room 209  
Juneau, AK 99801

Dear Senator Parr:

This letter is in support of Senate Bill #320 to develop a Staff Development Program for school district staff. With the extent of teacher turnover that occurs each year in Alaska it is necessary to develop a process to insure that teachers working with our students are the best available. It is also felt that if staffs were given relevant, planned preservice and inservice training the high turnover rate might be halted and the continuity of programs that comes with teaching staff remaining in a community will become a reality.

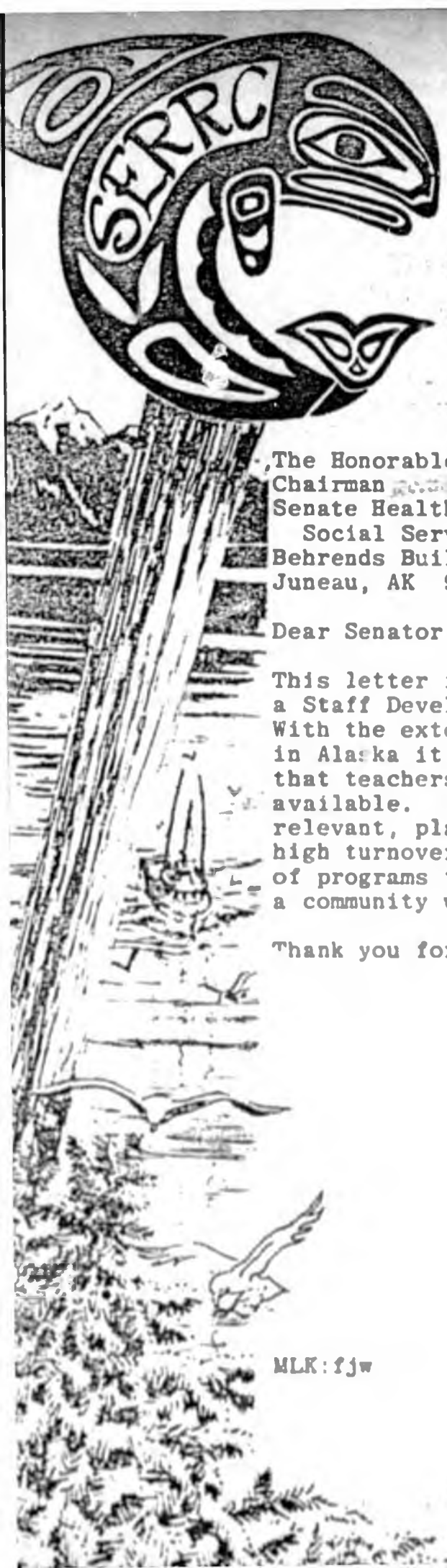
Thank you for your consideration of this request.

Sincerely,



Mark L. Hanson  
Program Manager

MLK:fjw



Original sponsors: Stimson, Rodey,  
Fischer, et al

Offered: 3/2/82  
Referred: Finance

IN THE SENATE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

AMENDMENT TO

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 320 (HESS)

Page 1, Line 13 Add: Contingent upon DOE approval under 14.20.658 and funding under 14.20.660.

Page 2, Line 6 Delete (and implement)  
Add: And make recommendations to the board for final approval.

Line 8 Delete (completed)  
Add: School board approved plans.

Page 2, After Line 14 Add: Nothing in this section shall be construed to prohibit a school board from conducting a staff development program outside of the provisions of AS. 14.20.652-662.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for SS for SB 320 (HESS)  
 Title An Act...training for employees of borough/city sch. dist or RE  
 Requested by House HESS Date 5.13.82

II. FISCAL DETAIL

Agency Affected Education  
 Program Category Affected Financial Support Districts  
 BRU, Program, Or Subprogram(s) Affected Staff Development Grants  
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			500.0	660.0	836.0	1,029.6
<b>TOTAL</b>		- 0 -	500.0	660.0	836.0	1,029.6

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		- 0 -	500.0	660.0	836.0	1,029.6
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY	N/A					

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

1. It was the Department's position that FY-83 activities under this bill would be limited to assessing the fiscal impact associated with Secs. 14.20.658-660, and the scope of regulations required by Section 14.20.662. Actual FY-84 budget requests will reflect the result of those assessments.

ASSUMPTIONS:

2. Post FY 83 expenditures assume 10% inflation rate.
3. FY 84 amount based upon the assumption that 50% of the school districts will participate.
4. Post FY 84 expenditures assume annual increase of participating school districts at 10% per year.
5. The House HESS Committee feels that this revised fiscal note represents a more accurate prediction of fiscal impact.

IV. DATE 5.13.82 PREPARED BY House HESS Committee  
 AGENCY \_\_\_\_\_  
 Original: Legislative Finance PHONE \_\_\_\_\_  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CS for SS for SB 320(HESS)

Title: An Act ... training for employees of borough/city sch. dist. of REAAs

Requested by: Senate Finance

Date: 5-7-82

II. FISCAL DETAIL

Agency Affected: Education

Program Category Affected: Financial Support Districts

BRU, Program, or Subprogram(s) Affected: Staff Development Grants

(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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-0-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	-0-	-	-	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	-0-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

FULL TIME	N/A	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

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

It is the department's position that FY-83 activities under this bill would be limited to assessing the fiscal impact associated with Secs. 14.20.658-.660, and the scope of regulations required by Section 14.20.662. Post FY-83 budget requests will reflect the result of those assessments.

IV. DATE: 5-7-82

PREPARED BY: Steve Hole *Newton Pugh*  
AGENCY: Department of Education  
PHONE: 465-2690

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)  
33-001 (Rev. 12/81)

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POSITION PAPER  
SENATE BILL NO. 325 am

"An Act relating to the education of certain exceptional children; and providing for an effective date:

WHAT THE BILL DOES

Section 1 and 2 broaden the scope of this program by placing center based program offerings on an equal basis with home based programs. Section 3 corrects a legislative oversight from 1978 when this statute was made specific for the 0-3 age group.

DISCUSSION

There is a valid need for center based programs in larger communities, particularly for the two year old children with handicapping conditions. It is this Department's position that center based programs, when offered, should only be supplemental to home based. The reason for this is that a home based program is geared to that individual child, whereas center based programs are geared to a group of children.

There are definite advantages to such a supplemental center based program. It provides an opportunity for a handicapped toddler to interact with peers. It provides an opportunity for parents to interact with each other and garner information and skills. It gives the home based teacher the chance to see the child interact and model behavior of other children. The cost of this center based program need not be excessive if it calls for only a few hours, ~~work~~ for each child. The cost could, however, be very high if the child spent 5 to 8 hours a day in a center with teacher: child ratio of 1:5.

Whether the cost is high or low, if it is supplemental to home based then the net cost would be greater than a purely home based program. It is because of this increased cost that the Department has set its highest priority, as a first step, on getting home based infant learning programs started in all appropriate communities throughout Alaska.

X The Department has received letters of intent from aspiring grantees that total \$1,879,275 for fiscal year 83. The initial Governor's request for FY 83 for these grants was \$1,503,100. That request has now been revised downward to \$1,228,000. Unless there is additional funding added to this BKU, broadening the statute in this way will raise grantees expectations without any realistic funding possibilities at this time.

- 16 - 12/8/82

One suggestion to limit the cost escalation potential of this bill would be to limit center based programs to areas that have a sufficient population base. A center based program in a rural area where parents' and children's attendance would require travel funds would be prohibitively expensive - the bill in its present form would allow that. If the legislature were to give some broad intent in this regard, the Department could define through regulations, more specifically, the scope of center based activity.

SB 325 am  
Page two

POSITION

The Department favors this bill only if adequate funding is made available for its implementation and only if the center based activity is clearly supplemental to home based. \*

Recommended by:

E. S. Rabreau  
E. S. Rabreau, M.D., Director  
Division of Public Health

Date:

April 6, 1982

Approved by:

H. O. Beirne  
Helen O. Beirne, Commissioner  
Department of Health and  
Social Services

Date:

4-7-82

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 325 am  
 Title "An Act relating to the education of certain exceptional children.  
 Requested by Commissioner's Office House HESS Date 4/2/82

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services  
 Program Category Affected Health/Public Health  
 BRU, Program, Or Subprogram(s) Affected Child and Family Health  
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	0	50.0	250.0	300.0	350.0	400.0
<b>TOTAL</b>	<b>0</b>	<b>50.0</b>	<b>250.0</b>	<b>300.0</b>	<b>350.0</b>	<b>400.0</b>

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	0	50.0	250.0	300.0	350.0	400.0
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

The only fiscal impact will be in grants. In FY 83 the impact is minimal since all grant applications have already been submitted. In FY 84, however, there would be a number of grantees who would apply for center based funding. In FY 85 and beyond the funding would increase due to population growth and inflation.

IV. DATE 4/6/82

PREPARED BY David Spence, M.D.

AGENCY Department of Health & Social Services

PHONE 465-3100

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

*JCC*

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THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 517 (Fin)  
Title An Act extending the duration of repayment of loans for child care facilities; and providing for an effective date.

Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
Program Category Affected Economic Development  
BRU, Program, Or Subprogram(s) Affected Division of Loans and Veterans' Affairs  
(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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)		-0-	-0-	-0-	-0-	-0-

POSITIONS

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

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

IV. DATE April 15, 1982 PREPARED BY Don Hostak, Director  
 Original: Legislative Finance AGENCY Department of Commerce & Economic Development  
 cc: Budget and Management PHONE 365-2555 Division of Loans and  
 Prime Sponsor (First Legislator Named) or 465-2510 Veterans' Affairs  
 33-001 (Rev. 12/81)

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March 17, 1982

M E M O R A N D U M

To: Senator Don Bennett, Co-chairman  
Senate Finance Committee

From: Senator Dick Eliason

Re: SB 517, "Relating to loans for child care facilities  
(by Parr)" *Dick*

SB 517 which was assigned to me in Finance is ready for committee action. I have had a proposed finance committee substitute drafted which is attached for your review.

The original SB 517 was a lengthy bill dealing with many details of the child care facilities loan program. The issues in the bill were handled in other legislation last year. One issue, however, which was not addressed was duration of the loans. Last year the Legislature raised the maximum loan amount from \$10,000 to \$50,000 but neglected to change the maximum time of repayment from the 10 year limit. This has set the monthly payments on loans of higher amounts so high that the loans are not moving well and are of little help to most people who need them.

I have discussed this matter with Senator Parr's office (original sponsor). Senator Parr does not object to using his bill as a vehicle to correct the situation.

Therefore, SB 517 has been rewritten to eliminate the unnecessary material (that taken care of last year) and the new CS simply changes the duration of repayment from a maximum of 10 years to a maximum of 20 years. This bill now carries a zero fiscal note and will make the program far more accessible to Alaskans at no additional cost to the State.

I request that a hearing be scheduled for the CS 517. It is a very simple straight-forward statutory change and should require very little of the committee's time.

**MEMORANDUM** (Brief Communications)

State of Alaska

TO:	Name Senator R. I. Eliason	Dept./Div./Sect. Alaska State Senate	Mail Stop
FROM:	Name <i>D. Hostak</i> D. A. Hostak, Director	Dept./Div./Sect. Division of Loans and Veterans' Affairs	Telephone 465-2555
SUBJ.:	Proposed CSSB 517		Date 3/17/82

If a change to the Child Care Loan program was made to allow the term of the loan not to exceed 20 years, this agency would submit a zero fiscal note.

The current term allowed under this program is 10 years.

### Article 3. Alaska Historical Commission.

Editor's notes. — This article was enacted as AS 44.27.040 — 44.27.120 but was renumbered by the revisor of statutes pursuant to AS 01.05.031 (b).

## Chapter 29. Department of Health and Social Services.

### Article

#### 1. Organization (§ 44.29.020)

### Article 1. Organization.

#### Section

#### 20. Duties of department

Sec. 44.29.020. Duties of department. The Department of Health and Social Services shall administer the state programs of public health and social services, including: (1) maternal and child health services; (2) preventive medical services; (3) public health nursing services; (4) Repealed by Executive Order No. 51, § 41; (5) nutrition services; (6) health education; (7) laboratories; (8) mental health treatment and diagnosis; (9) management of state institutions; (10) medical facilities; (11) old age assistance; (12) aid to dependent children; (13) aid to the blind; (14) child welfare services; (15) general relief; (16) licensing and supervision of child care facilities; and (17) probation and parole supervision. (§ 2 ch 64 SLA 1959; am § 3 ch 104 SLA 1971; am § 47 ch 71 SLA 1972, am Executive Order No. 51, § 41 (1981))

Effect of amendments. — The 1981 repealed paragraph (4) which read "sanitation and engineering services." amendment, effective July 1, 1981,

## Chapter 33. Department of Commerce and Economic Development.

### Article

#### 6. Child Care Facility Revolving Loan Fund (§§ 44.33.245, 44.33.255, 44.33.260)

**Article 6. Child Care Facility Revolving Loan Fund.**

<b>Section</b>	<b>Section.</b>
245. Powers and duties of the department in administering the fund	255. Loan terms
250. [Repealed]	260. Eligibility for loans

**Sec. 44.33.245. Powers and duties of the department in administering the fund. (a) The department may**

- (1) make loans for the construction, renovation, and equipping of child care facilities, including private nonprofit child care facilities;
- (2) promulgate regulations necessary to carry out the provisions of AS 44.33.240 — 44.33.275.

**(b) The department shall**

- (1) develop eligibility standards for loans to child care facilities;
- (2) adopt guidelines for the determination of loan terms. (§ 9 ch 253 SLA 1976; am § 1 ch 112 SLA 1981)

**Effect of amendments.** — The 1981 amendment, effective July 27, 1981, added "including private nonprofit child care facilities" following "child care facilities" in paragraph (1) of subsection (a).

**Sec. 44.33.250. Conditions of loans.**

Repealed by § 3 ch 112 SLA 1981, effective July 27, 1981.

**Editor's notes.** — The repealed section derived from § 9, ch. 253, SLA 1976, § 2, ch. 153, SLA 1978.

**Sec. 44.33.255. Loan terms. (a) A loan to a child care facility under AS 44.33.240 — 44.33.275 may not exceed \$50,000.**

**(b) The rate of interest charged shall be seven per cent a year on the unpaid balance of the loan.**

**(c) The duration for repayment of a loan may not exceed 10 years.**

**(d) All principal and interest payments on loans under AS 44.33.240 — 44.33.275 shall be paid into the child care facility revolving loan fund.**

**(e) If a child care facility ceases operation, any loan to the facility from the fund is due on the date the facility ceases operation. (§ 9 ch 253 SLA 1976; am § 3 ch 153 SLA 1978; am § 18 ch 72 SLA 1979; am § 2 ch 112 SLA 1981)**

**Effect of amendments.** — The 1981 amendment, effective July 27, 1981, substituted "\$50,000" for "\$30,000, and no more than one loan may be made to a single child care facility under AS 44.33.240 — 44.33.275" in subsection (a).

**Sec. 44.33.260. Eligibility for loans. A child care facility is eligible for a loan under AS 44.33.240 — 44.33.275 if**

- (1) the applicant submits to the department a plan for the use of the loan funds which is approved by the commissioner;
- (2) Repealed by § 9 ch 112 SLA 1981.
- (3) Repealed by § 7 ch 153 SLA 1978.
- (4) Repealed by § 7 ch 153 SLA 1978.
- (5) the applicant meets additional eligibility standards established by the department under AS 44.33.245(b)(1). (§ 9 ch 253 SLA 1976; am §§ 4, 7 ch 153 SLA 1978; am § 9 ch 112 SLA 1981)

**Effect of amendments.** — The 1981 amendment, effective July 27, 1981, repealed paragraph (2) which read "the applicant demonstrates that the proposed loan will enable the child care facility to

obtain or renew a license from the Department of Health and Social Services or a certificate from the Department of Education."

## Chapter 35. Department of Military Affairs.

### Section

#### 30. Construction of memorials to Alaska veterans

• **Sec. 44.35.030. Construction of memorials to Alaska veterans.** The Department of Military Affairs may construct memorials to Alaska veterans. A memorial constructed under this section is not subject to AS 35.15.010, 36.15.120 or AS 35.27.010 — 35.27.030. (§ 1 ch 30 SLA 1981)

**Cross references.** — As to the duty of the department of natural resources to maintain certain memorials to veterans, see AS 41.20.020 (12).

**Effective dates.** — Section 4, ch. 30, SLA 1981, makes this section effective June 20, 1981, in accordance with AS 01.10.070(c).

**Editor's notes.** — Section 2, ch. 30, SLA 1981 provides: "MEMORIAL TO ALASKA VETERANS. (a) A memorial to Alaska veterans shall be constructed by the Department of Military Affairs. The memorial shall be located in Denali State Park on a site adjacent to the Parks Highway.

"(b) The design of the memorial shall be chosen by a committee composed of

"(1) the adjutant general of the state, who shall serve as chair of the committee; and

"(2) one veteran selected by the adjutant general from each branch of the military service.

"(c) The memorial authorized by this section

"(1) shall contain suitable recognition of the contributions made by all men and women who have served on active duty in the military service in Alaska;

"(2) shall acknowledge the contribution of Alaskans to America's military history, including but not limited to, honoring the unique contributions made by the Eskimo Scout Battalion of the Alaska Territorial Guard.

"(d) The memorial shall be maintained by the division of parks, Department of Natural Resources."

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# COMMITTEE REPORT

## HOUSE

6/5/81

FURTHER:

(5)

Date: 6/2/81

Mr. Speaker:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had CSSB 573 (Rev)

"An Act regulating the labeling of honey."

under consideration and reports it back as follows:

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

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_  
CHAIRMAN

STATE OF ALASKA

MEMBER

TENTH ALASKA LEGISLATURE  
ELEVENTH ALASKA LEGISLATURE  
TWELFTH ALASKA LEGISLATURE



POUCH V

JUNEAU, ALASKA 99811  
(907) 465-2622

222 MULDOON ROAD  
STATION BOX 76  
ANCHORAGE, ALASKA 99504  
(907) 227-8071

SENATOR TIM KELLY

March 22, 1982

TO: Representative Mike Beirne  
Chairman, House HESS Committee

FROM: Senator Tim Kelly *TK*

SUBJECT: CSSB 573 (labeling of honey)

CSSB 573 was introduced at the request of the Cook Inlet Beekeepers. The concern of these honey producers is the current misleading labeling of honey sold in Alaska by one of the state's honey suppliers. The supplier is purchasing bulk honey from outside the state at approximately .75 cents per pound, packaging it for sale, and labeling it "packaged in Alaska." This product has been selling for roughly half the cost of Alaska produced honey.

Therefore, the purpose of CSSB 573 is to assure clarity in the labeling of honey, and to thereby make the consumer aware of the origin of the honey. CSSB 573 specifically addresses this concern by requiring state honey suppliers to indicate that honey labeled in the state include the origin of the honey or be labeled "imported."

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# Alaska State Legislature



REPRESENTATIVE

BETTE CATO

DISTRICT 5

BOX 775

VALDEZ ALASKA 99688

☎071835-4568

WHELE IN JUNEAU

POUCH V

JUNEAU ALASKA 99811

☎071465-4858

COMMITTEES

CHAIRMAN

HOUSE TRANSPORTATION

VICE CHAIRMAN

HOUSE HEALTH EDUCATION

AND

SOCIAL SERVICES

## House of Representatives

### MEMORANDUM

TO : All Legislators  
All Interested Parties

FROM : Rep. Bette Cato *BC*

RE : Southcentral Regional Resource Center

DATE : May 29, 1981

Regional Resource Centers were established in 1975 with adoption of AS. 14.08.141. The intent was to establish a pool of knowledge and abilities for development of programs and studies for the school districts.

The Southcentral Regional Resource Center (S.C.R.R.C.) has the following member schools;

- Adak Regional School District
- Aleutian Chain School District
- Chugach School District
- Copper River School District
- Cordova School District
- Kodiak Island Borough School District
- Kenai Peninsula Borough School District
- King Cove School District
- Natanuska-Susitna Borough School District
- Pribilof Island School District
- Unalaska City School District
- Valdez City School District

The school districts of; Delta-Greely, Railbelt, Sand Point, and Yukon Flats, applied for membership in 1980 and received it but are not to be included in the discussion that follows.

There were problems in this regional resource center when administrative costs and accounting practices got out of hand. There is currently an audit taking place to find the extent of the problems and persons involved. Consequently, the Attorney General's office issued a complaint against S.C.R.R.C..

The underlying question: are the Regional Resource Centers an entity of the State or is it a voluntary association of individual members?

Page 2  
Rep. Bette Cato

If it is a state agency, then the state is liable for all debts incurred. If it is a voluntary association, then each of the members is liable for the debts of the association.

While this is a moot point, the funding in either case comes from the State Legislature. The school boards are funded by the state as are the S.C.R.R.C and the attorney generals office. The point is, the state is suing itself over a problem that should be solved internally. The school districts involved are now going through the trouble and expense of hiring outside attorneys.

The Attorney Generals office says that they will not press charges until the legislature has a chance to vote on Senate Bill 551. The bill would fund the outstanding debts of the S.C.R.R.C..If the bill does not pass the legislature by the end of this session, then the litigation will begin over the summer. The amount of indebtedness is nearly \$400,000 and costs for attorneys, etc. to this point have gone over \$100,000, and will, if the case continues, go much higher, this cost, in one line item or another will be paid by the state of Alaska.

This point must be addressed this session to prevent further litigation and allow for a resolution to this matter without the outcome of "the State suing the State".

I hope that you will join with me in supporting this bill and preventing this waste of money in the litigation process.

cc. Governor Jay Hammond  
Lt. Governor Terry Miller  
Sen. Terry Stimson  
Attorney General's Office  
School District's in S.C.R.R.C.

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COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

Date: 5/13/82

Mr. Speaker:

The Committee on HEALTH, EDUCATION & SOCIAL SERVICES has had CSSB 649(R1s)am

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~~ WLS CS 52 649 (H. 649)  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without <sup>individual</sup> recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

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*Speaker*

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*Special interest - needs study*

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CHAIRMAN

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 11, 1982

The Honorable Jalmar Kerttula  
President of the Senate  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to payment for public education in the state.

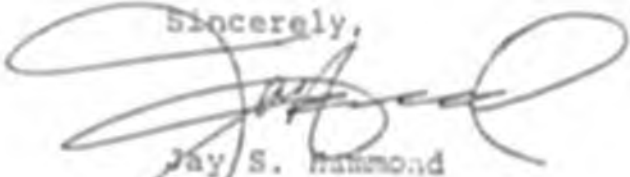
Section 1 of this bill bases the calculation of supplemental equalization aid upon certain tax contributions made in the fiscal year immediately preceding the prior fiscal year. This would allow the Department of Education to base payments on audited figures, rather than mere estimates.

Sections 2 -- 4 of this bill correct drafting errors that were contained in FCCS SB 23, which I allowed to become law without my signature last session. See, ch. 119, SLA 1981.

The problems in the law as enacted last year were addressed in my August 7, 1981, letter to the President of the Senate on the handling of FCCS SB 23. 1981 S.J., p. 1827. I indicated in that letter that I would offer corrective legislation at this time. In the statute amended in sec. 2 of the attached bill, it is evident that both numbers have to be the same - either both "11" or both "14." The tape of the free conference committee meeting on SB 23 indicates that the intent was to make it "11." Section 3 of this bill deletes the Copper River School District from the statute providing for 115 percent of the base instructional unit allotment because sec. 6 of FCCS SB 23 added that district to the statute providing 120 percent. Section 4 of this bill covers FY 82 and makes clear that there was no intent to eliminate the base instructional unit value for this fiscal year.

The attached bill, which is consistent with both the clear intention of the legislature and the actions of the Department of Education, provides needed clarification of agency obligations in the area of special education.

Sincerely,

  
Jay S. Hammond  
Governor

# MEMORANDUM

# State of Alaska

TO The Honorable Michael Beirne  
Alaska State Representative  
Alaska State Legislature

DATE: May 10, 1982

FILE NO:

TELEPHONE NO: 465-2890

FROM  Steve Hole, Administrator  
Division of Management, Law and Finance  
Department of Education

SUBJECT: Status of school  
district budgets

Presently, most school districts are waiting for final action by the legislature and the governor on the operating budget before they submit to us their final FY-83 budgets.

4/24/82 Anchorage Daily News

## House bill alters aid to education

The Associated Press

JUNEAU — State financial aid to school districts would be distributed on a per-student basis for the next two years if a bill approved by the Senate Thursday becomes law.

The switch is intended to curb fluctuations in the amount of state money paid to individual school districts and simplify the process of aid to education. In the meantime, a study of possible alternates to the current method of support is under way, Sen. Terry Stimson, D-Anchorage, said.

The 15-3 vote sends the bill to the House.

The bill would base per-pupil payments to school districts on the amount they would receive through the existing foundation-formula funding equation.

The bill describes the current method for channeling state money to school districts as "no longer equitable," and directs the state Department of Education to conduct a comprehensive study of the funding program.

The Senate's proposal includes \$560,000 for the study.

Stimson said the inequities resulted because the formula used to disburse money to school districts was established before Alaska's Bush schools were organized into 21 Rural Education Attendance Areas in 1975.

Stimson said the reorganization meant the administration for schools statewide was doubled, but the funding formula was not changed to reflect the difference.

Sen. Charlie Parr, D-Fairbanks, said he opposed the bill (CSSB649 Rules) because

it would continue for two more years existing inequities in funding for school districts.

He said the amount of state aid to St. Mary's City School District would be \$16,361 per student, while Sand Point City School District would receive \$9,934 per student. Both districts have similar populations and service areas.

The bill calls for schools to continue receiving their current level of funding from the state for fiscal 1983.

... be sur- in the state capital.  
... present in community The district, he said, has  
to make sure that the people common needs and goals. Con-

4-23-82

# School aid based on student counts

By The Associated Press

State financial aid to school districts would be distributed on a per-student basis for the next two years, rather than by a more complicated formula that is now used, under a bill approved by the Senate Thursday.

The switch is intended to curb fluctuations in the amount of state money paid to individual school districts while a study is conducted of possible alternates to the current method of support, said Sen. Terry Stinson, D-Anchorage.

The 15-3 vote sends the bill to the House. The bill would set in law per-pupil payments to school districts based on the amount they would receive through the existing foundation formula funding equation.

The bill describes the current method for channeling state money to school districts as "no longer equitable," and directs the state Department of Education to conduct a comprehensive study of the funding program.

The Senate's proposed operating budget includes \$560,000 for the study.

Stinson said the inequities resulted because the formula used to disburse money to school districts was established before Alaska's bush schools were organized into 21 Rural Education Attendance Areas in 1975.

Stinson said the reorganization meant the administration for schools statewide was doubled, but the funding formula was not changed to reflect the difference.

Sen. Charlie Parr, D-Fairbanks, said he opposed the bill (CS-SB649 Rules) because it would continue for two more years existing inequities in funding for school districts.

He pointed out that the amount of state aid to St. Mary's City School District would be \$16,361 per student, while Sand Point City School District would receive \$9,934 per student. Both districts have similar populations and service areas.

Stinson agreed that the bill would allow disparities to continue. But he said bill has the advantage of adjusting payments to school districts based on the number of students attending school.

The bill calls for schools to continue receiving their current level of funding from the state for fiscal 1983, and get a 5 percent hike payments in fiscal 1984.

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**REQUEST**

Bill Resolution No. J-77-032-82

Title An Act Relating to Education

Requested by Governor

Date 12-9-81

**II. FISCAL DETAIL**

Agency Affected Department of Education

Program Category Affected Elementary and Secondary Education

BRU, Program, or Subprogram(s) Affected Foundation Support, Financial Support Districts

(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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS CLAIMS ETC.						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**FUNDING** (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

**POSITIONS**

FULL TIME	N/A					
PART TIME						
TEMPORARY						

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

This bill has no fiscal impact.

IV. DATE 12-9-81

PREPARED BY

Steve Hale

AGENCY

Department of Education

PHONE

465-2890

Original: Legislative Finance

cc: Budget and Management

Print Sponsor (Full Legislator Name)

The 1980 amendment added subsection (c).

**Secs. 14.14.170—14.14.200.**  
 Repealed by § 6 ch 24 SLA 1979.

**Cross references.** — As to advisory school boards in regional educational attendance areas, see AS 14.06.115.

**Editor's notes.** — The repealed sections derived from § 1, ch. 98, SLA 1966; §§ 10, 11, ch. 46, SLA 1970; §§ 12, 67, ch. 32,

SLA 1971; §§ 1, 2, ch. 101, SLA 1971; §§ 23, 24, ch. 53, SLA 1973; § 1, ch. 37, SLA 1974; §§ 3-5, ch. 72, SLA 1974; §§ 4, 5, ch. 13, SLA 1975; §§ 7-10, ch. 124, SLA 1975.

## Chapter 17. Public School Foundation Program.

### Article 1. State Aid to Local School Districts.

**Section**

- 21. Basic state aid
- 23. Supplemental equalization aid
- 31. Instructional units
- 41. Table of allowable instructional units

**Section**

- 51. Instructional unit allotment
- 56. Base instructional unit value
- 71. [Repealed]

**Sec. 14.17.021. Basic state aid.** (a) The amount of basic state aid for which each district is eligible is calculated by multiplying the instructional unit allotment of the district as established under AS 14.17.051 by the number of allowable instructional units in the district as established under AS 14.17.041.

(b) If permitted under § 5(d)(2) of P.L. 81-874, as amended, (20 U.S.C. 240(d)) and the regulations adopted under it (45 C.F.R. 115.60 — 115.66), the amount of basic state aid to a district may be reduced by up to 80 percent of the entitlement of the district to federal financial assistance under P.L. 81-874, as amended, (20 U.S.C. 236 — 244), for the prior fiscal year. (§ 4 ch 238 SLA 1970; am §§ 1, 2 ch 81 SLA 1975, am §§ 1, 2 ch 173 SLA 1976, am §§ 2, 3 ch 90 SLA 1977; am §§ 3, 4 ch 26 SLA 1980)

**Effect of amendments.** — The 1976 amendment, in subsection (c), substituted "95 per cent" for "93 per cent" in paragraphs (2) and (3).

The 1977 amendment added the second sentence of subsection (a); substituted "97 per cent" for "95 per cent" in paragraphs (2) and (3) of subsection (c).

Section 3 ch 26, SLA 1980 in subsection

(a), substituted "if" for "To the maximum extent" at the beginning of the second sentence, substituted "may" for "shall" following "state aid" and inserted "up to 80 percent of" following "be reduced by" near the middle of the second sentence, while § 4 of ch. 26, effective later, reverts the section.

**Sec. 14.17.023. Supplemental equalization aid.** (a) In addition to basic state aid under AS 14.17.021, each district is entitled to supplemental equalization aid, as determined in (b), (c) and (d) of this section.

(b) The amount of supplemental equalization aid for a district is calculated by multiplying the ADM of the district as reported for the

prior fiscal year under AS 14.17.180 by the amount per ADM calculated in (c) of this section. This amount shall be reduced by the amount of the average local tax contributions per pupil in average daily membership for school operating costs in that district in the prior fiscal year or in the fiscal year ending June 30, 1979, whichever is higher.

(c) The amount per ADM of supplemental equalization aid is calculated as the amount equal to the average local tax contributions per pupil in average daily membership for school operating costs in the city and borough school districts in the prior fiscal year.

(d) The amount of supplemental equalization aid for each district determined in (b) of this section shall be adjusted by the district's instructional unit allotment established in AS 14.17.051. (§ 5 ch 26 SLA 1980)

**Sec. 14.17.031. Instructional units.** (a) The total number of instructional units within each school district is the sum of

(1) the number of units for elementary schools and the number of units for secondary schools as determined from AS 14.17.041(a), (b), (c), or (d);

(2) the number of units for vocational education determined from AS 14.17.041(e) as approved by the department;

(3) the number of units from special education determined from AS 14.17.041(f) as approved by the department;

(4) if the district has five or more correspondence pupils enrolled in an approved district correspondence study program, the number of units for correspondence pupils determined by applying the number of correspondence pupils to AS 14.17.041(a); and

(5) the number of units for bilingual education determined from AS 14.17.041(g) as approved by the department.

(b) A school district shall compute separately the number of allowable instructional units for each of its elementary and secondary schools except as provided in (c) of this section.

(c) The commissioner shall authorize any school in a remote location to establish an associated secondary school when the sum of the average daily membership in grades five through eight is greater than 20. Notwithstanding AS 14.17.041, any school or school district operating a remote elementary school with 20 or fewer total average daily membership in grades five through eight may conduct a secondary program subject to approval of the commissioner and use the following table to calculate the number of allowable instructional units for the combined elementary and secondary program of the remote school

ADM	No Instructional Units
under 12	3
12-20	4
21-32	5

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(d) If the instructional units which a school district is entitled to under (a) of this section decrease by 10 percent or more from one year to the next, the school district may use the last year before the reduction as a base year and offset its reduction according to the following schedule: (1) For the first year after the base year, the school district is entitled to the instructional units determined under (a)(1) of this section plus 75 percent of the difference in instructional units between the base year and the first year; (2) for the second year after the base year, the school district is entitled to the instructional units determined under (a)(1) of this section plus 50 percent of the difference in instructional units between the base year and the second year; (3) for the third year after the base year, the school district is entitled to the instructional units determined under (a)(1) of this section plus 25 percent of the difference in instructional units between the base year and the third year. The schedule established in this subsection is available to a school district for the three years following the base year only so long as the entitlement to instructional units under (a)(1) of this section for each year is less than the entitlement in the base year. This subsection does not apply to a decrease in instructional units resulting from a loss of enrollment which occurs as a result of a boundary change under AS 29 03 010 — 29.95.030.

(e) The commissioner may authorize a school district operating a school in a remote area to calculate the number of instructional units to which the remote school would be entitled if that school were a separate school district and to include that number of instructional units in the total number of instructional units for the district. (§ 4 ch 236 SLA 1974; am § 3 ch 81 SLA 1975; am § 4 ch 190 SLA 1975; am §§ 4 — 6 ch 90 SLA 1977; am § 1 ch 115 SLA 1978; am §§ 6 — 8 ch 26 SLA 1980)

**Effect of amendments.** — The 1977 amendment substituted "§ 41(a), (b), (c), or (d)" for "§ 41(a) or (b)" in paragraph (1), "§ 41(c)" for "41(c)" in paragraph (2), and "§ 41(d)" for "41(d)" in paragraph (3), all in subsection (b), added "except as provided in (e) of this section" to the end of subsection (b), rewrote subsection (c), and added subsection (d).

The 1978 amendment added paragraph (b) of subsection (a).

The 1980 amendment inserted "elementary and" preceding "secondary schools" in subsection (b), substituted "(a)(1) of this section" for "(a) of this section" wherever it appears in subsection (d), substituted "third year" for "second year" at

the end of the first sentence in subsection (d), added the present last sentence in subsection (d) and added subsection (e). The addition of subsection (e) is retroactive to July 1, 1978.

**Editor's notes.** — Section 22, ch. 36, SLA 1980 provides "The amendments made to AS 14 17 031(d) by § 7 of this Act, substituting references to AS 14 17 031(a)(1) for references to AS 14 17 031(a), do not apply to a school district using a base year ending on or before June 30, 1980, for instructional unit computation under the schedule of instructional unit reductions set out in AS 14 17 031(d) for a period of three years following the base year."

Sec. 14.17.041. Table of allowable instructional units.

(a) Elementary schools:

ADM	No. Instructional Units
under 32	3
32 — 46	4
47 — 62	5
63 — 80	6
81 and over	6 plus 1 for each 18 pupils in ADM or fraction of 18

(b) Repealed by § 20 ch 26 SLA 1980.

(c) Secondary schools:

ADM	No. Instructional Units
under 30	4
30 — 59	6
60 — 89	8
90 and over	10 plus 1 for each 18 pupils or fraction of 18

(d) Repealed by § 20 ch 26 SLA 1980.

(e) Vocational education schedule:

ADM	No. Instructional Units
Full-Time Equivalent	
5—10	1
11—25	2
26—40	3
41 and over	3 plus 1 for each 20 pupils or fraction of 20 pupils in Full-Time Equivalent ADM

(f) Special education schedule:

(1) in districts with ADM of less than 3,000, one instructional unit for each 15 special education pupils or fraction of 15 pupils in ADM.

(2) in districts with ADM of 3,000 or more, one instructional unit for each 11 special education pupils or fraction of 14 pupils in ADM.

(g) Bilingual education schedule:

Weighted ADM	No. Instructional Units
1 — 12	1
13 — 18	2
19 — 42	3
43 and over	3 plus 1 for each 24 weighted ADM or fraction of 24 weighted ADM

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(§ 4 ch 238 SLA 1970; am § 1 ch 137 SLA 1972; am § 4 ch 81 SLA 1975; am § 7 ch 90 SLA 1977; am § 2 ch 115 SLA 1978; am §§ 9 — 11, 20 ch. 26 SLA 1980; am § 1 ch 119 SLA 1981)

**Revisor's notes.** — AS 14.17.041(f)(2) was rewritten by Section 1, Chapter 119, SLA 1981. The paragraph is flawed by a drafting error. There is no evidence of whether the legislature intended the paragraph to read "... one instructional unit for each 11 special education pupils or fraction of 11 pupils in ADM" or "... one instructional unit for each 14 special education pupils or fraction of 14 pupils in ADM."

**Effect of amendments.** — The 1977 amendment rewrote this section.

The 1978 amendment added subsection (g).

Section 9, ch. 26, SLA 1980 rewrote subsection (a). Section 10, ch. 26, SLA 1980 rewrote subsection (c). Section 11, ch. 26, SLA 1980 substituted "16" for "20" where it appears at the bottom of the second column in subsection (c). Section 20, ch. 26,

SLA 1980 repealed subsections (b) and (d).

The 1981 amendment, effective August 8, 1981, rewrote subsection (f).

**Editor's notes.** — Section 3, ch. 119, SLA 1981, provides: "The amendment to AS 14.17.041 (f) made by this Act may not be applied to reduce the number of allowable instructional units for special education below the number of units allowed during the school term ending in 1981."

Section 4, ch. 119, SLA 1981, provides: "Notwithstanding sec. 1 of this act, in computing the state aid for special education under AS 14.17 for the fiscal year beginning July 1, 1981, a school district or a rural educational attendance area has the same number of allowable instructional units for special education that it had during the fiscal year beginning July 1, 1980."

**Sec. 14.17.051. Instructional unit allotment.** The instructional unit allotment for each school district or regional educational attendance area is as follows:

(1) for Gateway Borough School District, City and Borough of Juneau School District, and Anchorage School District, the district is entitled to receive the base instructional unit allotment;

(2) for Annette Island School District, Petersburg City School District, Wrangell City School District, Sitka Borough School District, and Matanuska-Susitna Borough School District, the district or area is entitled to receive 104 per cent of the base instructional unit allotment;

(3) for Craig City School District, Hydaburg City School District, Klawock City School District, Kake City School District, Chatham School District, Skagway City School District, Southeast Island School District, and Kenai Peninsula Borough School District, the district or area is entitled to receive 108 per cent of the base instructional unit allotment;

(4) for Pelican City School District, Hoonah City School District, and North Star Borough School District, the district or area is entitled to receive 112 per cent of the base instructional unit allotment;

(5) for Copper River School District, Cordova City School District, Valdez City School District, and Haines Borough School District, the district or area is entitled to receive 115 per cent of the base instructional unit allotment;

(6) for Nenana City School District, Delta School District, Alaska Gateway School District, Upper Railbelt Regional School District,

Yakutat City School District, Chugach School District, and Copper River School District, the district or area is entitled to receive 120 percent of the base instructional unit allotment;

(7) for Adak Regional School District the area is entitled to receive 140 per cent of the base instructional unit allotment;

(8) for Pribilof Islands School District, Aleutian Chain School District, King Cove City School District, Sand Point City School District, and Unalaska City School District, the district or area is entitled to receive 150 percent of the base instructional unit allotment;

(9) for Yukon Flats School District, Dillingham City School District, Bristol Bay Borough School District, Southwest Regional School District, Lake Peninsula School District, Lower Kuskokwim School District, Galena City School District, Kuspuk School District, Yukon-Koyukuk School District, Northwest Arctic School District, Selawik City School District, Nome City School District, Bering Straits School District, Iditarod Area School District, North Slope Borough School District, Lower Yukon School District, and St. Mary's City School District, the district or area is entitled to receive 155 per cent of the base instructional unit allotment.

(10) for Kodiak Island School District, the district is entitled to receive 116 per cent of the base instructional unit allotment. (§ 4 ch 238 SLA 1970; am § 1 ch 40 SLA 1971; am § 5 ch 81 SLA 1975; am § 12 ch 124 SLA 1975; am § 8 ch 90 SLA 1977; am §§ 3 - 6 ch 115 SLA 1978; am § 12 ch 26 SLA 1980; am § 6 ch 119 SLA 1981)

Revisor's notes. - The Copper River School District was added to AS 14.17.051(6) by Chapter 119, SLA 1981. As a result of a drafting error, the Copper River School District was not removed from AS 14.17.051(5).

Effect of amendments. - The 1977 amendment, rewrote the section.

The 1978 amendment deleted "Southeast School District" following "Annette Island School District" in paragraph (2); inserted "Southeast Island School District" in paragraph (3); deleted "Kodiak Island Borough School District" following "Pelican City School District" in paragraph (4); and added paragraph (10).

The 1980 amendment inserted "Sand Point City School District" following "King Cove City School District" in paragraph (6).

Editor's notes. Section 14, ch 26, SLA 1980, provides "The Legislative Budget and Audit Committee shall undertake a study of the differential instructional unit value applicable to school districts under AS 14.17.051. The study shall establish the appropriate differential elements and weighting factors for instructional units and shall include a process for periodic revisions of the differential instructional unit allotment values. The committee shall submit the study and its recommendations on the study to the legislature no later than January 18, 1981."

The 1981 amendment, effective August 8, 1981, deleted "and" preceding "Chugach School District" and added "and Copper River School District" preceding "the district or area is entitled" in paragraph (6).

Sec. 14.17.056. Base instructional unit value. The base instructional unit value for fiscal years beginning on or after July 1, 1982, is \$42,430. (§ 4 ch 238 SLA 1970, am § 1 ch 86 SLA 1973, am § 1 ch 140 SLA 1974, am § 6 ch 81 SLA 1975, am § 3 ch 173 SLA 1976; am § 10 ch 90 SLA 1977, am § 7 ch 115 SLA 1978, am §§ 13, 14 ch 26 SLA 1980; am § 5 ch 119 SLA 1981)

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Revisor's notes. — As the result of a drafting error, the amendment made by section 5, Chapter 119, SLA 1981 inadvertently repealed the base instructional unit value for the fiscal year ending June 30, 1982.

Effect of amendments. — The 1976 amendment, in this section as it existed prior to the 1980 amendment, substituted "July 1, 1976 and ending June 30, 1977 is \$25,000" for "July 1, 1975 and ending June 30, 1976 is \$23,500" in subsection (a) and substituted "July 1, 1977 is \$27,500" for "July 1, 1976 is \$25,000" in subsection (b).

The 1977 amendment, in this section as it existed prior to the 1980 amendment, substituted "July 1, 1977 and ending June 30, 1978 is \$27,500" for "July 1, 1976 and ending June 30, 1977 is \$25,000" at the end of subsection (a) and "July 1, 1978 is

\$29,000" for "July 1, 1977 is \$27,500" at the end of subsection (b).

The 1978 amendment, in this section as it existed prior to the 1980 amendment, substituted "July 1, 1978 and ending June 30, 1979 is \$29,000" for "July 1, 1977 and ending June 30, 1978 is \$27,500" at the end of subsection (a) and "July 1, 1979 is \$31,900" for "July 1, 1978 is \$29,000" at the end of subsection (b).

Section 13, ch. 26, SLA 1980 rewrote the section. Section 14, ch. 26, SLA 1980 substituted "after July 1, 1981, is \$38,590" for "after July 1, 1980, is \$34,935" at the end of the section.

The 1981 amendment, effective August 6, 1981, substituted "July 1, 1982" for "July 1, 1981" and substituted "\$42,450" for "\$38,590."

**Sec. 14.17.071. Required local effort.**  
 Repealed by § 21 ch 26 SLA 1980.

Editor's notes. — The repealed section derived from § 4, ch. 236, SLA 1970.

**Article 2. Preparation of Public School Foundation Budget.**

Section	Section
81 Minimum expenditure for instruction	140. Determination of full and true value by Department of Community and Regional Affairs
82 Fund balance changes in school operating fund	

**Sec. 14.17.081. Minimum expenditure for instruction.** (a) Each district shall budget for and spend a minimum of 55 percent of its school operating expenditures in each fiscal year on the instructional component of the district budget.

(b) The commissioner shall reject a district budget which does not comply with (a) of this section and, unless a waiver has been granted by the state Board of Education under (d) of this section, shall withhold payments of state aid from that district, beginning with the payment for the second full month after rejection and continuing until the school board of the district revises the district budget to comply with (a) of this section.

(c) The commissioner shall review the annual audit of each district for compliance with the expenditure requirements of (a) of this section. If he determines that a district does not meet those requirements, the commissioner shall advise the district of his determination and calculate the percentage of deficiency in required expenditure and deduct that percentage from state aid paid to the district for the current fiscal year, beginning with the payment for the second full month after his determination, unless a waiver has been granted by the state Board of Education under (d) of this section.

(d) A district which has been determined by the commissioner to be out of compliance with the requirements of this section may, within 20 days of the commissioner's determination, request a waiver by the state Board of Education of the imposition by the commissioner of any reduction in state aid payments under (b) or (c) of this section. The request must be submitted to the Legislative Budget and Audit Committee and must be in writing and include an analysis of the reasons and causes for the district's inability to comply with the requirements of this section. The Legislative Budget and Audit Committee shall review the district's request and forward it, along with the committee's recommendations on it, to the state Board of Education which shall either grant or deny the waiver.

(e) The commissioner shall submit an annual report on actions taken by him or the state Board of Education under this section to the Legislative Budget and Audit Committee by April 15 of each year. (§ 15 ch 26 SLA 1980)

**Sec. 14.17.082. Fund balance changes in school operating fund.** (a) Each district having at least 400 instructional units under AS 14.17.031(a) may accumulate a fund balance in the school operating fund of seven percent of its expenditures. Each district having less than 400 instructional units may accumulate a fund balance of 10 percent of its expenditures.

(b) The commissioner shall review the annual audit of each district to ascertain changes in the year-end operating fund balance of the districts, and notify districts and the state Board of Education, through a written report, of any fund balance accumulation greater than that permitted under (a) of this section.

(c) The state Board of Education shall review the reports submitted to it under (b) of this section and submit a report making recommendations with respect to the legislative treatment of the fund balances of those districts to the Legislative Budget and Audit Committee by April 15 of each year. (§ 15 ch 26 SLA 1980)

**Sec. 14.17.140. Determination of full and true value by Department of Community and Regional Affairs.** (a) To determine the equalized percentage to be applied to basic need under AS 14.17.021, and the matching ratio for required local effort under AS 14.17.071, the Department of Community and Regional Affairs, in consultation with the assessor for each district, shall determine the full value of the taxable real and personal property in each district. Exemptions granted under ch. 129, SLA 1957, known as the Alaska Industrial Incentive Act (AS 43.25.010 — 43.25.170), shall be honored. If there is no local assessor or current local assessment for a district, then the Department of Community and Regional Affairs shall make the determination of full value from information available. In making the determination, the Department of Community and Regional Affairs shall be

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