

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 86/2

1406 HESS SB 649 - SB 650

1900

guided by AS 29.53.060. The determination of full value shall be made before October 1 and sent by certified mail, return receipt requested, before that date to the president of the school board in each district. Duplicate copies shall be sent to the commissioner. The governing body of the borough or city which is the district may obtain judicial review of the determination by filing a motion in the superior court of the judicial district in which the district is located within 30 days after receipt of the determination. The superior court may modify the determination of the Department of Community and Regional Affairs only upon a finding of abuse of discretion or upon a finding that there is no substantial evidence to support the determination.

(b) Motor vehicles subject to the motor vehicle registration tax under AS 28.10.431 shall be treated as taxable property for purposes of (a) of this section.

(c) To determine the debt-to-valuation ratio to be applied to the determination of state aid for school construction under AS 43.18.105 — 43.18.135, the Department of Community and Regional Affairs, in consultation with the responsible financial officer of each municipality which is a school district, shall annually determine the debt of the municipality and report the determination to the mayor of the municipality and the commissioner of the Department of Education. The determination shall be made by October 1 of each year and shall report the outstanding debt as of July 1 each year. (§ 2.07 ch 164 SLA 1962; am § 2 ch 95 SLA 1969; am § 6 ch 238 SLA 1970; am § 9 ch 200 SLA 1972; am § 1 ch 218 SLA 1976; am § 2 ch 256 SLA 1976; am § 14 ch 147 SLA 1978; am § 12 ch 94 SLA 1980)

Effect of amendments. — The first 1976 amendment substituted "AS 29.53.060" for "AS 29.10.396" at the end of the fourth sentence of present subsection (a).

The second 1976 amendment added subsection (b).

The 1978 amendment added subsection (c).

The 1980 amendment substituted "AS 28.10.431" for "28.10.255" near the middle of subsection (b).

Editor's notes. — AS 14.17.071, referred to in the first sentence of subsection (a), was repealed by § 21, ch. 26, SLA 1980.

Article 3. Procedure for Payment of Public School Foundation Funds to Districts.

Section

180 Payment under final computation

Sec. 14.17.180. Payment under final computation. Before June 16 each district shall transmit to the commissioner a final computation of the district's state aid. The commissioner shall process each district's computation in the manner provided by AS 14.17.150(a). However, in no event may the entitlement of a school district to state aid under AS 14.17.021 be less than that computed under this section for the

preceding year, except as otherwise provided in AS 14.17.031, or under AS 14.17.170, whichever is greater. Additional state aid shall be obligated by the commissioner before June 30. If the district received more state aid money than it was entitled to under AS 14.17.010 — 14.17.250, it shall immediately, after notice from the commissioner of the overpayment, remit the amount of overpayment to the commissioner to be returned to the public school foundation account. (§ 3.03 ch 164 SLA 1962; am § 5 ch 95 SLA 1969; am § 10 ch 238 SLA 1970; am § 2 ch 135 SLA 1975; am § 16 ch 26 SLA 1980)

Effect of amendments. — The 1980 amendment substituted the present third sentence for the former.

Article 4. General Provisions.

Section	Section
205. State aid to districts operating approved school food service programs	225. Construction and implementation of chapter
215. [Repealed]	250. Definitions

Sec. 14.17.205. State aid to districts operating approved school food service programs. A school district that qualifies for and provides free and reduced-price lunches to students who qualify under the Federal Nutrition Act shall receive state aid in an amount for each free or reduced-price meal equal to the federal allowances multiplied by the school district's area differential in AS 14 17 051. (§ 11 ch 90 SLA 1977)

Sec. 14.17.215. State aid to districts affected by state activities. Repealed by § 20 ch 26 SLA 1980.

Editor's notes. — The repealed section derived from § 7, ch. 95, SLA 1969

Sec. 14.17.225. Construction and implementation, of chapter.

(1) Funds necessary to carry out the provisions of AS 14.17.205 may be appropriated annually to the Department of Education. If amounts appropriated are insufficient to meet the allocations authorized under AS 14 17 205, such funds as are available shall be distributed pro rata among eligible districts (am § 12 ch 90 SLA 1977)

Effect of amendments. — The 1977 amendment added subsection (1). As the rest of the section was not affected by the amendment, it is not set out.

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(A) th (B) th tion; (C) th ADM of if the sc (D) th ADM of if the sc (19) " daily m level of : departm (am § 8

Effect amendme Section regional the end of SLA 1980

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Section 10. Disc pr 20. Disc pr 30. Disc pr 40. Disc at 50. Disc pr

Sec. Recogn

1 DEPARTMENT OF REVENUE (CONT.)

2		APPROPRIATION	APPROPRIATION	FUND SOURCES
3	ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
4	CHILD SUPPORT ENFORCEMENT (70 POSITIONS)	3,090,200	1,047,100	2,043,100
5	DURING THE FIRST YEAR OF OPERATION IN FAIRBANKS AND JUNEAU, THE AGENCY IS TO PROVIDE ADMINISTRATIVE SUPPORT FROM AUTHORIZED			
6	POSITIONS IN ANCHORAGE.			
7	ADMINISTRATION AND SUPPORT	2,698,900	2,698,900	
8	OFFICE OF THE COMMISSIONER (16 POSITIONS)	98,000		
9	THE NEGATIVE LINE-ITEM INCLUDED UNDER MISCELLANEOUS IN THE COMMISSIONER'S OFFICE BUDGET MAY BE ALLOCATED AT THE DIRECTION OF			
10	THE COMMISSIONER AMONG THE VARIOUS FUNCTIONS OR PROGRAMS OF THE DEPARTMENT.			
11	ADMINISTRATIVE SERVICES (31 POSITIONS)	1,720,900		
12	REFUNDABLE CREDITS		1,033,000	1,033,000
13	*****			
14	***** DEPARTMENT OF EDUCATION *****			
15	*****			
16	EDUCATION			
17	FINANCIAL SUPPORT	391,500,900	389,656,000	1,844,900
18	STUDENT ADM SUPPORT	279,461,600		
19	THE REDUCTION OF 8259,400 FROM THE GOVERNOR'S BUDGET REQUEST IS TO BE MADE IN THE INTERAGENCY TRANSFER OF FUNDS TO THE			
20	CORRESPONDENCE STUDY - DOE PROGRAM. THIS REDUCTION IS NOT TO BE USED TO REDUCE FOUNDATION SUPPORT TO DISTRICTS.			
21	THE REDUCTION OF 97,172,300 REPRESENTS A 2 1/2% REDUCTION IN FOUNDATION SUPPORT TO DISTRICTS. THE REDUCTION SHALL BE			
22	PRORATED BY THE DEPARTMENT OF EDUCATION AMONG ALL SCHOOL DISTRICTS.			
23	SPECIAL EDUCATION ADJUSTMENTS	46,991,600		
24	THE REDUCTION OF 91,204,900 REPRESENTS A 2 1/2% REDUCTION IN FOUNDATION SUPPORT TO DISTRICTS. THE REDUCTION SHALL BE			
25	PRORATED BY THE DEPARTMENT OF EDUCATION AMONG ALL SCHOOL DISTRICTS.			

1 DEPARTMENT OF EDUCATION (CONT.)					
2		APPROPRIATION	APPROPRIATION FUND SOURCES		
3		ALLOCATIONS	ITEMS	GENERAL FUND	OTHER FUNDS
4	VOCATIONAL EDUCATION ADJUSTMENTS	23,002,300			
5	THE REDUCTION OF \$589,800 REPRESENTS A 2 1/2% REDUCTION IN FOUNDATION SUPPORT TO DISTRICTS. THE REDUCTION SHALL BE PRORATED				
6	BY THE DEPARTMENT OF EDUCATION AMONG ALL SCHOOL DISTRICTS.				
7	CORRESPONDENCE STUDY-DOE (29 POSITIONS)	1,844,900			
8	PROGRAM EXPENDITURES FOR CORRESPONDENCE STUDY - DOE ARE TO BE REVIEWED BY THE DEPARTMENT OF EDUCATION. FUNDING, AS CONTAINED				
9	IN THE APPROVED BUDGET LEVEL OF \$1,844,900, IS TO INCLUDE CORRESPONDENCE STUDY COURSE DEVELOPMENT.				
10	CORRESPONDENCE STUDY-LOCAL	4,775,900			
11	THE REDUCTION IN CORRESPONDENCE STUDY - LOCAL FOUNDATION PROGRAM COMPONENT IS TO BE PRORATED BY THE DEPARTMENT OF EDUCATION				
12	AGAINST ONLY THAT PORTION OF FOUNDATION SUPPORT GENERATED BY THE LOCAL CORRESPONDENCE STUDY PROGRAMS.				
13	BILINGUAL PROGRAM ADJUSTMENT	8,500,000			
14	THE REDUCTION IN BILINGUAL PROGRAM ADJUSTMENT SUPPORT IS TO BE PRORATED BY THE DEPARTMENT OF EDUCATION AGAINST ONLY THAT				
15	PORTION OF THE FOUNDATION PROGRAM SUPPORT GENERATED BY THE BILINGUAL PROGRAMS.				
16	SUPPLEMENTAL EQUALIZATION AID	26,924,600			
17	FINANCIAL SUPPORT-DISTRICTS		80,744,500	40,588,300	40,156,200
18	PUPIL TRANSPORTATION-PUBLIC	20,300,000			
19	STUDENT LUNCH PROGRAM	6,000,000			
20	CIGARETTE TAX DISTRIBUTION	7,400,000			
21	FEDERAL PROGRAMS	14,756,200			
22	TUITION STUDENTS	3,558,200			
23	BOARDING HOME GRANTS	651,000			
24	STATE CONTRACT PROGRAMS	27,079,100			
25	THE APPROPRIATION FOR STATE CONTRACT PROGRAMS INCLUDES \$250,000 FOR GRANTS TO SCHOOL DISTRICTS TO CONDUCT VOCATIONAL				
26	EDUCATION SUMMER SCHOOL PROGRAMS. THE APPROPRIATION OF \$250,000 IS CONTINGENT UPON ITS EXPENDITURE FOR GRANTS FOR VOCATIONAL				
27	EDUCATION SUMMER PROGRAMS.				

SB 649

This is an attempt to address the inequities of the present Foundation program. The bill started out as a revision of the statutes (AS 14.17). Because of problems with the statutory language and the lack of knowledge sufficient to equalize the funding allotments, Senate Finance adopted a version which 1) suspends the current system set out in statute; 2) authorizes a two-year study by freezing the allotments to a certain amount per child per year (this comes from FY 82 figures); 3) after setting the amounts, 1984 funding is set at a 5% increase overall. Two amendments regarding the funding for special education and vocational and bilingual education allotments were added in the Senate on the floor. Revised versions have been changes in figures. Average allotment is \$9116.42.

Jody-

What other referral on this Bill?

Finance

Southeast Island School District

640 Park Ave. - P.O. Box 8340 - Ketchikan, Alaska 99901 - (907) 225-9658 or 225-9659



April 16, 1982

Governor Jay Hammond
Office of the Governor
Pouch A
Juneau, AK 99811

Dear Governor Hammond:

Enclosed you will find a copy of a letter from the undersigned to Marshall Lind regarding the interim financing system proposed in SB 649. I have some serious reservations about the proposal because:

1. it could negatively impact a district with many small schools;
2. it probably will have a negative effect on special education programs in Alaska;
3. it does not appear to be much of an improvement over the current foundation program, upon which it is based.

Finally, I am somewhat surprised that a major change in what is basically regarded as a good school finance program may occur with little opportunity for public discussion throughout the state.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert Weinstein".

Robert Weinstein
Superintendent

RW:jb

Southeast Island School District

640 Park Ave. - P.O. Box 8340 - Ketchikan, Alaska 99901 - (907) 225-658 or 225-9659



April 16, 1982

Commissioner Marshall Lind
Department of Education
Pouch F
Juneau, AK 99811

Dear Commissioner Lind:

This is to express some concerns with the interim financing proposal which was proposed by your office and is now part of SB 649.

- I. The proposed system does have some merit, including administrative advantages at both the state and local levels. However, the proposed system seems far more suitable for districts with large schools and stable populations rather than, as the case in this district, those with very small schools and relatively unstable populations. To quote from the proposal sent by your office, "Given the small size of some schools and the lack of a tax base in regional districts, there is a need for heavier funding at the front end of any funding schedule in order to compensate for high overhead at small sites. Perhaps some combinations of units to cover front end costs and an ADM schedule may warrant consideration."

I definitely am in agreement with that, and would be more supportive of an interim funding system based upon such a combination.

No other district, to my knowledge, has so many schools open, close, or move as does this one. When we start a new school, we generally not only have to hire staff and purchase standard supplies and equipment, but also make large, one-time expenditures for such items as a housing trailer, temporary trailer-type schools, and so on. The proposed interim funding system would not be adequate for this purpose. For example, we started a school in late October at Long Island, a logging camp which exists as a result of native timber selections. At this time last year, we had no idea that a new community and a school with an initial enrollment of 12 students would be at that location. So far this year, we have had over \$75,000 of expenditures in excess of those for regular salaries, supplies and equipment, and maintenance/operations. While the current funding system permits us to do this by establishing a minimum of instructional units per school, the proposal would not permit us to provide a

safe, temporary school building and decent teacher housing. It could also prevent us from having the capability of moving a school from one location to another when a logging operation shifts to a new area, as did Tyler Logging this month when it moved from St. John's Harbor to Cape Pole.

As a result, I can not see how the proposal in its current form would be appropriate for Southeast Island School District. I believe that the proposal should be amended by setting a minimum per school allocation.

I would suggest that the following minimums be established:

- A. for an established school with an ADM of less than 14, the minimum be set as the equivalent of one instructional unit plus the per ADM allocation provided by the interim funding system;
- B. for a new school (defined, for an REAA, as the establishment of a school in a community which has not had a school for at least the previous 2 school years) with:
 - a. an ADM of less than 14, the minimum be set as the equivalent of two instructional units plus the per ADM allocation; or
 - b. with an ADM of 14-17, the equivalent of one instructional unit plus the per ADM allocation. The minimums for a new school would apply for one year only.

Such a combination of units and ADM schedule would:

- A. be in accordance with the statements in the Department's interim proposal;
- B. guarantee adequate revenues to meet high costs at small sites, especially those costs involved when establishing a school in a typical logging community in Southeast Alaska.

II. Another area of concern involves the data and calculations used to establish an ADM schedule in SB 649.

- A. The per ADM schedule as contained in SB 649 shows a figure of \$10,380 for SISD. Due to a calculation error, the supplemental equalization figure of \$116.13 was not multiplied by our regional differential of 108%. The figure for this district should have been \$1,097.42. If the proper figure had been used, the Southeast Island School District per ADM figure in SB 649 would be \$10,461. I have discussed this error with Bob Davis and Steve Hole, who assured me that it would be rectified when the bill went to the House.

B. Your message of April 8 indicated that incorrect ADM data and ADM data for new schools would be accepted through Tuesday, April 13. I reported on both April 9 and April 13 via EIS that we will be starting a new combination elementary/secondary school at View Cove next year. The school will be in a new logging camp being established by Sealaska Corporation on Dall Island, and will have an initial enrollment of 16. This would, under the current foundation program, generate 4 instructional units. If this data was used, our per ADM figure would be \$10,546.

III. By deleting the current categorical approach to school funding, I feel that there is an excellent possibility that necessary services to special education students will be neglected. As a person whose original training and experience was in special education, I have noted that a number of school administrators have little, if any, commitment to meeting the needs of such students. While the current statute provides both a legal requirement and moral requirement (in the sense that funds are generated by the provision of services and therefore should be spent on such services) for an intensive level of special education services, the interim proposal would make it relatively easy for a school district to minimize its special education programs. In other words, the interim proposal could encourage a school district to meet the letter rather than the spirit of the law. In addition to children not receiving services, the change might mean that hundreds of professionals, parents, and legislators in Alaska have wasted a great effort by working to make Alaska a leader in this area.

IV. I have some general comments regarding the proposal. There is no question that the foundation program needs to be reviewed. As you may remember, I had some serious reservations with the recommendations of the 1980 Task Force on Foundation Support. I believed then that the proposal would maintain and create additional inequities in the foundation program. I continue to feel that the foundation program needs a comprehensive review and improvements to meet the many concerns which have been expressed, including those in your office's interim proposal.

I feel that some abuses of the current program, such as the "tinkering" of school configurations mentioned in the Department's report, could be eliminated by administrative and regulatory action. However, I question whether the interim proposal, based as it is upon the existing foundation program, would offer other than administrative ease. Until the funding of public schools can be reviewed in an orderly and comprehensive manner and some funding method with advantages over the current system can be developed, I am reluctant to accept an interim proposal which in essence "throws the baby out with the bath water."

Sincerely,

Robert Weinstein

Robert Weinstein
Superintendent

RW:jb

cc: Governor Jay Hammond
Senator Robert Ziegler
Senator Terry Stimson
Senator Richard Eliason
Representative Terry Gardiner
Representative Oral Freeman
Representative E. J. Haugen
Representative Bob Grussendorf

School Districts

(figures to be adjusted)

School District	Revised 1st Qtr. ADM 1981-82	Projected 1982-83 ADM	Instr. Units	Instr. Unit Allotment	Basic Need	Supp. Eq. Aid 1016.13	Preliminary Computation of Entitlement	Per AIXI
Anchorage	33,279	34,372	2,605	42,450	110,502,250	6,977,172	117,559,422	3,420
Bristol Bay	203	212	28	65,797	1,842,316	273,027	2,115,343	9,978
Cordova	415	415	45	48,817	2,196,765	19,462	2,216,227	5,340
Craig	108	185	23	45,846	1,054,458	199,496	1,253,954	6,778
Dillingham	364	363	40	65,797	2,631,880	523,906	3,155,786	8,694
Fairbanks	8,824	9,367	763	47,544	36,276,072	-0-	36,276,072	3,873
Galena	132	132	21	65,797	1,387,737	203,683	1,585,420	12,011
Haines	375	349	42	48,817	2,050,314	17,800	2,068,114	5,926
Hoonah	228	229	25	47,544	1,188,600	238,216	1,426,816	6,231
Hydaburg	89	92	16	45,846	733,536	98,263	831,799	9,041
Juneau	4,080	3,962	350	42,450	14,857,500	97,148	14,954,648	3,774
Kake	194	209	27	45,846	1,237,842	213,759	1,451,601	6,945
Kenai	6,262	6,587	585	45,846	26,819,910	1,375,128	28,195,038	4,280
Ketchikan	2,354	2,276	195	42,450	8,277,750	-0-	8,277,750	3,637
King Cove	136	125	17	63,675	1,082,475	139,164	1,221,639	9,773
Klawock	95	118	20	45,846	916,920	127,075	1,043,995	8,847
Kodiak	2,057	2,068	214	49,242	10,537,788	935,083	11,472,871	5,548
Mat-Su	4,808	4,959	427	44,148	18,851,196	-0-	18,851,196	3,801
Metana	214	208	28	50,940	1,426,320	218,472	1,644,792	7,908
Nome	729	736	74	65,797	4,868,978	539,199	5,408,177	7,340
North Slope	1,061	1,124	152	65,797	10,001,144	-0-	10,001,144	8,898
Pelican	47	56	14	47,544	665,616	51,867	717,483	12,812
Petersburg	561	554	50	44,148	2,207,400	177,774	2,385,174	4,305
Sand Point	141	128	17	63,675	1,082,475	189,097	1,271,572	9,934
Sitka	1,683	1,710	146	44,148	6,445,608	-0-	6,445,608	3,769
Skagway	189	187	21	45,846	962,766	150,414	1,113,180	5,953
St. Marys	96	117	27	65,797	1,776,519	137,775	1,914,294	16,361
Unalaska	191	160	23	63,675	1,464,555	-0-	1,464,525	9,153
Valdez	848	827	86	48,817	4,198,202	-0-	4,198,262	5,076
Wrangell	490	474	47	44,148	2,074,956	230,055	2,305,011	4,863
Yakutat	154	159	22	50,940	1,120,680	161,957	1,282,637	8,067
TOTALS	70,487	72,460	6,150		280,814,558	13,294,992	294,109,550	4,059
Centralized Corres	721	800	48	42,450	2,037,600	-0-	2,037,600	2,547

4/29/82

REAA's

(Requires to be adjusted)

REAA	Revised 1st Qtr. ADM 1981-82	Projected 1982-83 ADM	Instr. Units	Instr. Unit Allotment	Basic Need	Supp. Eq. Aid 1016.13	Less PL 874	Preliminary Computation of Entitlement	Per ADM
Adak	611	630	56	59,430	3,328,080	896,227	707,959	3,516,348	5,581
Alaska Gateway	476	480	77	50,940	3,922,380	585,291	278,848	4,228,823	8,810
Aleutian Region	111	119	33	63,675	2,101,275	181,379	141,805	2,140,849	17,990
Annette Island	348	338	47	44,148	2,074,956	357,190	573,066	1,859,080	5,500
Bering Strait	582	828	166	65,797	10,922,302	1,304,101	709,241	11,517,162	13,910
Chatham	196	221	42	45,846	1,925,532	242,530	211,257	1,956,805	8,854
Chugach	68	92	18	50,940	916,920	112,181	31,192	997,909	10,847
Copper River	568	569	68	50,940	3,463,920	693,814	217,205	3,940,529	6,925
Delta Greely	895	970	83	50,940	4,228,020	1,182,775	430,122	4,980,673	5,135
Editarod	311	315	67	65,797	4,408,399	496,125	362,795	4,541,729	14,418
Kuspuk	324	313	84	65,797	5,526,948	492,975	438,957	5,580,966	17,831
Lake & Peninsula	321	317	82	55,797	5,395,354	499,275	522,382	5,372,247	16,947
Lower Kuskokwim	1,865	2,518	379	65,797	24,937,063	3,965,854	2,093,659	26,809,258	10,647
Lower Yukon	1,183	1,453	183	65,797	12,040,851	2,288,477	1,788,822	12,540,506	8,631
Northwest Arctic	1,495	1,452	197	65,797	12,962,009	2,286,902	1,639,962	13,608,949	9,372
Pribilof	174	185	30	63,675	1,910,250	281,976	262,898	1,929,328	10,429
Railbelt	353	351	56	50,940	2,852,640	427,994	(325)	3,280,959	9,347
Southeast Island	432	377	77	45,846	3,530,142	413,727	422,209	3,521,660	9,341
Southwest Region	476	478	100	65,797	6,579,700	752,851	692,908	6,639,643	13,890
Yukon Flats	299	333	73	65,797	4,803,181	524,475	364,846	4,962,810	14,903
Yukon Koyukuk	569	588	116	65,797	7,632,452	926,101	757,180	7,801,373	13,268
TOTALS	11,657	12,927	2,034		125,462,374	18,912,220	12,646,988	131,727,606	10,190

STATE OF ALASKA

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER

COVER
POUCH F
STATE OFFICE BUILDING
JUNEAU, ALASKA 99811
PHONE:

MEMORANDUM

To: Superintendents
From: Marshall L. Lind, Commissioner
Subject: Public School Foundation Support System
Date: February 5, 1982

During the past two years significant changes have been made in the structure of the Foundation System which either are now or are about to have a profound impact on the level of financial support for school programs in the state. First, SB 199, enacted during the 1980 Legislative Session, implemented some of the recommendations of a Department of Education Task Force on Foundation Support. Second, SB 23, passed during the 1981 Session, will provide substantially greater support for special education beginning with the 1982-83 school year.

We have been witnessing increases in foundation support at a rate far greater than increases for other components of government. While no one seriously questions the need to provide adequate support for education, there is concern that it may be difficult to sustain the current rate of increases in funding for public schools. In the event that the voters do approve a spending limit, education will operate under that limit.

Staff members in the Department have been involved in reviewing the existing Foundation System and have concluded that there is a need for an extensive review of the system. In addition, it has become apparent that some action should be taken regarding the current system while an extensive study is in progress. Accordingly, two papers have been developed by staff members. They are:

1. "A Proposal For An Interim System of Public School Foundation Support," hereinafter referred to as the Interim Plan.
2. "A Proposal For An Extensive Study Of The Current Public School Foundation Support System and Generation of Appropriate Models For A Support System," hereinafter referred to as the Study.

Superintendents
February 5, 1982
Page Two

The Interim Plan, if adopted, would obviate the need for extensive statutory revision of the current system. It would also provide time for the conducting of the Study which, if properly conducted, could result in the replacement of the existing system with one providing for more equity than is currently possible.

Both papers (the Interim Plan and the Study) were provided to State Board of Education members at the Board's January meeting. At that time it was decided to send copies of the papers to districts to see what the response to the proposals would be.

We would hope that you will be able to take the time needed for careful consideration of the papers, and that you will be willing to share your thoughts regarding them with us.

Enclosures

I. A PROPOSAL FOR AN INTERIM SYSTEM OF PUBLIC SCHOOL FOUNDATION SUPPORT.

Abstract

The attached paper briefly outlines some of the administrative and programmatic concerns occasioned by an eleven-year history of changes and amendments to the Alaska Public School Foundation Program.

The paper urges a thorough study of the current system, and proposes a system of state support which could be adopted until a new or revised funding scheme is developed.

The proposed system would suspend, for the interim, the use of instructional units, area differentials and categorical program computations. In place of these mechanisms, a district's state aid entitlement would be based on an ADM figure. This figure would be calculated by dividing the FY 83 revised computation entitlement by the first quarter ADM figure. The subsequent year's entitlement would be adjusted for increases (decreases) in ADM by the district ADM figure. Inflation or cost of living increases would be established on a ADM basis as opposed to an instructional unit basis.

The paper lists various advantages and disadvantages of the proposed interim system from both a state and local perspective and invites discussion of the proposal and of other alternatives which could provide short-term relief from current program problems while a longer-range study is in progress.

Introduction

The current Alaska Public School Foundation program was established in 1970 to provide for increased and more equitable distribution of state support for public education. With few exceptions, the foundation program (AS 14.17) has been amended in each subsequent legislative session. In the early years of the program, these amendments dealt with changes in the basic instructional unit value (1973-78, 80, 81) or with minor adjustments in the tables of allowable instructional units (1972, 75, 77, 78, 80-81).

The first major change to Chapter 17 was enacted in 1975 to provide state aid through the foundation mechanism to the newly created REAAs. The 1975 amendments allowed REAAs 1) 100% of basic need, 2) a flat payment per pupil in lieu of local tax, and 3) certain advantages in the instructional unit tables to compensate for very small student populations.

The second major change occurred in 1980 with the passage of FCCS SB 199. The major sections of SB 199:

- 1) Revised the elementary formula to establish a minimum generation of three instructional units.
- 2) Allowed each elementary school to be counted as a separate attendance area.
- 3) Revised, in two phases, the secondary formula which increased the minimum units generated and compressed the number of ADM at the top of the formula table.
- 4) Established a supplemental equalization aid program tied to the area differential rate to provide a form of "in lieu of local taxes" relief for all school districts.
- 5) Defined "jr. high school" on the basis of ADM as opposed to program.
- 6) Established a minimum expenditure for instruction.
- 7) Defined an "acceptable" fund balance for school districts.
- 8) Eliminated the required local effort.
- 9) Allowed REAAs to "recapture" up to 20% of the PL-374 payments.

The above changes dealt primarily with instructional units generated by regular ADM.

The foundation program legislation enacted in 1970 contained, in addition to regular elementary and secondary computation schedules, separate schedules for vocational and special education.

In 1978, the program was amended to include a separate schedule for bilingual/bicultural education; in 1981, SB 23 changed the special education schedule from its original FTE basis to an ADM basis and established two separate schedules based on district total ADM.

In addition to the above; the legislature has made periodic changes affecting 1) the area differential percentage schedules, 2) the differentials of specific districts, 3) the percentage of required local effort, 4) final entitlement (e.g., first quarter or year end "floor"); 5) revenue losses due to reduced instructional unit entitlement, 6) district and centralized correspondence program fundings, and 7) foundation support for community schools programs.

Finally, successive legislatures have repealed several fund generation mechanisms, e.g., "mini" 874 (1980) and the 5% isolation factor (1977).

The cumulative result of eleven years of tinkering with various bits and pieces of the original foundation program structure has been that the original intention, of a simplified, equitable system of state support for education has become neither simple, nor, in the minds of many, equitable. While the writer may have overlooked a few additional amendments to the program, the above listing begins to reveal the nature and scope of such changes and to give some indication of the complexity of the current system.

The Problem

Although a discussion of the current foundation program with different groups of users or policy makers will result in a variety of perceived problems - often diametrically opposed, depending on the points of view of the persons involved - at the most simplistic level, two major problems surface.

First, the current program is essentially an "open system"; that is, changes over the years in unit schedules have allowed districts a wide number of options in configuring groups of students to generate maximum amounts of funds. Such configurations focus administrative attention on "body counts" and away from program.

The "body count" system results in the second major problem; that the current system is no longer program driven, even in the case of categorical funds which were originally established to fund program needs of special students (e.g., the handicapped, limited English speaking, vocationally oriented). In recent years, changes in the jr. high definition as well as the ability to count each elementary school separately have encouraged districts to establish jr. high programs for funding, rather than programmatic purposes; and to consider multiple elementary facilities for one or more elementary grades. Finally, the existence of categorical revenues, established with unfortunate similarity to the federal categorical funding schemes, have encouraged boards and administrators to consider such revenue as expenditure "caps" for categorical programs, without particular regard to the specialized needs of the target group students.

A. Proposed Short-term Solution

The final solution to problems of complexity and assumed inequity inherent in the current foundation program mechanism will not emerge without a great deal of further analysis and study; however, some steps could be taken in the short term to address the problems listed above - i.e., the "open" nature of the current system and the incidental (if any), relationship between funding and program.

It is proposed that the department seek relief from the requirements of AS 14.17 for a two to three year period, during which time state funding would be allocated on a straight per ADM per district allocation. The per ADM per district rate would be established, based on FY 83 figures. Per ADM figures for districts would be computed by dividing the adjusted first quarter computation for all state aid (foundation components plus supplemental equalization aid) by the total first quarter ADM figure, adjusted by 80% of PL-874 receipts for the REAAs. First quarter revenue and ADM figures rather than final figures are suggested so that FY 84 state support levels could be estimated early enough for district FY 84 budgeting. Increases in enrollment would generate the per ADM figure; decreases would be adjusted on the same basis. If the administration and the legislature wish to increase state support on some percentage basis, the percentage of increase would be applied to the statewide ADM figure as opposed to the instructional unit value.

It is also proposed that during the two-three year exemption period, an intensive study of total state funding for education be conducted which would culminate in a new distribution system which addresses the perceived current inequities in both operational and capital state support programs.

Advantages of the Proposal

There are certain general and program specific advantages which seem to accrue from the above proposal.

The general advantages can be categorized as 1) ease of administration, and 2) increase of local options for program planning.

The ease of administration would be felt both at the state and local levels.

For the state, the greatest general advantage would be that revenue estimates and disbursement procedures would be greatly simplified. Unlike the current program, where a slight increase in students or a change in program organization can result in significant fluctuations (generally upward) in the amount of district entitlement, the proposed system would allow state managers to fairly accurately estimate needed revenue early on in the budget cycle.

Revenue verification would require a simple check of one, or at the most, two ADM counts rather than the multiple checks required presently. Of greatest help at the state level would be the absence of the need for student-specific information on both program and dates of service which are currently required to validate categorical fund entitlements.

Initial, revised and final computations of district entitlements would not only be greatly simplified, but the fluctuations in revenue generated by each report also should be greatly minimized.

The proposed system would allow attention to be focused on differences between per ADM revenues generated by districts and could begin to identify those particular conditions which contribute to unusually high ADM figures. This information would be valuable to any long range study of state funding.

From the state perspective, one final advantage should be noted. The system under discussion fits well within the guidelines of the proposed spending limitation, should the limitation be passed by the voters.

Under the proposed spending limit, increases in state spending would be allowed only for population increases and to keep pace with inflation. The proposed system would allow increased state aid to be tied directly to increases in population and could provide for a cost of living or inflationary increase in either the statewide or per district ADM figure. The current system, on the other hand, does not provide for such simple cost projections. For example, the number of instructional units for the two year period between FY 81-FY 83 increased 14%, while for the same time period, ADM increased only 7%. Therefore, even if increases in the instructional unit value were tied to inflation instead of the traditional 10% per year, increases in the number of instructional units occasioned by organizational shifts and establishment of separate attendance areas will continue to exceed increases caused by additional ADM.

From the district perspective, the administrative advantages listed above should also apply; that is, paper work would be greatly reduced, reports would be simplified, back-up information on individual students would be lessened and revenue estimates should be more stable.

Programmatically, the proposed scheme offers several advantages over the current system. Again, these advantages would be felt at both the state and local levels.

Information on program effects was gathered from appropriate program managers and individuals, and is included in the following discussion.

In general, department program managers agree that the proposed program would: 1) simplify administration, 2) lessen the current emphasis on special target student groups, 3) release staff time from

... assistance, and 4) reduce current pressures from special interest groups and advisory committees.

A. Vocational Education

The proposed scheme, (or any scheme which eliminates categorical funding) would:

- 1) Eliminate the need to distinguish between vocational and prevocational programs.
- 2) Allow school districts more flexibility in deciding the school program.
- 3) Eliminate the "name game" that goes on at present as school districts attempt to generate vocational education funds by renaming general education programs and courses.
- 4) Decrease the separation which goes on between vocational and general or academic education.
- 5) Free up one staff person currently involved with approving local courses and programs for vocational education funding.

B. Special Education

The proposed program would:

- 1) Allow districts greater flexibility in the use of funds for special student needs.
- 2) Allow districts to develop remedial reading and math programs rather than attempting to identify remedial students as learning disabled simply to generate additional funds.
- 3) Remove the ceiling (perceived) on gifted and talented programs.
- 4) Simplify monitoring and audit functions of the special education staff to focus on student identification and IEPs rather than on verifying ADM or FTZ count.
- 5) Remove the artificial spending 'caps' which the current system appears to foster.

C. Correspondence Study

The proposed system would:

- 1) Treat all ADM equally regardless of program delivery mechanism; thus, CS reporting requirements would be simplified.

Disadvantages of the Proposal

As with the advantages mentioned above, disadvantages of the proposed program might be felt at both the state and local levels.

One major disadvantage is that inequities, where they exist in the current program, would not be corrected. Districts which are currently underfunded would remain so; overfunded districts, if there are such, might continue to amass large fund balances, although the removal of categorical funding and the concomitant (perceived) program restraints may spur local boards to be more creative in developing and supporting programs which meet the special needs of all students.

Another disadvantage, from the local point of view, is that relief from budgeting, accounting and student record keeping constraints imposed by current categorical programs would not relieve the districts from the legal civil rights requirement to serve certain "protected" student classes. More important, the focus of special interest pressure groups would turn from the state to the local board which could not excuse lack of action by citing limited categorical state support.

Other general disadvantages are:

- 1) The need to revise or create alternative methods of collecting data - particularly program expenditure data - for reports to the legislature and the federal government.
- 2) The loss of identity for some program managers, particularly those closely associated with categorical programs.

In program, the following disadvantages have been cited:

1. Vocational Education

The proposed program would make it difficult to certify "maintenance of effort" required by federal regulations.

2. Special Education

The proposed program could:

- 1) Tend to decrease expenditures for special education programs by giving local boards the illusion that the state is no longer interested in having the needs of special education students met.
- 2) Further confuse the issue of "low incidence" student funding, unless some mechanism were established which would allow the state to fund or participate in the funding of programs for such students.

- 3) Arouse to an even greater pitch the efforts of advocacy groups to restrict and dedicate expenditures of special education revenues to special education programs and services.

C. Correspondence Study

No particular disadvantage comes to mind.

D. Bilingual Education

The proposed program could:

- 1) Tend to decrease local board attention to meeting the needs of students with limited English speaking ability.
- 2) Increase special interest group pressure at the local level from minority groups which are not considered under the current bilingual statute and regulations.

Conclusion

The proposal outlined in this paper is not presented as a final solution to the policy and operational concerns being expressed about the current method of state support for public education. It is being offered as a potential, short-range action which would allow some breathing space in which to do a thorough analysis of both the current situation and potential alternative approaches to answering the perplexing questions of the state's "compelling interest" in educational outcomes, and equity of state support to students of differing backgrounds, needs, and geographical locations.

The advantages and disadvantages outlined above address administration and programs; they do not deal with the political viability of the proposed program. As should have been evident from the short history of the current foundation program in the Introduction section of this paper, changes to the current system have always been motivated, at least in part, by political considerations. The writer is not so naive as to expect that future proposed changes, especially one of the magnitude outlined above, will not ultimately be hammered out and decided in the political and not simply the educational arena. However, while further analysis of the above proposal may result in the decision that it cannot be pursued realistically at this time, at least discussion of such an alternative could reveal other, more viable, courses of action.

II. A PROPOSAL FOR AN EXTENSIVE STUDY OF THE CURRENT PUBLIC SCHOOL FOUNDATION SUPPORT SYSTEM AND GENERATION OF APPROPRIATE MODELS FOR A SUPPORT SYSTEM.

The attached paper provides a brief analysis of some of the issues related to school finance. In addition, the conditions necessary to an adequate study are addressed and a proposed model for possible use in conducting a study is provided.

In September, 1981, a background paper pertaining to the Public School Foundation Program was developed by Steve Hole. In that paper Mr. Hole traced the development of the current program through a series of amendments, discussed the expansion in the number of districts and briefly discussed some problems regarding the current system. It was also recommended that a comprehensive review of factors pertaining to school finance such as actual program costs, governance issues, facilities procurement procedures and other matters be conducted. It was further recommended that the assistance of leaders in school finance in the nation be sought in designing and implementing a study.

ISSUES AND CONCERNS RELATED TO SCHOOL FINANCE

In reviewing an existing system of school finance, as well as in considering possible future approaches to funding, there are a number of issues and concerns, both practical and philosophical to address. Some of these may be of more significance than others. Some may have more than one label. Most are interrelated. Among the issues and concerns are:

A. ee Differential

Districts in different parts of the state have differing costs so it makes sense to apply an area differential factor in computing state support. There currently exists a range of differentials from .04 to .55 added to base support.

Ideally, an area differential structure should be based upon cost of education, and should offset increased costs over which local districts have no control. Examples of such costs may be related to transportation of goods, and utilities including fuel.

Prior attempts at determining appropriate area differentials have not been altogether successful. To some extent, political considerations have influenced rates. Because of difficulty in determining what goods and services are necessary to an educational program (see section on basic need) a market basket, cost of living approach has been used, despite the fact that comparable goods and services are not available in all sections of the state.

The attempts at revision of the Foundation Program in 1979-80 resulted in a recommendation that a comprehensive study of the area differential be conducted, and that a statutory change be sought which would (1) provide updates of the area differential data base, and (2) empower the State Board to revise the differentials by regulation. The result was that the Legislature commissioned a study by Homan-McDowell, the findings of which have not been implemented. The researchers attempted to determine the cost of doing business by examining expenditures, the assumption being that what is spent is what it costs. In other words, the attempt was not made to differentiate between essential and discretionary expenditures. However, given the lack of agreement as to what is essential, it is not surprising that this differentiation was not made.

in any study of school finance undertaken, the question of area differential--costs of education in varying regions of the state--will need to be addressed.

Basic Need

Basic need has been used as a term to describe costs associated with providing a basic educational program. The amount of state aid has been pegged at various times to 90%, 95%, 97%, or 100% of basic need. In practice, funding for basic need is determined by the setting of the foundation support unit, and has little or no relationship to actual cost of providing basic education for a group of students.

There will always be difficulties encountered in attempting to come up with a universally accepted definition of basic need. However, it may be possible, particularly if the present consideration of effective schooling practices resulted in appending those practices to a system of accreditation, to come up with statements of basic programs for varying sizes of districts and schools within districts.

Capital Projects

The procedures for acquisition of capital items, primarily facilities, can take many forms. Cities and boroughs may levy taxes for capital projects, issue bonds or seek a direct grant via legislative appropriation. When paying cash or issuing bonds for facilities and seeking reimbursement from the state, there are some restrictions as to amounts to be reimbursed. With grants, however, the Department has less influence with respect to what is built with state funds.

Regional districts, of course, are dependent upon legislative action for capital funds for facilities. While the Department does submit a capital budget developed from requests from regional districts, more and more districts are taking a direct route to legislators to secure construction funds. The effect of this practice is to place districts whose personnel cooperate with the Department in submitting capital requests at a disadvantage.

A further area of concern for regional districts is in the matter of funding smaller capital projects. The districts may well have sufficient funds to be able to effect a transfer from general fund to capital fund. However, operating funds obtained from the state are designated for operations. Districts have transferred funds to a capital reserve prior to the close of one fiscal year for capital expenditures in the succeeding year, but the practice has been open to question.

Categorical Funding

Currently there are a number of categories of operating funds and separate schedules for determining funds for each category. These include elementary, secondary, combined elementary and secondary, vocational education, special education, and bilingual education. In addition, there is a formula for determining funding for community education.

Categorical funds for bilingual, special and vocational education are generated on the basis of numbers of students served within each category. Yet, there is no provision that funds generated in a category be expended in that category. Despite the recurring pleas for more program funds for special education, a cursory examination of audits revealed that only seven districts charged expenditures to special education in excess of revenue received for that purpose.

Advocates of categorical funding have held that it is necessary to assure adequate funding for categorical programs. Opponents generally would prefer one general class of funding ample to meet a variety of program needs.

Classes of Districts

Two classes of districts exist in the state--city or borough districts and regional districts. While most of the funding provisions apply to both, there are provisions applying to one type but not the other. Cities and boroughs, with their taxing powers, contribute local funds, while regional districts receive state "in-lieu-of" funds based on an average daily membership.

If an attempt were made to define basic need or basic program, there could well be a number of classes of districts, and classes of schools within districts, for funding purposes.

Equalization

Some form of equalization is found in most, if not all, systems of school finance as a means of alleviating the wide disparity in resources of individual districts. Concern with achieving equity in funding has been heightened in recent years by legal actions in some states--the most notable of which have been Serrano v Priest, San Antonio Independent School District v Rodriguez, Robinson v Cahill and Seattle School District No. 1 v Washington.

Because of oil revenues, there are two districts in Alaska which currently contribute local funds for education far in excess of what other districts allocate. Additional districts may be in the same category in the future as resource development progresses.

At various times there have been suggestions that a cap be imposed on expenditures by districts. The mere suggestion of this approach has caused grave concern in districts which would be affected by such a move. The outcome of Seattle v Washington may provide guidance for Alaska in that the outcome of that case was the assumption that resources per student did not have to be equal as long as there was sufficient revenue in every district to provide a basic program. An added provision was that the amount of state aid was to be adjusted periodically to incorporate the average per pupil amount generated statewide by local levies.

Foundation Support Unit or Instructional Unit

The Foundation Support Unit is a unit of funding which should provide an instructional program and related services for a group of students. The base unit value for FY-83 will be \$42,450. Each elementary school receives at least three units, and each secondary school receives at least four units, providing a heavy loading at the front end to offset heavy costs per student because there are fewer students in small schools over which to spread costs.

Some state systems use an average daily memberships (ADM) system of state support, as opposed to an instructional unit approach. Such an approach will work if there is sufficient enrollment to effect economies of scale.

It has been suggested that the foundation support unit, or instructional unit system is somewhat less than fair, because a gain of but one student may mean an increase of \$42,450, if that one student results in total enrollment falling in the next higher interval on the funding schedule. Conversely, a loss of one student may result in a loss of a like amount.

Given the small size of some schools and the lack of a tax base in regional districts, there is a need for heavier funding at the front end of any funding schedule in order to compensate for high overhead at small sites. Perhaps some combination of units to cover front end costs and an ADM schedule may warrant consideration.

There has been a tendency, at times, to confuse area differential considerations--differing costs in different parts of the state--with high costs associated with small schools. These are two different factors that must be considered separately.

Fund Balance

Districts having fewer than four-hundred (400) instructional units may accumulate a fund balance of ten percent of expenditures; those with four-hundred (400) or more instructional units may accumulate a fund balance of seven percent of expenditures. The Department has a responsibility to apprise the Board of instances of larger fund balances. The State Board has responsibility to make recommendations with respect to legislative treatment of fund balances.

In school finance courses, it is usually emphasized that the competent administrator, while not frugal to the point of failing to provide goods and services for effective instruction, makes a conscientious effort to effect economies where possible. In addition, the importance of having a reserve is mentioned, but caution is usually expressed over tying up more of the public's money than is necessary.

Boards and superintendents are generally reluctant to see funds returned to the city or borough, and especially to the state in the case of regional districts. It would seem that consideration should be given to providing incentives for economical operation in regional districts, perhaps providing mechanisms on a matching basis for capital project funding.

Local Government

The system of public school finance in existence may either encourage or discourage development of local government and an attendant local tax base. Extremely generous operating and capital funding provided solely by the state will not encourage cities to seek first class status or the formation of boroughs in areas experiencing development. Any study of school finance should attempt to assess attitudes toward establishment of additional local government.

Municipal Grants

A substantial number of municipal grants have been provided by the Legislature, particularly for capital projects. A finance study must include examination of how such grants fit with the system of reimbursement for capital expenditures and grant procedures for regional districts.

Public Law 81-874

Public Law 81-874, federal impact aid, has been a bone of contention among city and borough districts, the Department, and regional districts. Cities and boroughs retain all such funds as in-lieu-of local taxes. Regional districts retain twenty percent of such funds, as per statute. Under federal law it would be permissive for the state to reduce aid to cities and boroughs to some extent, based upon the ratio of local to state support. It would be permissive to allow regional districts to retain all impact funds or for the state to retain all impact funds, as was the previous practice.

Changing patterns of federal finance are having an effect on impact aid. Any proposed finance study must surely address federal trends.

Revenue Sharing

Funds appropriated to municipalities during the last Legislative Session may also need to be taken into account in any finance study. If revenue sharing becomes a permanent feature of state finance, then perhaps this aspect of funding may influence school finance design.

Separate Units

One of the most pressing needs from the standpoint of administering the current foundation program and from the standpoint of equity is to determine what constitutes a separate unit for funding purposes. In some instances, separate funding has been requested for "primary" units adjacent to elementary schools. The statutes regarding what constitutes a junior high or middle school were the result of compromise during the 1979-80 review of the Foundation Program. At the time, there did not appear to be great problems with what was proposed, but since enactment has been a source of contention between districts and the Department.

Currently there exists under AS 14.17.061, authorization for the funding of supplemental programs, but funds have not been appropriated recently for this purpose.

There is a need for a system of supplemental funding in order to support pilot efforts or special needs as well as to provide assistance in emergency situations. The need would be most acute in regional districts and in municipalities with marginal tax bases.

NECESSARY CONDITIONS FOR AN ADEQUATE STUDY

In order to undertake a worthwhile finance study which will have maximum potential to generate recommendations likely to be adopted, several things will be necessary. First, there must be a willingness to look beyond "what is," to "what might be." Second, there must be a commitment to acquiring an adequate data base and a commitment to decision-making that is data-based and objective. Third, there must be a spirit of cooperation on the part of stakeholders as opposed to competitive, self-interest. An "us against them" approach will not result in equity.

In financial matters there is a natural concern that, following systems change, someone will get more and someone else will eventually get less. If this were not the case, there would be no point in reviewing an existing system; if no change resulted, it would mean that both the prior and the new systems were perfectly equitable. If the prior system lacked equity and the new system approaches equity, then there will surely be changes in the distribution of funds.

PRINCIPLES OF A FINANCE SYSTEM

Many states either have revised or are in the process of revising their systems of school finance. Examination of approaches by other states reveal common concerns but differing approaches to solutions.

Recently the State Board of Education in Missouri has been considering school finance reform, and in the process it adopted five basic principles that should underlie revisions. As reported in Education Daily (December 17, 1981) those principles are:

1. Adequacy of funding
2. Equity
3. Growth potential
4. Effective Administration
5. Financial flexibility for school districts.

Those principles, as specified by the Missouri State Board of Education, would appear to have a great deal of relevance for Alaska as well.

A PROPOSAL

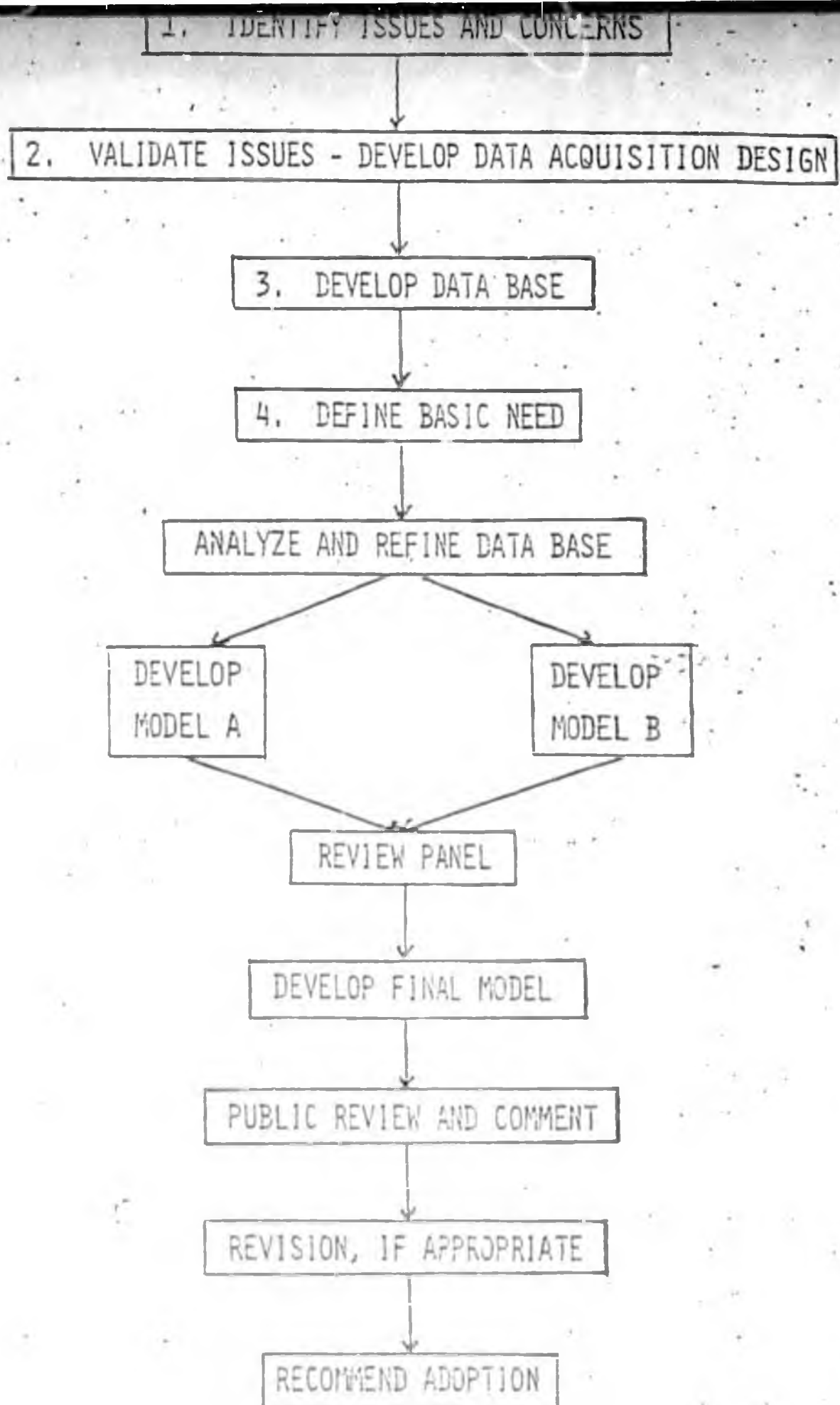
As mentioned in the background paper provided to the Board in September, it is important that any study of school finance and resultant revision be more than a patchwork effort. Further, it is important to involve persons with recognized expertise in school finance who are not associated with any district and who have no vested interest in possible outcomes. On the other hand, there is always the danger that securing the services of persons without Alaskan connections regarding operation of schools may result in an unsuitable product. What is needed is objectivity in identifying issues, acquiring and analyzing facts, and recommending possible solutions, which in turn may then be reviewed by those having daily involvement in operation of school districts in Alaska.

A specific design for conducting a finance study will await approval to conduct such a study and the securing of consultant assistance. However, a possible design might be as follows.

1. Identify concerns and issues with regard to existing system.
2. Validate issues and develop design for acquiring data base.
3. Develop data base.
4. Define basic need.
5. Analyze and refine data base.
6. Develop models by setting up two groups, each working with same data and each developing a model.
7. Submit models to review panel.
8. Develop final model.
9. Secure public review of proposed model.
10. Recommend adoption.

SUMMARY

It would probably be rather naive to expect that a proposed school finance study will result in a product that will receive universal acclaim. It does appear that there are substantial shortcomings with the existing system and that the time has come to replace it. Hopefully, such a task can be approached in a spirit of cooperation in which objectivity is a goal and that the principles enunciated by the Missouri Board are met by the final product.



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PROPOSED FINANCE STUDY STATEMENT OF EVENTS: COST ESTIMATES

<u>STEP</u>	<u>DESCRIPTION</u>	<u>COST ESTIMATE</u>
1.	Develop Final Draft of Problem Definition	
2.	Specific Listing of Process and Product Objectives for New Finance System	
3.	Prepare and Advertise Request for Qualifications	
4.	Award Contract	\$25,000 for Steps 1, 2, 3, and 4
5.	Final Issue Analysis and Definition of Basic Needs	
5.1	Identify Data Elements and Cross-Reference to Objectives	
5.2	Prepare Report with Data Acquisition Scheme and Budget for Balance of Study	\$80,000 for Steps 5.0, 5.1 and 5.2
6.	Continuation Contract Issued	
7.	Data Base Study Completed	\$125,000
8.	System Specifications Established	\$ 30,000
9.	Computer Simulation Program Developed and Bench-Tested Against Data Base	\$150,000
10.	Teams A and B Develop Competing Models	\$ 50,000
11.	Public Review and Comment	\$ 40,000
12.	Revision, Recommendation, Dissemination	\$ 60,000
TOTAL		\$560,000

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STATE OF ALASKA

DEPARTMENT OF EDUCATION

DIVISION OF MANAGEMENT AND FINANCE

JAY S. HAMMOND, GOVERNOR

POUCH F - STATE OFFICE BUILDING
JUNEAU, ALASKA 99811
PHONE:

To: Rep. Ben Grussendorf

From: Marilou Madden, Director 

Re: Pelican School District ADM Amount

Due to the failure of the Pelican City School District's Electronic Mail System, the school administrator was unaware of the necessity to submit an initial revised Foundation Report to the Department of Education by April 13, 1982. The Pelican report was submitted by April 16 and included a new junior high school program which the district had been planning for some time to begin in the 1982-83 school year. This junior high school program has been approved by the Department. This places the district's per ADM allowance at \$12,812 instead of \$9897, as originally reported in CS SB 649.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: HCS CS SB-649 (Rules) am
Title: Interim Education Funding
Requested by: House HESS

Date: May 13, 1982

II. FISCAL DETAIL

Agency Affected: Education
Program Category Affected: Elementary and Secondary
BRU, Program, or Subprogram(s) Affected: Office of the Commissioner
(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	-	560.0	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	560.0	-	-	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	560.0	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

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

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

Section 1 requires the department to conduct a study of the Foundation Program. Our estimate of the cost of such a study is \$560.0

- The 560.0 for the foundation study is presently in the Senate version of the FY-83 operating budget. 280.0 for the same purpose is in the House 2 version. The component affected is Planning, Research and Information in the Executive Administration BRU within the Department of Education.

IV. DATE: May 13, 1982

PREPARED BY: Steve Hole

AGENCY: Education

PHONE: 465-2890

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Charles Savoie get DOE to establish new figure to decrease base before freezing -

Original sponsor: Rules/Governor

Offered: 4/14/82

1 IN THE SENATE

BY THE RULES COMMITTEE

2 CS FOR SENATE BILL NO. 649 (Rules) am

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 state support for education; and
7 providing for an effective date."

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

9 * Section 1. FINDINGS. The legislature finds that the present system of
10 providing basic state and supplemental financial support to school districts
11 is no longer equitable and directs the Department of Education to conduct a
12 comprehensive study of the funding provisions of AS 14.17. The legislature
13 further finds that during the period of study an alternative mechanism to the
14 existing foundation support program is desirable.

15 * Sec. 2. The operation of AS 14.17.021(a), 14.17.023, 14.17.031,
16 14.17.041, 14.17.051, 14.17.056, and 14.17.082 is suspended from July 1, 1982,
17 through June 30, 1984. During the period of suspension funding for the basic
18 state aid and supplemental equalization aid that otherwise would have been
19 provided under the provisions of AS 14.17.021(a) and 14.17.023 shall be pro-
20 vided to school districts in accordance with the provisions of secs. 3 and 4
21 of this Act.

22 * Sec. 3. For fiscal year 1983 the amount of state aid for each school
23 district for each fiscal year is the following amount for each pupil in
24 average daily membership:

25 Anchorage School District	\$ 3,420
26 Bristol Bay Borough School District	9,978
27 Cordova City School District	5,340
28 Craig City School District	6,778
29 Dillingham City School District	8,899

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Fairbanks North State Borough School District	3,862
Galena City School District	12,011
Haines Borough School District	5,926
Hoonah City School District	6,231
Hydaburg City School District	9,041
City and Borough of Juneau School District	3,774
Kake City School District	6,945
Kennai Peninsula Borough School District	4,280
Ketchikan Gateway Borough School District	3,637
Kiny Cove City School District	9,264
Klawock City School District	8,847
Kodiak Island School District	5,548
Matanuska-Susitna Borough School District	3,801
Nenana City School District	7,986
Nome City School District	7,278
North Slope Borough School District	8,898
Pelican City School District	12,812 [9,897]
Petersburg City School District	4,305
Sand Point City School District	9,934
Sitka Borough School District	3,769
Skagway City School District	5,953
St. Mary's City School District	16,361
Unalaska City School District	9,153
Valdez City School District	5,076
Wrangell City School District	4,863
Yakutat City School District	8,067 BK
Adak Regional School District	6,705 <i>most likely</i>
Alaska Gateway School District	9,351 <i>most likely</i>
Aleutian Chain School District	18,281 <i>lower</i>

17,990

1	Annette Island School District	5,500 - 6,925
2	Bering Straits School District	13,910 - 14,964
3	Chatham School District	8,854 9,810
4	Chugach School District	10,847 - 10,481
5	Copper River School District	6,925 - 7,307
6	Delta School District	5,135 - 5,578
7	Iditarod Area School District	14,415 15,570
8	Kuspuk School District	17,831 - 3,392
9	Lake and Peninsula School District	16,947 - 18,595
10	Lower Kuskokwim School District	12,410
11	Lower Yukon School District	9,952
12	Northwest Arctic School District	10,185
13	Pribilof Islands School District	11,830
14	Upper Railbelt Regional School District	9,347
15	Southeast Island School District	10,380
16	Southwest Regional School District	15,340
17	Yukon Flats School District	15,999
18	Yukon-Koyukuk School District	14,555

19 * Sec. 4. The amount of state aid for each school district for fiscal
20 year 1984 is the amount listed for that district in sec. 3 of this Act for
21 each pupil in average daily membership plus five percent.

22 * Sec. 5. During the period of suspension under Sec. 2 of this Act, a
23 school district may not reduce its special education budget below the amount
24 contained in the FY 83 budget the district submitted to the Department of
25 Education by May 2, 1982, except that if the department reduces the dis-
26 trict's total foundation entitlement due to insufficient appropriation, then
27 the district may reduce its special education budget in the proportion by
28 which the department reduced the district's foundation entitlement.

29 * Sec. 6. During the period of suspension under Sec. 2 of this Act, a

1 school district shall continue to provide services to students in programs
2 of bilingual and vocational education commensurate with the needs of the
3 students and in strict accordance with applicable state and federal laws
4 and regulations.

5 * Sec. 7. This Act takes effect July 1, 1982.
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MSG 82-00025012 PRTY 1 05/05/82 12:57:51 ORIG: LF01 IN= 0002 OUT= 0043
FROM: MAXINE/FBX TO: JUNO INFO
TARGET: LJH2 SUBJ: POM PAGE 0001

THIS BILL IS BEING HEARD TODAY THEY ARE WAITING FOR THIS.....

TO: REP. BEIRNE, CHAIRMAN, HOUSE H.E.S.S.
REP. CATO, REP. SMITH, REP. MARTIN, REP. MALONE

FR: JOHN NUTTAL, CH. GOVERNOR'S COUNCIL FOR THE HANDICAPPED
AND GIFTED
600 UNIVERSITY AVE., SUITE C, FAIRBANKS 99701 PH. 479-6507

RE: CS SB 649 (RLS) AM

MSG: THE COUNCIL URGES YOUR OPPOSITION TO CS SB 649 (RL) AM, SCHEDULED
FOR HEARING IN THE HOUSE H.E.S.S. AT 5 P.M., APRIL 5, 1982. THE COUNCIL
URGES YOUR OPPOSITION BECAUSE THE BILL, EVEN AS AMENDED, DOES NOT PROVIDE
SUFFICIENT PROTECTIONS TO ENSURE ADEQUATE FUNDING FOR QUALITY SPECIAL
EDUCATION PROGRAMS IN LOCAL DISTRICTS. THIS BILL IS DIRECTLY CONTRARY
TO LEGISLATIVE SUPPORT FOR QUALITY SPECIAL EDUCATION SERVICES AS-----

MSG 82-00025012 PRTY 1 05/05/82 12:57:51 ORIG: LF01 IN= 0002 OUT= 0043
FROM: MAXINE/FBX TO: JUNO INFO
TARGET: LJH2 SUBJ: POM PAGE 0002

CONT. HOUSE H.E.S.S

EVIDENCED BY PASSAGE OF SB 23 IN 1981. CS SB 649 DOES NOT DEMAND
SUFFICIENT FISCAL ACCOUNTABILITY FROM DISTRICTS TO ENSURE THE
AVAILABILITY OF FISCAL RESOURCES FOR QUALITY SPECIAL EDUCATION
PROGRAMS.....

----- EOM

S.

B

650

A M E N D M E N T

OFFERED IN THE HOUSE:

By: H.E.S.S.

To: _____ HOUSE BILL No. CS 2d SS HB 11

SENATE BILL No. _____

PAGE: 8

LINE: _____

Add (4) to Sec. 08.69.150;

"~~99~~) ensure each infant is screened in accordance with AS 1'.15.200."

alaska
state
hospital
association

copy packet

319 Seward St., Juneau, Alaska 99801 • (907) 586-1790
REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

Chairman of the Board
Tom Mingen
Fairbanks Memorial
Hospital
Fairbanks

January 26, 1982

Chairman-Elect
Ronald A. Pavellas
Alaska Hospital and
Medical Center
Anchorage

Secretary/Treasurer
Mark Hawkins
Sitka Community Hospital
Sitka

The Honorable Charles H. Parr
State Capitol
Pouch V
Juneau, AK 99811

Immediate Past Chairman
Sister Barbara Haase
Ketchikan General Hospital
Ketchikan

Delegate to the American
Hospital Association
Al M. Camosso
Providence Hospital
Anchorage

Dear Senator Parr:

SUBJECT: Senate Bill 650

Alternate Delegate to the
American Hospital Assoc.
Edward Zeina
Cordova Community
Hospital
Cordova

Hope Cottages has called to our attention several problems they have had with licensure in the areas covered by this bill. They suggest that in the legislation there be included a requirement that the various agencies develop interpretative guidelines in addition to the regulations such as is done in Medicaid certification. This would assist the facility in responding to the regulations and limit the changes in interpretations caused by the constant turn over in staff of the licensing agencies.

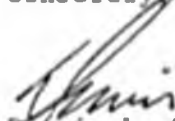
Delegate to the American
Health Care Association
Jack Buch
St. Ann's Nursing Home
Juneau

Alternate Delegate to the
American Health Care
Association
Emma G. Ivy
Wrangell General Hospital
Wrangell

Mike Saville from Hope Cottages or I would be pleased to discuss this issue with you in more detail.

Delegate to the Association
of Western Hospitals
Michael Herron
South Peninsula Hospital
Homer

Sincerely


Dennis L. DeWitt
President

Alternate Delegate to the
Association of Western
Hospitals
Daniel Van Wieringen
Roder Island Hospital
Roder

DLD:jp

Trustee Delegate to the
American Hospital Assoc.
Moe Kadish
Trustee, Providence
Hospital
Anchorage

cc: Mike Saville
Phoebe Lindsey

Alternate Trustee Delegate
to American Hospital
Association
Robert Jensen
Central Peninsula Hospital
Soldotna

President
Dennis L. DeWitt
Juneau

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 licensing of foster homes, group homes, nurseries, and institutions for children and dependent adults.

The bill has three major features: it amends licensing practices to provide for biennial rather than annual licensing; it authorizes the Department of Health and Social Services to waive compliance with regulatory standards where appropriate; and it establishes the conditions under which the department may issue provisional licenses.

This bill is a response to the substantially increased workload of the department's licensing staff in recent years (currently, 13 licensing specialists in seven locations do most licensing for over 1,100 facilities) and the concomitant drop in the department's ability to monitor the quality of care provided by licensed facilities. A number of factors have contributed to this. In the fall of 1980, the department implemented a statewide complaint investigation procedure, as a result of which numerous grave conditions were brought to the department's attention. Correction of these, including such conditions as physical and sexual abuse of children in care, mishandling of medication, and fire and sanitation hazards, is critical and requires a large amount of staff time.

Another factor is recent legislation which has greatly increased the number of facilities subject to licensing, without providing for additional staff to implement the licensing program. In 1977 the legislature added licensing requirements for facilities for dependent adults. Last session the legislature created a child care grant program for day care centers, family day care homes, and pre-schools, which requires licensing by the department in

order to qualify for a grant (ch. 112 SLA 81). Although many family day care homes and pre-schools are currently exempt from licensing requirements, a substantial number may now decide to apply for a license in order to qualify for a grant.

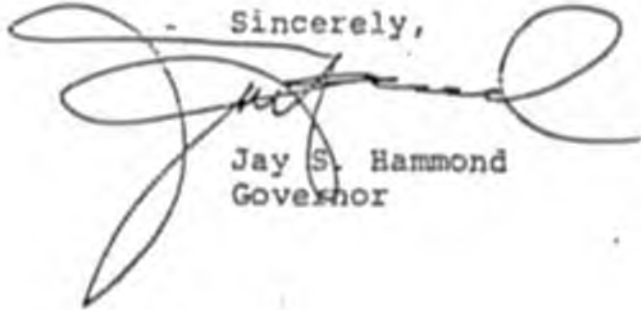
Biennial licensing would be a major step toward meeting the department's increasing volume of cases. Performance of annual reviews currently occupies a high percentage of staff time; biennial licensing would enable staff to concentrate on new and marginal facilities where the need for scrutiny is greatest, while performing full-scale reviews of all facilities every two years.

The department's waiver of requirements for operation in appropriate circumstances (AS 47.35.040(c)) is a recognition of the fact that in some instances urban and rural differences require flexibility to allow for alternatives which satisfy the purpose of the particular standard for which waiver is sought.

Section 2 of the bill establishes provisions for the issuance of provisional licenses and limits the maximum duration of a provisional license to two years. Provisional licenses would be issued to all new facilities and to facilities which are temporarily unable to conform to licensing requirements. New facilities would be issued a biennial license after the department has had time to inspect the facility and determine that standards are being met.

In addition to these features, the bill clarifies the provision prohibiting transfer of a license, and adds a definition of the term "facility".

Passage of this bill is essential in order for the department to promote a sound licensing program that will ensure quality care and protection of children and dependent adults in facilities that are required to be licensed.

Sincerely,

Jay S. Hammond
Governor

§ 47.35.020 WELFARE, SOCIAL SERVICES AND INSTITUTIONS § 47.35.040

and following "department" in paragraph (4), and inserted "and foster homes, group homes and institutions caring for dependent adults" in paragraph (4).

The 1977 amendment inserted "within 30 days after receiving a written request that it do so" and "under home rule powers or" in the first sentence of subsection (b), substituted "a municipality which has" for "municipalities which have" in that sentence, and inserted "under the

authority of §§ 10 — 80 of this chapter as it applies to nurseries," "such" preceding "regulation or standard," and "day care" preceding "licensee" in the second sentence of that subsection.

Legislative history report. — For report on ch. 98, SLA 1977 (HB 193), see 1977 House Journal, p. 299.

Cited in J.M.A. v. State, Sup. Ct. Op. No. 1201 (File No. 23911 542 P.2d 170 (1975).

Sec. 47.35.020. License or permit required. No person may, without a license or permit to do so, (1) maintain or conduct a boarding home, foster home, group home, institution or other place for the regular reception or care of children under 16 years of age, or a foster home, group home or institution for the care of dependent adults, or (2) engage in the business of receiving or caring for children under 14 years of age, with or without compensation, in a nursery in which five or more children not related by blood or marriage, or legal adoption, to the owner, operator or manager of the business are lodged. (§ 3 ch 17 SLA 1951; am § 3 ch 42 SLA 1973; am § 3 ch 253 SLA 1976; am § 2 ch 45 SLA 1977)

Effect of amendments. — The 1976 amendment deleted "nursery" preceding "institution or other place" in clause (1) and in clause (2), substituted "14 years of age" for "16 years of age," "five or more children" for "a child," and "are lodged"

for "is lodged or boarded" and inserted "in a nursery."

The 1977 amendment inserted "or a foster home, group home or institution for the care of dependent adults" in item (1).

Sec. 47.35.030. Authority to issue regulations. The department may adopt regulations and standards consistent with other requirements of law. This authority does not deny a religious group from establishing and operating an institution solely because of the prior installation or operation of another religious group in the same area. The authority to adopt regulations and standards shall be exercised to insure compliance with the intent and purpose of AS 47.35.010 — 47.35.100. The department may inspect and examine an institution, home or place, or the performance of a service. (§ 4 ch 17 SLA 1951; am § 1 ch 77 SLA 1967)

Legislative history report. — For report on ch. 77, SLA 1967 (HB 201), see 1967 House Journal, p. 438.

Sec. 47.35.040. Issuance of license or permit. (a) The department shall issue a license or permit to conduct a boarding home, foster home, group home, nursery or institution if it determines that the boarding home, foster home, group home, nursery or institution meets the standards for operation set by the department.

(b) A license or permit may not be transferred. (§§ 5, 8 ch 17 SLA 1951; am § 4 ch 42 SLA 1978)

Sec. 47.35.050. Duration of license or permit. The license or permit remains in effect for a period of one year from the date of issuance unless revoked for cause. The department shall give written notice of revocation 30 days before the effective date of a revocation, except in a case when the health or well-being of children or dependent adults is in jeopardy. (§ 6 ch 17 SLA 1951; am § 5 ch 42 SLA 1978; am § 8 ch 45 SLA 1977)

Effect of amendment. — The 1977 amendment inserted "or dependent adults" in the second sentence.

Sec. 47.35.060. Records required. Each licensee or permit holder shall keep records regarding each child or adult in its control and care, or placed by it, which the department prescribes, and shall report to the department the facts which the department requires with reference to the children or adults. All records regarding individuals placed for care in an institution or home under this chapter are confidential and shall be safeguarded from improper disclosure by the agency or department. (§ 9 ch 17 SLA 1951; am § 4 ch 45 SLA 1977)

Effect of amendment. — The 1977 amendment inserted "or adult" in the first sentence, added "or adults" to the end of that sentence, and substituted "individuals placed for care in an institution or home under this chapter" for "children and their parents or relatives" in the second sentence.

Sec. 47.35.070. Violations. A person who violates a provision of AS 47.35.010 — 47.35.100 or a rule or regulation adopted under AS 47.35.010 — 47.35.100 is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$200. (§ 11 ch 17 SLA 1951; am § 2 ch 77 SLA 1967)

Legislation history report. — For report on ch. 77, SLA 1967 (HB 201), see 1967 House Journal, p. 429.

Sec. 47.35.075. Licensure of providers of care for dependent adults by municipalities. A first or second class borough or a first or second class city outside a first or second class borough may license and supervise institutions caring for dependent adults. If a borough or city chooses not to license care providers for dependent adults, the department shall be the licensing authority; if a borough or city chooses to license care providers for dependent adults, the borough or city may exercise any power or responsibility granted to the department under this chapter and shall enforce standards and regulations adopted by the department under AS 47.35.030. (§ 5 ch 45 SLA 1977)

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PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.

BACKUP INFORMATION FOR SB 650

1. Statement on "The Foundation of Licensing"
2. Michigan Licensing Statute (with biennial license in Sec. 722.118, and provisional licensing in Sec. 722.117).
3. Texas Licensing Statute (biennial licensing in Sec. 42.049, annual inspections in Sec. 42.044, and provisional licensing in Sec. 42.051).
4. Excerpts from the Texas Licensing Manual regarding biennial licensing (first and subsequent) and regulation during the licensing period.
5. Examples of waivers in day care homes, child foster homes and residential child care.
6. Copy of DHEW pamphlet, "Licensing: Interaction Between the Licensing Agent and Service Providers"

THE FOUNDATION OF LICENSING

Citizen Participation

A recognized principle of our democratic system is the government's responsibility to provide equal protection and opportunity to all citizens. For children who must live apart from their families, the state fulfills this responsibility, in part, through the licensing of residential child care and placement agencies. Citizens of the state have a valid interest in all phases of the licensing process. Their elected legislators establish that legal base; appointed citizens serve on ad hoc advisory committees to develop licensing requirements and on standing advisory committees; individual citizens provide character references for license applicants and give testimony in public hearings; in performing the licensing function, the licensing agency staff member ultimately represents the citizens of the state. Effective licensing is strengthened as citizens understand and support the total licensing process.

Due Process

Every person or organization whose activities are regulated through the licensing requirements has the right to notice of the requirements, any non-compliances, information for correcting areas of non-compliance, and reasonable time limits for coming into compliance. Each person whose activities are regulated also has the right to reviews and fair hearings, as well as access to court decisions.

Equal Treatment

Licensing requirements should be enforced equally on all agencies, assuring a basic level of care and protection, adequate program, and opportunity for development.

From: "Training Course for Licensors of Residential Group Child Care and Child Placement Agencies" developed by Group Child Care Consultants, University of North Carolina, Chapel Hill, N.C.

Act No. 116 of the
Public Acts of 1973

**PERTAINING TO THE REGULATION
OF
CHILD CARE ORGANIZATIONS
DEFINED AS:**

CHILD CARING INSTITUTION
CHILD PLACING AGENCY
CHILDREN'S CAMP
CHILD CARE CENTER
FOSTER FAMILY HOME
FOSTER FAMILY GROUP HOME
FAMILY DAY CARE HOME
GROUP DAY CARE HOME

State of Michigan
Department of Social Services
Lansing, Michigan 48926

TABLE OF CONTENTS

CHILD CARE ORGANIZATIONS

ACT 116 of 1973

722.111	Definitions.	722.120	Investigations; examinations; visitations; records; reports.
722.112	Rules; ad hoc committees.	722.121	Revocation, denial, modification, or refusal of license; grounds; notice; hearing; decision; protest.
722.113	Inspections; reports; evaluation; final determination as to license; report to licensee; nature of license.	722.122	Appeal.
722.114	Consultation and assistance to organizations.	722.123	Injunction.
722.115	License required; application; investigation; issuance; certification of private home; placement of 16 or 17 year old child in unlicensed residence.	722.124	Persons authorized to place child.
722.116	Evaluation of local and state government child care organizations; report; state funds.	722.124a	Authorization for medical care.
722.117	Provisional license.	722.125	Violation; penalty; conviction as ground for revocation of license.
722.118	Regular license.	722.126	Education of public.
722.119	Registration of family day care homes; demonstration project.	722.127	Objection on religious grounds to medical examination, immunization, or treatment of child.
		722.128	Repeal.

CHILD CARE ORGANIZATIONS

Act 118 of 1973

AN ACT to provide for the protection of children through the licensing and regulation of child care organizations; to provide for the establishment of standards of care for child care organizations; to provide penalties; and to repeal certain acts and parts of acts.

The People of the State of Michigan enact:

722.111 Definitions.

Sec. 1. As used in this act:

(1) "Child care organization" means a governmental or nongovernmental organization having as its principal function the receiving of minor children under 18 years of age for care, maintenance, training, and supervision, notwithstanding that educational instruction may be given. Child care organization includes organizations commonly described as child caring institutions, child placing agencies, children's camps, child care centers, day care centers, nursery schools, parent cooperative preschools, foster homes, group homes, or day care homes.

(a) "Child caring institution" means a child care facility which is organized for the purpose of receiving children for care, maintenance, and supervision, usually on a 24-hour basis, in buildings maintained by the institution for that purpose, and operates throughout the year. An educational program may be provided, but the educational program shall not be the primary purpose of the facility. Child caring institution includes a maternity home for the care of unmarried mothers under 18 years of age and an agency group home, which is described as a small child caring institution owned, leased, or rented by a licensed agency providing care for more than 4 but less than 12 children. It also includes institutions for mentally retarded or emotionally disturbed children under 18 years of age. Child caring organization does not include a hospital licensed under Act No. 17 of the Public Acts of 1968, as amended, being sections 331.411 to 331.430 of the Michigan Compiled Laws, a boarding school licensed under section 599a of Act No. 269 of the Public Acts of 1955, being section 340.599a of the Michigan Compiled Laws, a convalescent home licensed under Act No. 139 of the Public Acts of 1956, as amended, being sections 331.651 to 331.660 of the Michigan Compiled Laws, or a hospital for the mentally ill licensed under Act No. 151 of the Public Acts of 1923, as amended, being sections 330.11 to 330.71 of the Michigan Compiled Laws.

(b) "Child placing agency" means an agency organized for the purpose of receiving children for their placement in private family homes for care or for adoption.

(c) "Children's camp" means a residential, day, troop, or travel camp conducted in a natural environment for more than 4 school-age children, apart from their parents, relatives, or legal guardians, for 5 or more days in a 14-day period. A children's camp provides care and supervision for the same group of children for usually not more than 12 weeks.

(d) "Child care center" or "day care center" means a facility, other than a private residence, receiving more than 8 preschool or school-age children for group care for

The facility is generally described as a child care center, day care center, day nursery, nursery school, parent cooperative preschool, play group, or drop-in center. "Child care center" or "day care center" does not include a Sunday school conducted by a religious institution or a facility operated by a religious organization where children are cared for during short periods of time while persons responsible for such children are attending religious services.

(e) "Private home" means a private residence which may be a full-time foster family home, a full-time foster family group home, a group day care home, or a family day care home.

(i) "Foster family home" is a private home in which one but not more than 4 minor children, who are not related to an adult member of the household by blood, marriage, or adoption, are given care and supervision for 24 hours a day, for 4 or more days a week, for 2 or more consecutive weeks, unattended by a parent or legal guardian.

(ii) "Foster family group home" means a private home in which more than 4 but less than 7 children, who are not related to an adult member of the household by blood, marriage, or adoption, are provided care for 24 hours a day, for 4 or more days a week, for 2 or more consecutive weeks; unattended by a parent or legal guardian.

(iii) "Family day care home" means a private home in which one but less than 7 minor children are received for care and supervision for periods of less than 24 hours a day, unattended by a parent or legal guardian, except children related to an adult member of the family by blood, marriage, or adoption. It includes a home that gives care to an unrelated child for more than 4 weeks during a calendar year.

(iv) "Group day care home" means a private home in which more than 6 but not more than 12 children are given care and supervision for periods of less than 24 hours a day unattended by a parent or legal guardian, except children related to an adult member of the family by blood, marriage, or adoption. It includes a home that gives care to an unrelated child for more than 4 weeks during a calendar year.

(2) "Provisional license" means a license issued to a child care organization which is temporarily unable to conform to all of the rules promulgated under the authority of this act.

(3) "Regular license" means a license issued to a child care organization indicating it is in compliance with all rules promulgated under the authority of this act.

(4) "Guardian" means the guardian of the person.

(5) "Minor child" means a person under the age of 18 years.

(6) "Related" means any of the following relationships, by marriage, blood, or adoption: parent, grandparent, brother, sister, stepparent, stepsister, stepbrother, uncle, or aunt.

HISTORY: New 1973, p. — Act 118, Eff. Mar. 28, 1974.

722.112 Rules; ad hoc committees.

Sec. 2. (1) The department of social services, hereinafter referred to as the "department", is responsible for the development of rules for the care and protection of children in organizations covered by this act and for the promulgation of these rules pursuant to Act No. 306 of the Public Acts of 1969, as amended, being

(2) The department shall establish an ad hoc committee for each type of child care organization as defined in this act when it is formulating or amending rules under this act. The committee shall consist of not less than 12 members, and shall include representatives of the following groups and agencies:

- (a) Department of public health.
- (b) Department of state police, fire marshal division and state fire safety board.
- (c) Department of education.
- (d) Department of mental health.
- (e) Representatives of organizations affected by this act.
- (f) Parents of children affected by this act.

The representatives of organizations affected by this act and parents of children affected by this act shall constitute a majority of the committee membership. The committee shall serve during the period of the formulation of rules, shall have responsibility for making recommendations on the content of rules, and shall recommend to the department revisions in proposed rules at any time before their promulgation.

(3) The rules promulgated under this act shall be restricted to:

(a) The operation and conduct of child care organizations and the responsibility the organizations assume for child care.

(b) The character, suitability, training, and qualifications of applicants and other persons directly responsible for the care and welfare of children served.

(c) The general financial ability and competence of applicants to provide necessary care for children and to maintain prescribed standards.

(d) The number of individuals or staff required to insure adequate supervision and care of the children received.

(e) The appropriateness, safety, cleanliness, and general adequacy of the premises, including maintenance of adequate fire prevention and health standards to provide for the physical comfort, care, and well being of the children received.

(f) Provisions for food, clothing, educational opportunities, programs, equipment, and individual supplies to assure the healthy physical, emotional, and mental development of children served.

(g) Provisions to safeguard the legal rights of children served.

(h) Maintenance of records pertaining to admission, progress, health, and discharge of children.

(i) Filing of reports with the department.

(j) Discipline of children.

(k) Transportation safety.

(4) Rules once established are subject to major review by the ad hoc committee established by this act no less than once every 5 years and should be reviewed biennially by the department.

HISTORY: New 1973, p. — Act 118, Eff. Mar. 28, 1974.

722.113 Inspections; reports; evaluation; final determination as to license; report to licensee; nature of license.

Sec. 3. The rules promulgated by the department shall be used by the department of public health, the fire marshal division of the department of state police, and local authorities in the inspection of and reporting on child care organizations covered by this act. The inspection of the health and fire safety of child care organizations shall be completed by department staff or by the department of public health, the fire marshal division of the department of state police, or local authorities upon request of the department. Inspection reports completed by state agencies and local authorities shall be furnished to the department and shall become a part of its evaluation for licensing of organizations covered by this act. After careful consideration of the reports and consultation where necessary, the department shall assume responsibility for the final determination of the issuance, denial, revocation, or provisional nature of licenses issued to nongovernmental organizations. A report of findings shall be furnished to the licensee. A license shall be issued to a specific person or organization at a specific location, shall be nontransferable, and shall remain the property of the department.

HISTORY: New 1973, p. —, Act 110, Eff. Mar. 20, 1974

722.114 Consultation and assistance to organizations.

Sec. 4. The department shall provide consultation to organizations covered by this act to assist them in meeting the requirements of the act and the rules promulgated hereunder. The department shall offer assistance, upon request, in developing methods for the improvement of service.

HISTORY: New 1973, p. —, Act 110, Eff. Mar. 20, 1974

722.115 License required; application; investigation; issuance; certification of private home; placement of 16 or 17 year old child in unlicensed residence.

Sec. 5. (1) A person, partnership, firm, corporation, association, or nongovernmental organization may not establish or maintain a child care organization, unless licensed by the department. Application for a license shall be made on forms provided, and in the manner prescribed, by the department. Before issuing a license, the department shall investigate the activities and proposed standards of care of the applicant and shall make an on-site evaluation of the proposed organization. If satisfied as to the need for a child care organization, its financial stability, the good character and intent of the applicant, and that the services and facilities are conducive to the welfare of the children, the license shall be issued.

(2) The department may authorize a licensed child placing agency or a governmental unit to investigate a private home pursuant to subsection (1) and to certify that the private home meets the licensing standards prescribed in this act. A private home shall be certified for licensing by the department by only 1 child placing agency or governmental unit. Other child placing agencies may place children in a private home only upon the approval of the certifying agency or governmental unit.

(3) The department may authorize a licensed child placing agency or a governmental unit to place a child who is 16 or 17 years old in his own unlicensed residence, or in the unlicensed residence of an adult who has no supervisory responsibility for the child, provided that a child placing agency or governmental unit retains supervisory responsibility for the child.

722.116 Evaluation of local and state government child care organizations; report; state funds.

Sec. 6. Local and state government child care organizations similar to those nongovernmental organizations required to be licensed pursuant to this act shall be evaluated and approved at least once every 2 years, using this act and rules promulgated thereunder for similar nongovernmental organizations licensed under this act. A report of the evaluation shall be furnished to the funding body for each child care organization. Unless child care organizations are approved, or provisionally approved, as meeting the appropriate administrative rules, state funds shall not be appropriated for their continued operation.

HISTORY: New 1973, p. —, Act 110, Eff. Mar. 20, 1974

722.117 Provisional license.

Sec. 7. A provisional license shall be issued to a new organization during the first 6 months of operation. At the end of the 6 months of operation, the department shall either issue a regular license or renew or refuse to renew the provisional license as provided in section 11. A provisional license may be issued to a child care organization which is temporarily unable to conform to the rules. A provisional license shall expire 6 months from the date of issuance and may be issued not more than 4 times. The issuance of a provisional license shall be contingent upon the submission to the department of an acceptable plan to overcome the deficiency present in the child care organization within the time limitations of the provisional licensing period.

HISTORY: New 1973, p. —, Act 110, Eff. Mar. 20, 1974

722.118 Regular license.

Sec. 8. A regular license shall be in force for 2 years from the date of issuance unless revoked as authorized by section 11 or modified to a provisional status based on evidence of noncompliance with this act or the rules promulgated thereunder. The license shall be reinstated biennially on application and approval. A license shall specify in general terms the kind of child care program the licensee is authorized to undertake, and the number, ages, and sex of children that can be received and maintained. This section shall not be construed to limit the right of the department to periodically assess continued compliance with this act and rules promulgated under it. An on-site evaluation shall be made by the department not less than once each year.

HISTORY: New 1973, p. —, Act 110, Eff. Mar. 20, 1974

722.119 Registration of family day care homes; demonstration project.

Sec. 9. (1) The department may conduct in up to 3 counties a 2-year demonstration project of registration of family day care homes under this act. The department shall report its findings and recommendations to the legislature before March 1, 1978. "Registration" means the process whereby the department maintains a record of all family day care homes, promulgates rules under section 2 of this act, and requires the person operating a family day care home to certify that he has complied with the rules.

(2) The registration shall be in effect for 2 years from the date of issuance or until the expiration of the project period.

(3) All sections of this act shall apply to registrants as well as licensees, except sections 5, 7 and 8.

(4) The provisions of this section shall not be applicable to any county of 1,000,000 population or more.

722.120 Investigations; examinations; visitations; records; reports.

Sec. 10. (1) The department may investigate and examine conditions of a child care organization in which a licensee receives, maintains, or places out children, and may investigate and examine the books and records of the licensee. The licensee shall admit members of the department and furnish all reasonable facilities for thorough examination of its books, records, and reports. The department of public health, the fire marshal division of the department of state police, or local authorities, in carrying out the provisions of this act, may visit a child care organization to advise in matters affecting the health or fire protection of children.

(2) A licensee shall keep such records as the department may prescribe regarding each child in its control and care, and shall report to the department, when requested, the facts as the department may require with reference to the children upon forms furnished by the department. Records regarding children and facts compiled about children and their parents and relatives shall be deemed confidential and disclosure of this information shall be properly safeguarded by the child care organization and the department.

HISTORY: New 1973, p. —, Act 118, Eff. Mar. 29, 1974.

722.121 Revocation, denial, modification, or refusal of license; grounds; notice; hearing; decision; protest.

Sec. 11. The department may revoke, refuse to renew, or modify to a provisional status a license of a child care organization when the licensee falsifies information on the application for license or wilfully and substantially violates this act, the rules promulgated under this act, or the terms of the license. A license shall not be revoked, a renewal thereof shall not be refused, an application for a license shall not be denied, or a regular license shall not be modified to a provisional status unless the licensee, or applicant is given notice in writing of the grounds of the proposed revocation, denial, modification, or refusal. If revocation, denial, modification, or refusal is appealed within 30 days of receipt of the notice by writing addressed to the director of the department, the director or his designated representative shall conduct a hearing at which the licensee, or applicant may present testimony and confront witnesses. Notice of the hearing shall be given to the licensee, or applicant by a personal service or delivery to the proper address by certified mail not less than 2 weeks before the date of the hearing. The decision of the director shall be made not more than 10 days following the hearing, and forwarded to the protesting party by certified mail not more than 10 days thereafter. If the proposed revocation, denial, modification, or refusal is not protested, the license may thereupon be revoked or the application therefor or the renewal thereof refused.

HISTORY: New 1973, p. —, Act 117, Eff. Mar. 29, 1974.

722.122 Appeal.

Sec. 12. A person aggrieved by the decision of the director following the hearing under section 11 of this act may, within 30 days after receipt of the decision, take an appeal to the circuit court of the county in which the person resides by filing with the clerk of the court an affidavit setting forth the substance of the proceedings before the department and the errors of law upon which the person relies, and serving the director of the department with a copy of the affidavit. The circuit court shall thereupon have jurisdiction to hear and determine the questions of law involved in the appeal. If the department prevails, the circuit court shall affirm the decision of the department; if the licensee, or applicant prevails, the circuit court shall set aside the revocation, or order the issuance or renewal of the license, as the case may be.

HISTORY: New 1973, p. —, Act 116, Eff. Mar. 29, 1974.

722.123 Injunction.

Sec. 13. When there is a violation of this act or a rule promulgated thereunder, and the unlawful activity or condition of the child care organization is likely to result in serious harm to the children under care, the department may seek injunctive action against the child care organization in the circuit court through proceedings instituted by the attorney general on behalf of the department.

HISTORY: New 1973, p. —, Act 118, Eff. Mar. 29, 1974.

722.124 Persons authorized to place child.

Sec. 14. Only a parent, guardian of the person of a child, a person related to a child by blood, marriage, or adoption, a licensed child placing agency, or a governmental unit may place a child in the control and care of a person. This section shall not be construed to prevent foster parents from placing foster children in temporary care pursuant to rules promulgated by the department.

HISTORY: New 1973, p. —, Act 118, Eff. Mar. 29, 1974.

722.124a Authorization for medical care.

Sec. 14a. (1) A probate court, a child placing agency, or the department may consent to routine, nonsurgical medical care, or emergency medical and surgical treatment of a minor child placed in out-of-home care pursuant to Act No. 280 of the Public Acts of 1939, as amended, being sections 400.1 to 400.122 of the Michigan Compiled Laws, Act No. 288 of the Public Acts of 1939, as amended, being sections 701.1 to 713.6 of the Michigan Compiled Laws, or this act. If the minor child is placed in a child care organization, then the probate court, the child placing agency, or the department making the placement shall execute a written instrument investing that organization with authority to consent to emergency medical and surgical treatment of the child. If the minor child is placed in a child care institution, the probate court, the child placing agency, or the department making the placement shall in addition execute a written instrument investing that institution with authority to consent to the routine, nonsurgical medical care of the child.

(2) A parent or guardian of a minor child who voluntarily places the child in a child care organization shall execute a written instrument investing that organization with authority to consent to emergency medical and surgical treatment of the child. The parent or guardian shall consent to routine, nonsurgical medical care.

(3) Only the minor child's parent or legal guardian shall consent to nonemergency, elective surgery for a child in foster care. If parental rights have been permanently terminated by court action, consent for nonemergency elective surgery shall be given by the probate court or the agency having jurisdiction over the child.

HISTORY: Add. 1974, p. —, Act 191, Imd. Eff. July 2.

722.125 Violation; penalty; conviction as ground for revocation of license.

Sec. 15. (1) A person, child care organization, agency, or representative or officer of a firm, corporation, association, or organization who violates this act is guilty of a misdemeanor, and shall be fined not less than \$25.00 nor more than \$100.00, or imprisoned for not less than 30 days nor more than 90 days, or both.

(2) When a person, child care organization, agency, or representative or officer of a firm, corporation, association, or organization is convicted under this act, the conviction shall be sufficient ground for the revocation of its license, and the person, child care organization, agency, or representative or officer of a firm, corporation, association, or organization so convicted shall not be granted a license, or be permitted to be connected, directly or indirectly, with a licensee for a period of not less than 10 years thereafter.

722.126 Education of public.

Sec. 16. The department shall provide continuous education of the public in regard to the requirements of this act through the ongoing use of mass media and other methods as are deemed appropriate.

HISTORY: New 1973, p. ____ Act 116, Eff. Mar. 29, 1974.

722.127 Objection on religious grounds to medical examination, immunization, or treatment of child.

Sec. 17. Nothing in the rules adopted pursuant to this act shall authorize or require medical examination, immunization, or treatment for any child whose parent objects thereto on religious grounds.

HISTORY: New 1973, p. ____ Act 116, Eff. Mar. 29, 1974.

722.128 Repeal.

Sec. 18. Act No. 47 of the Public Acts of 1944, being sections 722.101 to 722.108 of the Compiled Laws of 1970, is repealed.

HISTORY: New 1973, p. ____ Act 116, Eff. Mar. 29, 1974.

APPENDIX I
HUMAN RESOURCES CODE, CHAPTER 42
REGULATION OF CHILD-CARE FACILITIES
(Child Care Licensing Law)

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 42.001. PURPOSE. The purpose of this chapter is to protect the health, safety, and well-being of the children of the state who reside in child-care facilities by establishing statewide minimum standards for their safety and protection and by regulating the facilities through a licensing program. It is the policy of the state to ensure the protection of all children under care in child-care facilities and to encourage and assist in the improvement of child-care programs. It is also the intent of the legislature that freedom of religion of all citizens is inviolate, and nothing in this chapter gives a governmental agency authority to regulate, control, supervise, or in any way be involved in the form, manner, or content of religious instruction or the curriculum of a school sponsored by a religious organization.

Sec. 42.002. DEFINITIONS. In this chapter:

(1) "Child" means a person under 18 years of age.

(2) "Division" means the division designated by the department to carry out the provisions of this chapter.

(3) "Child-care facility" means a facility that provides care, training, education, custody, treatment, or supervision for a child who is not related by blood, marriage, or adoption to the owner or operator of the facility, for all or part of the 24-hour day, whether or not the facility is operated for profit or charges for the services it offers.

(4) "Child-care institution" means a child-care facility that provides care for more than 12 children for 24 hours a day, including facilities known as children's homes, halfway houses, residential treatment camps, emergency shelters and training or correctional schools for children.

(5) "Foster group home" means a facility that provides care for 7 to 12 children for 24 hours a day.

(6) "Foster family home" means a facility that provides care for not more than six children for 24 hours a day.

(7) "Day-care center" means a facility that provides care for more than 12 children under 14 years of age for less than 24 hours a day.

(8) "Group day-care home" means a facility that provides care for 7 to 12 children under 14 years of age for less than 24 hours a day.

(9) "Registered family home" means a facility that regularly provides care in the caretaker's own residence for not more than six children under 14 years of age, excluding the caretaker's own children, and that provides care after school hours for not more than six additional elementary school siblings of the other children given care, but the total number of children, including the caretaker's own, does not exceed 12 at any given time.

(10) "Family day home" means a facility that provides care for not more than six children under 14 years of age for less than 24 hours a day not in the caretaker's own residence nor in the residence of one or more of the children.

(11) "Agency home" means a private home that provides care for not more than six children, that is used only by a licensed child-placing agency, and that meets division standards.

(12) "Child-placing agency" means a person other than the natural parents or guardian of a child who plans for the placement of or places a child in an institution, agency home, or adoptive home.

(13) "Facilities" includes child-care facilities and child-placing agencies.

(14) "State of Texas" or "state" does not include political subdivisions of the state.

(Sections 42.003-42.020 reserved for expansion)

SUBCHAPTER B. ADMINISTRATIVE PROVISIONS

Sec. 42.021. DIVISION DESIGNATED. (a) The department shall designate a division within the department to regulate and license child-care facilities and child-placing agencies. The division shall enforce the provisions of this chapter and the rules and standards adopted by the department under this chapter and shall carry out other responsibilities the department may delegate or assign.

(b) The commissioner of the department shall appoint as director of the division a person who:

(1) meets the qualifications required of a child-care administrator by Chapter 43 of this code;

(2) holds a graduate degree in social science or law and has five years' administrative experience in a field related to child care; or

(3) has 10 years' experience in a field related to child care, at least 5 of which must be administrative.

(c) The department shall employ sufficient personnel and provide training for the personnel to carry out the provisions of this chapter.

(d) The director may divide the state into regions for the purpose of administering this chapter.

Sec. 42.022. STATE ADVISORY COMMITTEE. (a) The State Advisory Committee on Child-Care Facilities is composed of 15 citizens of this state appointed by the commissioner.

(b) Members of the committee serve for terms of two years.

(c) The members must represent the following groups:

(1) parents, guardians, or custodians of children who use the facilities;

(2) child advocacy groups;

(3) operators of the facilities; and

(4) experts in various professional fields that are relevant to child care and development.

(d) At least three members of the division staff shall meet with the committee, and the division shall provide staff necessary for the committee.

(e) The committee shall review rules and minimum standards for child-care facilities and child-placing agencies promulgated by state agencies, and shall advise the department, the division, the council, and state agencies on problems of child-care facilities and child-placing agencies.

(f) The committee shall receive and review the annual report of the division.

(g) The committee shall meet twice a year, and the members shall receive their actual travel expenses and the state per diem.

Sec. 42.023. ANNUAL REPORT. (a) The division shall send an annual report of its activities to the governor, lieutenant governor, and members of the legislature.

(b) The annual report shall include:

(1) a report by regions of applications for licensure or certification, of licenses issued, denied, suspended or revoked, or provisional licenses issued, denied, or revoked, of emergency closures and injunctions, and of the compliance of state-operated agencies with certification requirements;

(2) a summary of the amount and kind of in-service training and other professional development opportunities provided for division staff;

(3) a summary of training and other professional development opportunities offered to facilities' staffs; and

(4) a report of new administrative procedures, of the number of staff and staff changes, and of plans for the coming year.

(c) Copies of the annual report shall be available to any state citizen on request.

Sec. 42.024. ADMINISTRATIVE PROCEDURE. The Administrative Procedure and Texas Register Act (Article 6252-13a, Vernon's Texas Civil Statutes) applies to all procedures under this chapter except where it is contrary to or inconsistent with the provisions of this chapter.

(Sections 42.025-42.040 reserved for expansion)

SUBCHAPTER C. REGULATION OF CHILD-CARE FACILITIES

Sec. 42.041. REQUIRED LICENSE. (a) No person may operate a child-care facility or child-placing agency without a license issued by the division.

(b) This section does not apply to:

(1) a state-operated facility;

(2) an agency home;

(3) a facility that is operated in connection with a shopping center, business, religious organization, or establishment where children are cared for during short periods while parents or persons responsible for the children are attending religious services, shopping, or engaging in other activities on or near the premises, including but not limited to retreats or classes for religious instruction;

(4) a school or class for religious instructions that does not last longer than two weeks and is conducted by a religious organization during the summer months;

(5) a youth camp licensed by the Texas Department of Health;

(6) a hospital licensed by the Texas Department of Mental Health and Mental Retardation or the Texas Department of Health;

(7) an educational facility accredited by the Central Education Agency or the Southern Association of Colleges and Schools that operates primarily for educational purposes in grades kindergarten and above;

(8) an educational facility that operates solely for educational purposes in grades kindergarten through at least grade two, that does not provide custodial care for more than one hour during the hours before or after the customary school day, and that is a member of an organization that promulgates, publishes, and requires compliance with health, safety, fire, and sanitation standards equal to standards required by state, municipal, and county codes;

(9) a kindergarten or preschool educational program that is operated as part of a public school or a private school accredited by the Central Education Agency, that offers educational programs through grades six, and that does not provide custodial care during the hours before or after the customary school day; and

(10) a registered family home.

(c) A single license that lists addresses and the appropriate facilities may be issued to a child-care institution that operates noncontiguous facilities that are nearby and that are demonstrably a single operation as indicated by patterns of staffing, finance, administrative supervision, and programs.

Sec. 42.042. RULES AND STANDARDS (a) The department shall make rules to carry out the provisions of this chapter.

(b) The department shall conduct a comprehensive review of all rules and standards at least every six years.

(c) The department shall provide a standard procedure for receiving and recording complaints and a standard form for recording complaints.

(d) The department shall provide standard forms for applications and inspection reports.

(e) The department shall promulgate minimum standards for child-care facilities covered by this chapter that will:

(1) promote the health, safety, and welfare of children attending a facility;

(2) promote safe, comfortable, and healthy physical facilities for children;

(3) ensure adequate supervision of children by capable, qualified, and healthy personnel;

(4) ensure adequate and healthy food service where food service is offered;

(5) prohibit racial discrimination by child-care facilities; and

(6) require procedures for parental and guardian consultation in the formulation of children's educational and therapeutic programs.

(f) In promulgating minimum standards for child-care facilities, the department shall recognize the various categories of facilities, including facilities offering specialized care, and the various categories of children and their particular needs. Standards for child-care institutions must require an intake study before a child is placed in an institution. The intake study may be conducted at a community mental health and mental retardation center.

(g) In promulgating minimum standards the department may recognize and treat differently the following child-care facilities: child-caring institutions, foster homes, day-care centers, group day-care homes, family day homes, registered family homes, and agency homes.

(h) The department shall promulgate minimum standards for child-placing agencies.

(i) Before adopting minimum standards, the division shall present the proposed standards to the State Advisory Committee on Child-Care Facilities for review and comment, and shall send a copy of the proposed standards to each licensee covered by the proposed standards at least 60 days before the standards take effect to provide the licensee an opportunity to review and to send written suggestions to the council and the department.

(j) The department may waive compliance with a minimum standard in a specific instance if it determines that the economic impact of compliance is sufficiently great to make compliance impractical.

(k) The department may not regulate or attempt to regulate or control the content or method of any instruction or curriculum of a school sponsored by a religious organization.

Sec. 42.043. RULES FOR IMMUNIZATIONS.

(a) The department shall make rules for the immunization of children admitted to facilities.

(b) The department shall require that each child at an appropriate age have a test for tuberculosis and be immunized against diphtheria, tetanus, poliomyelitis, rubella, and rubeola. The immunization must be effective on the date of first entry into the facility. However, a child may be provisionally admitted if the required immunizations have begun and are completed as rapidly as medically feasible.

(c) The Texas Department of Health shall make rules for the provisional admission of children to facilities and may modify or delete any of the immunizations listed in Subsection (b) of this section or require additional immunizations as a requirement for admission to a facility.

(d) No immunization may be required for admission to a facility if a person applying for a child's admission submits one of the following affidavits:

(1) an affidavit signed by a licensed physician stating that the immunization would be injurious to the health and well being of the child or a member of the child's family or household; or

(2) an affidavit signed by the child's parent or guardian stating that the immunization conflicts with the tenets and practices of a recognized religious organization of which the applicant is an adherent or a member.

(e) Each facility shall keep an individual immunization record for each child admitted, and the records shall be open for inspection by the division at all reasonable times.

(f) The Texas Department of Health shall provide the immunizations required by this section to children in areas where there is no local provision of these services.

Sec. 42.044. INSPECTIONS. (a) An authorized representative of the division may visit a facility during operating hours to investigate, inspect, and evaluate.

(b) The division shall inspect all licensed or certified facilities at least once a year and may inspect other facilities as necessary. At least one of the annual visits must be unannounced and all may be unannounced.

(c) The division must investigate a facility when a complaint is received. The division representative must notify the facility's director or authorized representative when a complaint is being investigated and report in writing the results of the investigation to the director or the director's authorized representative.

(d) The division may call on political subdivisions and governmental agencies for assistance within their authorized fields.

Sec. 42.045. RECORDS. (a) A person who operates a licensed or certified facility shall maintain individual child development records, individual health records, statistical records, and complete financial records.

(b) A person who operates a licensed facility shall have an annual audit by a certified public accountant of the facility's books. A copy of the accountant's statement of income and disbursements must accompany an application for a license. This subsection does not apply to a facility that provides care for less than 24 hours a day or to an agency home.

Sec. 42.046. LICENSE APPLICATION. (a) An applicant for a license to operate a child-care facility or child-placing agency shall submit to the division a completed application on a form provided by the division.

(b) The division shall supply the applicant the application form and a copy of the appropriate minimum standards.

(c) After receiving an application, the division shall investigate the applicant and the plan of care for children.

(d) The division shall complete the investigation and decide on an application within two months after the date the division receives an application.

Sec. 42.047. CONSULTATIONS. (a) The department shall offer consultation to potential applicants, applicants, and license and certification holders about meeting and maintaining standards for licensing and certification and achieving programs of excellence in child care.

(b) The department shall offer consultation to prospective and actual users of facilities.

Sec. 42.048. ADVISORY OPINIONS. (a) The director of the division may give an advisory opinion on whether or not a planned facility or a planned change in an existing facility complies with the division's rules and minimum standards.

(b) A written opinion authorized by Subsection (a) of this section is binding on the division as a declaratory order if it is signed by the division director and the division representative administering this chapter in a division region, and if an applicant or license holder has acted in reliance on the opinion.

Sec. 42.049. LICENSING. (a) The division shall issue a license after determining that an applicant has satisfied all requirements.

(b) When issuing a license, the division may impose restrictions on a facility, including but not limited to the number of children to be served and the type of children to be served.

(c) The division may grant a variance of an individual standard set forth in the applicable standards for good and just cause.

(d) A license holder must display a license issued under this chapter in a prominent place at the facility.

(e) A license issued under this chapter is not transferable and applies only to the operator and facility location stated in the license application. A change in location or ownership automatically revokes a license.

(f) A biennial license must be issued if the division determines that a facility meets all requirements. The evaluation shall be based on a specified number of visits to the facility and a review of all required forms and records.

Sec. 42.050. LICENSE RENEWAL. (a) A license holder may apply for a new license in compliance with the requirements of this chapter and the rules promulgated by the division.

(b) The application for a new license must be completed and decided on by the division before the expiration of the license under which a facility is operating.

(c) The division shall evaluate the application for a new license to determine if all licensing requirements are met. The evaluation must include a specified number of visits to the facility and a review of all required forms and records.

Sec. 42.051. PROVISIONAL LICENSE (a) The division shall issue a provisional license when a facility's plans meet the department's licensing requirements and one of the following situations exists:

- (1) the facility is not currently operating;
- (2) the facility is not licensed for the location stated in the application, or
- (3) there is a change in ownership of the facility.

(b) A provisional license is valid for six months from the date it is issued and is not renewable.

Sec. 42.052. CERTIFICATION AND REGISTRATION. (a) A state-operated child-care facility or child-placing agency must receive certification of approval from the division. The certification of approval must be renewed every two years.

(b) To be certified, a facility must comply with the department's rules and standards and any provisions of this chapter that apply to a licensed facility of the same category. The operator of a certified facility must display the certification in a prominent place at the facility.

(c) A registered family home must be registered with the division.

(d) To be registered with the division, a registered family home must comply with the department's rules and standards and any provisions of this chapter that apply to a registered family home.

Sec. 42.053. AGENCY HOMES. (a) An agency home is considered part of the child-placing agency that operates the agency home for purposes of licensing.

(a) The operator of a licensed agency shall display a copy of the license in a prominent place in the agency home used by the agency.

(b) An agency home shall comply with all provisions of this chapter and all department rules and standards that apply to a child-care facility caring for a similar number of children for a similar number of hours each day.

(c) The division shall revoke or suspend the license of a child-placing agency if an agency home operated by the licensed agency fails to comply with Subsection (c) of this section.

(Sections 42.054-42.070 reserved for expansion)

SUBCHAPTER D. REMEDIES

Sec. 42.071. LICENSE SUSPENSION. (a) The division may suspend the license of a facility that has temporarily ceased operation but has definite plans for starting operations again within the time limits of the issued license.

(b) The division may suspend a facility's license for a definite period rather than deny or revoke the license if the division finds repeated non-compliance with standards that do not endanger the health and safety of children. To qualify for license suspension under this subsection, a facility must suspend its operations and show that standards can be met within the suspension period.

(c) The division shall revoke the license of a facility that does not comply with standards after a license suspension.

Sec. 42.072. LICENSE DENIAL OR REVOCATION. (a) The division shall deny or revoke the license or certification of approval of a facility that does not comply with the requirements of this chapter, the standards and rules of the department, or the specific terms of the license or certification.

(b) The division shall notify the person operating or proposing to operate a facility of the reasons for the denial or revocation and of the person's right to appeal the decision within 30 days after receiving the notice.

(c) A person who wishes to appeal a license denial or revocation shall notify the director by certified mail within 30 days after receiving the notice required in Subsection (b) of this section. The person shall send a copy of the notice of appeal to the assigned division representative.

(d) Within 14 days after the date the appeal notification was mailed, the director shall appoint an advisory review board to hear the appeal or notify the person requesting the appeal that the request is denied.

(e) Within 14 days after notifying a person that an advisory review board will hear the case, the director shall appoint five of the person's peers to the board and set a date for the hearing. The date for the hearing must be within 28 days after the date the board members are appointed.

(f) The advisory review board shall hear the appeal and render its opinion to the director within seven days after the last day of the hearing. The board members shall receive actual travel expenses and the state per diem for each day of the hearing.

(g) A committee composed of the director, the division representative responsible for establishing standards, and the division representative administering this chapter in the region where the facility in question is located shall review the opinion. The committee shall make a decision within 14 days after receiving the opinion and shall notify, by certified mail, the person who appealed.

(h) A person whose license has been denied or revoked may challenge the committee's decision by filing a suit in a district court of Travis County or the county in which the person's facility is located within 30 days after receiving the committee's decision. The trial shall be *de novo*.

(i) Records of the department's hearing shall be kept for one year after a committee decision is rendered. On request, and at the person's own expense, the division shall supply a copy of the verbatim transcript of the advisory board hearing to a person appealing a license denial or revocation in district court.

(j) A person may continue to operate a facility during an appeal of a license denial or revocation unless the division has sought injunctive relief under Section 42.074 or civil penalties under Section 42.075 of this code.

Sec. 42.073. CLOSING A FACILITY. (a) The division may close the facility and place the children attending the facility in another facility if the division finds violations of this chapter or violations of the department's rules and standards that create an immediate danger for children.

(b) A division representative who finds conditions described in Subsection (a) of this section shall immediately notify the director and request an immediate inspection of the facility by the director or the director's designee.

(c) The division shall report to the governor and the commissioner of the department when a state-operated facility is found in violation of this chapter or the department's rules and standards and the violation threatens serious harm to the children in the facility.

(d) Closing a facility under this section is an emergency measure. The division shall seek an injunction against continued operation of the facility after closing a facility under this section.

Sec. 42.074. INJUNCTIVE RELIEF. (a) When it appears that a person has violated, is violating, or is threatening to violate the licensing, certification, or registration requirements of this chapter or the department's licensing, certification, or registration rules and standards, the division may file a suit in a district court in Travis County or in the county where the facility is located for assessment and recovery of civil penalties under Section 42.075 of this code, for injunctive relief, including a temporary restraining order, or for both injunctive relief and civil penalties.

(b) The district court shall grant the injunctive relief the facts may warrant.

(c) At the division's request, the attorney general shall conduct a suit in the name of the State of Texas for injunctive relief, to recover the civil penalty, or for both injunctive relief and civil penalties as authorized by Subsection (a) of this section.

Sec. 42.075. CIVIL PENALTY. (a) A person is subject to a civil penalty of not less than \$50 nor more than \$100 for each day of violation and for each act of violation if the person:

(1) threatens serious harm to a child in a facility by violating a provision of this chapter or a department rule or standard;

(2) violates a provision of this chapter or a department rule or standard three or more times within a 12-month period; or

(3) places a public advertisement for an unlicensed facility.

(b) The civil penalty authorized by this section is cumulative and in addition to the criminal penalties and injunctive relief provided by this chapter.

Sec. 42.076. CRIMINAL PENALTIES. (a) A person who operates a child-care facility or child-placing agency without a license commits a Class B misdemeanor.

(b) A person who places a public advertisement for an unlicensed facility commits a Class C misdemeanor.

If the licensee has made any changes in the operations or policies, information on these changes must accompany the application.

The licensing representative prepares a brief report using the same format as used for the report for the preceding provisional license. This new report can be a summary by sections corresponding to the sections of the appropriate set of standards. If plans for compliance with standards remain the same, indicate that there have been no changes. More detail must be included in any areas in which change has occurred.

If the licensee decides not to apply for another provisional license, the licensing representative confirms this by letter to the licensee and asks that the license be returned. The licensing representative follows procedures stated in Item 3143, Request to Return a License.

If the licensee does not apply for another provisional license and does not confirm that he/she will cease operation, the license is allowed to expire. The licensing representative prepares a letter within 10 days of expiration of the license for the signature of the Director of Agency and Institutional Licensing. The letter must include a statement that operation without a license is in violation of Chapter 42, Human Resources Code. A self-addressed stamped envelope should be enclosed for the return of the license.

3130 First Biennial License

The licensing representative may recommend that the first biennial license be issued if the facility has been operational and has provided services to children providing:

1. The provisional license has been in effect for at least three months,
2. Minimum standards have been met on a continuing basis,
3. At least three inspection visits have been made to the facility by the licensing representative, and
4. Supervisory approval has been secured.

For a facility in Category 3, 6, or 7 of Item 3122, Criteria for Issuance, a decision to issue a biennial license may be made based on fewer than three visits provided compliance with standards has been determined and no significant changes have been made in the day-to-day operation of the facility.

The biennial license, which supercedes the provisional license, does not require another application. If the facility is satisfying licensing requirements, the licensing representative prepares a licensing report and recommends that a biennial license be granted. If standards which were discussed in the provisional licensing report continue to be met in the same manner, the report can indicate there has been no change. The licensing report shall follow the same format as outlined in Item 3113.6, Licensing Report Format except that reference may be made to sections rather than individual standards if there has been no change from the provisional report. For standards which can only be evaluated fully after the facility begins operation, there must be specific description of how the standards are met. Emphasis is placed on those standards which can only be evaluated with the presence of children at the facility.

The recommendation concerning the issuance of the license must include the same information required in Item 3113.6, Licensing Report Format. The report and transmittal memo are sent to the supervisor with a copy of the memo to the Director of Agency and Institutional Licensing. A licensing supervisor will review the report and present it to the licensing committee with his/her written recommendations to the Director of Agency and Institutional Licensing. The licensing supervisor may make an on-site visit prior to presenting the report to the licensing committee. The licensing committee recommends to the Director of Agency and Institutional Licensing the issuance or denial of the license. Upon approval, a license signed by the Director of Agency and Institutional Licensing will be issued. Copies of the report are given to the facility and the governing body after the license is issued. This ensures that the governing body receives copies of the final report.

The Director of Agency and Institutional Licensing sends a letter with the biennial license. This letter includes, as a minimum:

1. Any waivers/variances related to the biennial license, and expiration dates thereof,
2. A statement that the facility will be inspected to determine continued compliance with minimum standards, and that at least one of the visits each year will be unannounced,
3. Any conditions placed on the license,
4. Notice that all complaints will be investigated, and
5. A statement that the license is only valid at the licensed location and is not transferable.

3140 Subsequent Biennial License

At least 120 days before the biennial license expires, the licensing representative notifies the licensee of the approaching expiration of the license. The notification is accompanied by an application, Form 2960, and the appropriate documentation list. This notice must include a statement that materials must be completed and returned to the licensing representative no later than two months prior to the expiration date. It is the licensing representative's responsibility to ensure that the facility has been provided complete information on what must be done in order for a new license to be issued. The information may be confirmed in writing to the facility. Floor plans and policy statements that have not changed do not have to be resubmitted, but the licensing representative must make legible copies from the previous report to be included in the current licensing report.

If a licensing representative is not permitted to visit a facility, he/she notifies his/her supervisor or the Director of Agency and Institutional Licensing and requests consultation on further action.

3152 Regulation during the Biennial Licensing Period

After biennial licensing/certification, the licensing representative is responsible for making inspections to determine whether the facility continues to meet minimum standards. Inspections should be made approximately every four months unless written supervisory approval to make fewer inspections has been secured. Inspections should not be more frequent than once every four months unless the licensing representative can document that more frequent inspections are necessary. The licensing representative may follow up noncompliances that do not directly endanger the health or safety of children in care by telephone call or letter, or at the next inspection. The licensing representative must document all follow-up actions in a letter to the facility. Chapter 42 of the Human Resources Code requires one unannounced inspection for all facilities annually; other inspections may or may not be announced.

Visits are considered to be once every four months when a visit is made during each four month period of the calendar year. For example, one visit during January, February, March, April, and another during May, June, July, or August. This may result in less than or more than four months between visits, but it allows flexibility in scheduling according to priorities. Visits should be at four month intervals when possible.

3153

Inspection visits, whether once every four months or otherwise, and whether announced or unannounced, must be planned and purposeful. When an inspection is announced and its purpose is to evaluate compliance with standards relating to records and other documents, the licensing representative should tell the administrator the kind of records to be evaluated and give some estimate of the length of time to be spent evaluating the records. Unannounced visits generally focus on staff-child ratio and physical aspects of the facility. When the licensing representative arrives at the facility, he/she identifies him/herself to the person in charge and explains the purpose of the visit.

The licensing representative should end each inspection of the facility with an exit interview with the administrator or his/her representative to share the findings of the licensing representative regarding compliance with standards. Each inspection is then followed by a letter to the administrator or his/her representative. If the letter is not directed to the administrator, he/she should receive a copy.

When the stated purpose of an inspection is to evaluate compliance with specific standards, and evaluation cannot be completed in one visit, an inspection of a facility may include more than one visit to the facility. Such visits must not be further apart than two weeks from first to last if they are to be documented to the facility in one letter.

3153 Children in Immediate Danger

Human Resources Code, Section 42.073 states that:

- (a) The division may close the facility and place the children attending the facility in another facility if the division finds violations of this chapter or violations of the department's rules and standards that create an immediate danger for children.

DEPARTMENT OF HEALTH & SOCIAL SERVICES
DIVISION OF FAMILY & YOUTH SERVICES
19 Lathrop Street, Drawer 40
Fairbanks, Alaska 99701

APPLICATION FOR A WAIVER OF A REQUIREMENT
FACILITY TYPE:
Residential Child Care Facility / Child Foster Home
Adult Residential Care Facility / Adult Foster Home
Child Day Care Center / Family Day Care Home
Authority: AS 47.35.030

COMPLETE APPLICABLE SPACES ONLY:
APPLICANT: SHIRLEY COSBY PHONE: 682-3322

FACILITY ADDRESS: 109 W. Turnaround North Pole

APPLICANT'S MAILING ADDRESS: Box 5566, North Pole, AK

Cite the requirement for which waiver is requested, including the Administrative Code Number; explain why provision(s) cannot be satisfied; describe the alternative method proposed for meeting the safeguarding intent of the provision; cite the period of time requested (less than one year).

7 AAC 50.210(b)(2) NUMBER OF STAFF REQUIRED: "In a family day care home, if there are children under age two in care, there may not be more than five children unrelated to the caregiver."

Due to having two children from the same family with several years age span I request to have a waiver.

Applicant's Signature: Shirley Cosby Date: Oct. 8 1981

STAFF COMMENTS/RELEVANT INFORMATION: FACILITY NO. 343465
REGIONAL REVIEWER SIGNATURE [Signature]

I concur with this request. Mrs Cosby has a helper and uses the basement area of her home for day care (this has an exit). She took over several children when another home closed unexpectedly.

BY: Dorothy Johnson AGENCY: DFYS DATE: 10-23-81

APPROVED DISAPPROVED COMMENTS OR SPECIAL PROVISIONS:

WAIVER COMMITTEE: [Signature] Debra H. Grunnett DATE: 12/3/81

Upon Determination: cc: Applicant Regional Office Field Office Supervising Agency
06-3336 CWS 0129 (Rev. 12/80)

DIVISION OF FAMILY AND YOUTH SERVICES
APPLICATION FOR A WAIVER OF A REQUIREMENT

FACILITY TYPE:

Residential Child Care Facility / Child Foster Home
Adult Residential Care Facility / Adult Foster Home
Child Day Care Center / Family Day Care Home
Authority: AS 47.35.030

COMPLETE APPLICABLE SPACES ONLY:

APPLICANT: MICHAEL AND JANE KRAUSS PHONE: 479-6340

FACILITY ADDRESS: 7 Mile Red Fox Drive

APPLICANT'S MAILING ADDRESS: P.O. Box 80123, College, Alaska 99708

Cite the requirement for which waiver is requested, including the Administrative Code Number; explain why provision(s) cannot be satisfied; describe the alternative method proposed for meeting the safeguarding intent of the provision; cite the period of time requested (less than one year).

7 AAC 50.560 Fire Safety (b & d-1)

These sections require that each level of a facility have a 5# ABC fire extinguisher and smoke detector. The waiver is requested for their sunken living room. It is only four steps lower than the main floor and is within a few feet of the smoke detector and fire extinguisher on the main level.

Applicant's Signature: Jane L. Krauss Date: 1-11-82

STAFF COMMENTS/RELEVANT INFORMATION: _____ FACILITY NO. _____
REGIONAL REVIEWER SIGNATURE Jane L. Krauss

Worker concurs that the intent of the regulation is met and recommends approval of request. This is also a non-smoking household.

BY: Marty Biggs AGENCY: Family & Youth Services DATE: 1/11/82

APPROVED DISAPPROVED COMMENTS OR SPECIAL PROVISIONS: _____

WAIVER COMMITTEE: Dot Manner Miss Kinnery DATE: 1/22/82

Upon Determination: cc: Applicant Regional Office Field Office Supervising Agency
06-3336 CVS #129 (Rev. 12/80)

Div. of Family & Youth Services
1919 Lathrop, Drawer 40
Fairbanks, Alaska 99701
ATTN: M. Biggs

DIVISION OF FAMILY AND YOUTH SERVICES
APPLICATION FOR A WAIVER OF A REQUIREMENT

FACILITY TYPE:

Residential Child Care Facility / Child Foster Home
Adult Residential Care Facility / Adult Foster Home
Child Day Care Center / Family Day Care Home
Authority: AS 47.35.030

COMPLETE APPLICABLE SPACES ONLY:

APPLICANT: Gladys & Lester Erhart

PHONE: 336-7131

FACILITY ADDRESS: 2st Log House Front Street

APPLICANT'S MAILING ADDRESS: P.O. Box 213, Tanana, Alaska 99777

Cite the requirement for which waiver is requested, including the Administrative Code Number; explain why provision(s) cannot be satisfied; describe the alternative method proposed for meeting the safeguarding intent of the provision; cite the period of time requested (less than one year).
P AAC 50.430 (b & d) Number of foster children permitted in the home.

The Erharts are requesting a waiver in the number of children allowed in the home in order to accommodate one more boy. The couple are used to a large family as they have nine children of their own seven of which are still in the home. They have a large two story log home. The upper level is "dorm style" with each of the boys having their own bed, chest of drawers and some private area.

The Erharts philosophy of child rearing is what makes them especially able to foster parent extra children. They believe parenting this many children is a full time job for both parents. Therefore, neither parent works outside the home. They have a variety of subsistence and other home industries which earn them an ample income while leaving them both available to nurture and guide the children. This is a very organized, efficient and caring home.

Applicant's Signature:

[Signature] for Sandy Horne SW III

Date: 7-8-81

STAFF COMMENTS/RELEVANT INFORMATION:

FACILITY NO. 223361

REGIONAL REVIEWER SIGNATURE *[Signature]*

Erhart children in home are:

Charles 07/21/63
Pam 01/15/65
Robert 01/28/66
Ronnie 02/19/69
John 03/07/74
Judy 10/09/75
Carl 03/04/77

Waiver is requesting a capacity for (2) two foster children.

License dates: 11/19/80 to 11/18/81

By allowing this increase, this will also help the worker to comply with Indian Child Welfare Act and allow a native relative placement.

Based on information provided by the social worker, concurs and recommends approval of this waiver. Placement is being held pending the committee's approval. Notify via computer. Thanks

BY: *[Signature]*

AGENCY: Div. Family & Youth Services DATE: 7-8-81

APPROVED

DISAPPROVED

COMMENTS OR SPECIAL PROVISIONS:

Request well done. Thanks.

WAIVER COMMITTEE:

[Signature]

DATE: 7/10/81

Upon Determination: cc: Applicant Regional Office Field Office Supervising Agency
06-3336 CWS #129 (Rev. 12/80) Galena

DEPARTMENT OF HEALTH & SOCIAL SERVICES
DIVISION OF FAMILY & YOUTH SERVICES
Drawer 40, 1919 Lathrop Street
Fairbanks, Alaska 99701

7AAC 50.310-620
7AAC 50.120-275
7AAC 50.002-114
Authority: AS 47.35.030

COMPLETE APPLICABLE SPACES ONLY

Applicant NORTH STAR HOME Phone: 883-2682

Facility address Mile 1361 Alaska Highway, Dot Lake, AK 99737

Applicant's Mailing Address SAME

Facility type: Institution /XX/ Group Home /___/ Foster Home /___/
Family Day Care Home /___/ Day Care Center /___/

Cite item requested for modification or waiver; explain why provision(s) cannot be met; cite proposed alternative method for meeting the safeguarding intent of the provision; cite period of time requested (less than one year).

7AAC 50.008 LICENSES "--shall designate the maximum number of children--".

We are requesting that we admit 1 teen-age girl in addition to the number on our license (12). She is the sibling of a boy already at the home. Two other residents are leaving soon, we are requesting this waiver for only 30 days. The girl will sleep downstairs, in a bedroom newly enlarged which can accommodate an extra bed.

Geraldine Schlicker
Applicant's Signature

April 1, 1981
Date

Staff Comments: *We concur with this request. Verbal approval given by fire marshal and sanitarian.*

By: *[Signature]* Agency: DFYS Date 4-1-81

Modification /___/ Waiver Approved Disapproved /___/
Comments or Special Provisions:

[Signature]
Director, Division of Social Services or Designee

April 6, 1981
Date

Upon Determination: cc: Applicant Regional Office Field Office /___/
Supervising Agency /___/

Return to the
Address Below

Application for / / Modification / / Waiver

DEPARTMENT OF HEALTH & SOCIAL SERVICES
DIVISION OF FAMILY & YOUTH SERVICES
Drawer 40, 1919 Lathrop Street
Fairbanks, Alaska 99701

7AAC 50.310-620
7AAC 50.120-275
7AAC 50.002-114
Authority: AS 47.35.030

COMPLETE APPLICABLE SPACES ONLY

Applicant North Slope Borough Children's Receiving Home Phone: 852-7007

Facility address Browerville

Applicant's Mailing Address P.O. Box 371 BARROW, AK. 99723

Facility type: Institution / Group Home / Foster Home /
Family Day Care Home / Day Care Center

Cite item requested for modification or waiver; explain why provision(s) cannot be met; cite proposed alternative method for meeting the safeguarding intent of the provision; cite period of time requested (less than one year).

Requesting waiver of this requirement for the period of the annual license:

7AAC 50.036 ARTICLES OF INCORPORATION - The North Slope Borough is a non-profit organization, but it is a municipality rather than a corporation. The Children's Receiving Home is supervised by the NSB Health Department. Budgets and financial records for the HOME will be included in the licensing study.

Margene Strandberg acting

Applicant's Signature

Coordinator

Date

5/1/81

Staff Comments:

We concur with the request.

James J. Fox 6/4/81

By: James J. Fox Agency: DFYS

Date 6-4-81

Modification / Waiver / Approved / Disapproved

Comments or Special Provisions:

Declined by Commission

Pat M...

Director, Division of Social Services or Designee

Date

6/9/81

Upon Determination: cc: Applicant / Regional Office / Field Office / Supervising Agency

Box 3060
Wasilla, AK 99687

FACILITY TYPE:
Residential Child Care Facility Child Foster Home
Adult Residential Care Facility Adult Foster Home
Child Day Care Center Family Day Care Home
Authority: AS 47.35.030

COMPLETE APPLICABLE SPACES ONLY: Keri Huntsman
APPLICANT: Douglas H. Huntsman Keri Kiddick King PHONE: 745-4363

FACILITY ADDRESS: ~~Box 452~~ 633 N. 1st Palmer, AK 99645

APPLICANT'S MAILING ADDRESS: P.O. Box 1573, Palmer, AK 99645

Cite the requirement for which waiver is requested, including the Administrative Code Number; explain why provision(s) cannot be satisfied; describe the alternative method proposed for meeting the safeguarding intent of the provision; cite the period of time requested (less than one year).

The requirement for which a waiver is requested is regarding firearms. The Code Number is 7.AAC 50.247. I am employed by the State as a State Trooper. Part of my job requirement is that I keep my gun loaded at all times. I keep the gun(s) in my bedroom which will be locked at all times. I would request that this waiver be good for 9 months.

Applicant's Signature: Douglas H. Huntsman Date: 12/15/81

STAFF COMMENTS/RELEVANT INFORMATION: FACILITY NO. REGIONAL REVIEWER SIGNATURE C. Zuppa 3/11/82

The Huntsman are requesting a waiver for the regulation which requires separation of gun and ammunition. Mrs. Huntsman was first licensee in 1981 by Anchorage Licensing worker, Barbara Sharp-Carreton. MS Sharp-Carreton recommended relicensing when Mr. Huntsman relocated to the Mat-Su Valley. Ways in which the Huntsman will meet the safety intent include: 1) The gun is located in the bedroom, it is hanging securely on the door, in a holster, the door is kept locked. The key for the door is located above the door, on a hook, well above a child's reach. 2) Mr. Huntsman's schedule varies and he will either be taking his gun to work or he will be in the house and available if his wife should need additional help with children. The Huntsman have young children of their own and are aware of the

BY: Elvira Jaws - Cate AGENCY: Mat-Su DFYS DATE: 3/5/82

APPROVED DISAPPROVED COMMENTS OR SPECIAL PROVISIONS:

WAIVER COMMITTEE: [Signature] DATE: 3/16/82

Upon Determination: cc: Applicant Regional Office Field Office Supervising Agency
06-3336 CWS #129 (Rev. 12/80)

necessity for gun safety. If waiver can not be granted the
unitments will consider alternate suggestions. Pe located
case.

I recommend that the waiver be approved.

6 11 31 8:11 28
JIAUS 41: 15 16
DEC 1 1930



Interaction between the licensing agent and service providers



POSTAGE AND FEES PAID
U.S. DEPARTMENT OF H.E.W.
HEW-201

DEPARTMENT OF
HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201
OFFICIAL BUSINESS

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Office of Human Development Services
Administration for Children, Youth and Families
Children's Bureau 1877
DHEW Publication 100 (OHDS) 78-20119

INTRODUCTION

Many elements are necessary for an effective licensing program that protects children, and assures a reasonable quality of care. These include sound licensing laws, rules, policies and procedures, legal counsel, administrative support, and reasonable workloads. But of all the factors that make up a licensing service, one stands out as being more significant than any other: the person who does the licensing.

If you are a licensing consultant or representative (titles vary from state to state) you are one of the essential elements in the service delivery system that assures a measure of safety and quality in the placement and care of children. Your own background and on-going training greatly affect your ability to license effectively; the more you know about the service regulated, and your own licensing operation the more effective you can be. How you interact as a person with the licensee, or provider, also is a crucial element in determining whether the entire operation will be effective. This brochure is directed toward that aspect of your role.

Jake Terpetra
Licensing and Regulation Specialist
National Center for Child Advocacy
Children's Bureau
July 1977

I. The licensing representative: Be yourself; you can afford to, and will do a better job. The major factor in the licensing operation is you, and the relationships you form. A friendly business-like relationship is preferable. Assumptions tend to be self-fulfilling, so try to resume trust and goodwill while also being thorough. Don't assume that licensing can be done without a relationship. Thus try to develop a positive relationship—one that will work for you.

Work at being comfortable with the use of authority. Enjoying it for its own sake, and avoiding it are equally inappropriate. Try to use authority without being authoritative. Behavior is contagious; the way you treat the provider may be passed on to the children in care.

Variations in personal style are okay. However, where you take your stand on licensing matters must be consistent with other licensing staff. Be familiar with law and rules, and always carry them with you.

Supervision and peer communication are essential for consistent application of laws and rules. (A central administrative structure is conducive to carrying this out effectively.)

The licensing representative must always keep his or her "cool," regardless of the provider's actions. Licensing is never a personal contest. Angry feelings about applicants must be contained. Use supervisors and peers to talk through your feelings about applicants and providers to keep a perspective. Remember that if you can be "bailed" into displaying inappropriate behavior, that tends to become an issue, rather than the applicants' conformity with licensing requirements.

II. License inquiries: (all types) Arrange an interview, preferably in your office first. Inquire about the applicant's interest and plans. Let his (her) interests, concerns, and questions guide the interview. Most applicants will have more questions about other child care issues than about licensing. Answer these questions freely, but don't try to be "all things to all men"; refer the applicant to others where appropriate. Other providers can be an excellent information source for them, and you often can select those you know will give a positive orientation.

At what point do you give out an application?

There is no clear-cut answer. In general, give it when the applicant's questions have been answered, and he feels ready to proceed. Try to avoid long periods (over three months) between application and a licensing decision. Exception: always give an application to the applicant who directly requests it. What do you do with licensing information obtained prior to the receipt of the application? Confirm it afterward.

Give a copy of the law and rules to the applicant early, and refer to them as needed. You will have to discuss every rule and be able to determine the applicant's conformity (or lack of it) on each one. Direct questions on any matter that you need to know about, in order to determine conformity are appropriate.

Where references are required, talk to them personally, if possible, and preferably face-to-face. Reference letters often protect the licensing authority more than the children in care. You need to clarify how the information will be used. Information given in confidence cannot be used officially, but may suggest that you need to investigate certain areas more thoroughly.

III. Licensing re-evaluations. Arrange by appointment, and ask in advance for whatever information must be submitted to you. The interview will go more smoothly if you are familiar with the material and have your questions formulated in general prior to the on-site visit. Arrange for more time than you think you will need; it will discourage attempts to sidetrack you with unrelated conversation.

Clarify at the beginning that you are there for the licensing study, and what you expect to cover in the study. With organizations, this includes who and what you want to see, and whether you want the director to be present.

Remember that providers tend to be anxious about evaluations. You can help put them at ease by maintaining a calm relaxed attitude yourself. Use "small talk" to establish a human-to-human communication base. Try to be consciously aware however, that your primary purpose is to determine the provider's conformity with licensing requirements. Free open discussion about the provider program relative to each rule is much more revealing and productive than an interrogation, or

question and answer process. Questions are necessary to keep discussion on target, but need not take the form of an interrogation.

A. Family Homes:

In addition to the above, remember that family members are not clients and the licensing interview deals with information sharing. It is not a treatment process. Go over each rule; clarify to the provider whether you find him in conformity, on each rule. Where he is not, clarify if you can, what is needed to establish conformity. Explain what your licensing action recommendation will be.

The provider may wish to discuss non-licensing issues. Allow this to happen comfortably, but be aware of the role and responsibility of the person who placed children in the home; issues relating to handling of individual children, generally should be deferred to the person who placed the child.

B. Organizations: (Child Care Centers - Child Care Institutions, Child Placing Agencies)

1. *Child Care Centers:* After clarifying what you plan to do, observe program relative to licensing rules, plus other issues, such as over-regimentation, and whether individual needs are given attention. Talk with staff, explain who you are, your role, ask about the specifics of their activities, how they handle discipline, etc. Be alert to the possibility that they may wish to share information with you in confidence. Talk with some of the children. Be casual and natural, but if they ask, explain your purpose. Interview the director for the information you need, recap all your findings, and clarify what your licensing action recommendation will be, before leaving.

2. *Agencies and institutions:* In addition to the above, arrange to review case records early in the evaluation visit. This will give you a picture of agency performance, prior to an extensive interview with the director, and you can include your findings in the interview. Talk with staff at all levels (not all staff) ask them to explain their duties, and program specifics. Institution staff can give you a picture of what occurs during use