

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 8072

2547 SJ

HB 479 - HB 520

2547

- (d) Throwing or dropping a lighted cigarette, match, or other burning material, etc. \$150.00
- (e) Smoking in areas closed to smoking \$ 50.00
- (f) Starting a fire in areas closed to fires \$ 50.00

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 3/6/84

REQUEST

Bill/Resolution No.: CS for HB 479  
Title: Bail Schedule

FISCAL DETAIL

Agency Affected: Natural Resources  
Program Category Affected: Div. of Parks

Sponsor: Haves & Lisha  
Requestor: 1/9/84  
Date of Request:

BRU, Program or Subprogram(s) Affected:  
Park Management/Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Mike Lee Phone: 264-2123  
Division: Parks Date: 1/26/84

Approved by Commissioner: *William D. Sumrell* Date: 3/6/84  
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

*PARKS*  
12/1/83

Analysis of Fiscal Note for Bail Schedule legislation

Present System - Each person cited for a violation of a park regulation must go to court. If a Park Ranger cites an Anchorage person for a minor violation in Ninilchik, approximately ten days later the Ranger and the individual must attend the court session in Kenai. Both individuals spend at least one day in the Kenai court plus the cost of meals, lodging and transportation. These expenditures and inconveniences do not include the costs of a judge, court clerks, District Attorney and the correspondence necessary to document the case, which generally run \$300-400 for each arraignment.

Proposed System - A bail schedule would establish a predetermined fee for violation of regulations or statues and the person would have the option of not contesting the citation and sending in the fee or challenge the violation and ask for a court appearance. It is anticipated that most people will elect not to challenge the citation and simply send in the fee. This would save money for the individual, the District Attorney's office, the courts and parks staff. The only cost we anticipate on this matter is for the printing of citation forms at an annual cost of \$1000.00 to \$2000.00. This is approximately what is spent on the existing citation program, so no real new costs should occur. Because of the savings in costs for the state, the individual, and more efficient management of our Park Rangers, the Bail Schedule will be a cost-effective program.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST No. 1  
 Bill/Resolution No.: SHB 479 (S)  
 Title: "An act ... issuance of citations... within state parks."  
 Sponsor: Representative Hayes  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

FISCAL DETAIL  
 Agency Affected: Public Safety  
 Program Category Affected: Administration of Justice  
 BRU, Program or Subprogram(s) Affected: Alaska State Troopers

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Francis C. Allan *F.C.A. MCK* Phone: 269-5691  
 Division: Alaska State Troopers Date: 01/25/84  
 Approved by Commissioner: Robert J. Sundberg Date: 1-31-84  
 Agency: Public Safety

Distribution (by Agency preparing fiscal note):

Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

*Justice*  
 12/1/83

## Analysis of Fiscal Note for Bail Schedule legislation

Present System - Each person cited for a violation of a park regulation must go to court. If a Park Ranger cites an Anchorage person for a minor violation in Ninilchik, approximately ten days later the Ranger and the individual must attend the court session in Kenai. Both individuals spend at least one day in the Kenai court plus the cost of meals, lodging and transportation. These expenditures and inconveniences do not include the costs of a judge, court clerks, District Attorney and the correspondence necessary to document the case, which generally run \$300-400 for each arraignment.

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TO: Carol Wilson

Bail Schedule Information as requested.

The below list of citations are from the Department of Natural Resources  
11 AAC 12 regu' ons that will be affected by bail schedule.

Citation

- 11 AAC 12.020 Speed Limits in Parks
- 11 AAC 12.030 Waters closed to aircraft or boats
- 11 AAC 12.050 Refuse and Waste
- 11 AAC 12.100 Vehicles
- 11 AAC 12.110 Motor Vehicle Operation
- 11 AAC 12.120 Horses
- 11 AAC 12.130 Pets
- 11 AAC 12.140 Construction of structure
- 11 AAC 12.150 Construction of signs
- 11 AAC 12.160 Assembly
- 11 AAC 12.170 Disturbance of natural materials
- 11 AAC 12.180 Fires
- 11 AAC 12.190 Explosives and firearms
- 11 AAC 12.200 Underwater diving safety
- 11 AAC 12.210 Limitation as to numbers
- 11 AAC 12.230 Camping
- 11 AAC 12.300 Paddling

The Division of Parks and Outdoor Recreation will request what the bail range  
for ticket issued against the above listed violations will be in the \$50 to \$100  
area.

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attachment

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

POUCH M  
JUNEAU, ALASKA 99811  
PHONE:

April 26, 1984

Dear Alaskan:

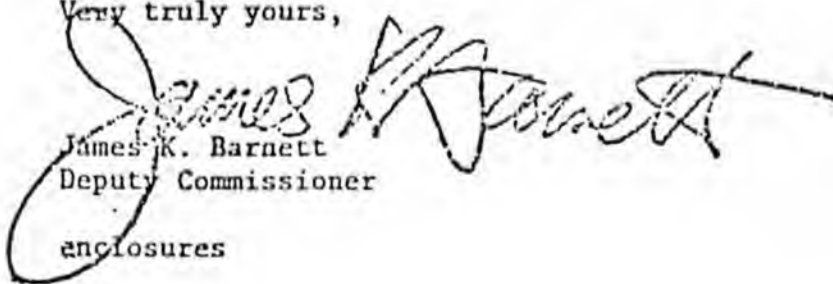
Enclosed are proposed amendments to regulations of the Department of Natural Resources relating to the Division of Parks and Outdoor Recreation. These proposed amendments are being submitted to you for review and comment, as required by AS 44.62.210.

The draft regulations being presented today were originally presented in a different form in November 1983. In response to comments and concerns raised during the November presentation, the Division of Parks and Outdoor Recreation reconsidered its proposal and revised it considerably. The draft regulations are in four chapters: 11 AAC 12, 18, 19, and 20. Chapter 12 restricts or conditions activities occurring on most land and water under the jurisdiction of the division, except for the Alaska Chilkat Bald Eagle Preserve and except as otherwise provided in the other chapters of the regulations. Chapter 18 includes regulations governing a single park use permit, indicate when it is required, and what the procedure is for obtaining one. Due to the uniqueness of the Alaska Chilkat Bald Eagle Preserve and special considerations afforded traditional uses within the preserve by the legislature, Chapter 19 contains the proposed regulations for the preserve which is located near Haines, Alaska. Chapter 20 is composed of regulations which open units of the state park system to activities restricted in Chapter 12 on a unit-by-unit basis.

The draft regulations are written as the division intends they apply. Presenting the regulations this way makes the proposed regulations easier to understand. Chapters 19 and 20 tell the park user what he or she can do in their state park or preserve. To assist you in ascertaining the differences between the draft regulations and the regulations currently in effect, a copy of the now-effective regulations is also enclosed.

Your comments on the proposed draft regulations will be most useful to the department if you reference particular sections by number and if you suggest specific wording changes or other modifications you feel would result in improvement to the regulations. The enclosed legal notice details exactly how and when comments are to be submitted, whether by mail or at one of the hearings to be conducted during June 1984. Thank you for your time and assistance.

Very truly yours,

  
James K. Barnett  
Deputy Commissioner

enclosures

NOTICE OF PROPOSED CHANGES  
IN THE REGULATIONS  
OF THE DEPARTMENT OF NATURAL RESOURCES

Notice is hereby given that the Department of Natural Resources, under authority vested by AS 41.21.020, proposes to amend regulations in Title 11 of the Alaska Administrative Code dealing with land and water under the jurisdiction of the Division of Parks and Outdoor Recreation, to make specific AS 41 as follows:

11 AAC 12, 18, 19, and 20 are amended as to regulate surface uses of state park land and water. The regulations set the application procedure and terms of a special park use permit to use the surface of state park land and water for those limited situations where such uses are not allowed without a permit. This permit replaces several other limited-purpose permits the Division of Parks and Outdoor Recreation has issued in the past, including ones for assembly, disturbing natural material, and uses incompatible with state park purposes. Chapter 19 is adopted so as to deal with special management concerns in the Haines Chilkat Bald Eagle Preserve. Chapter 20 is amended to permit the occurrence of many activities otherwise conditioned in earlier chapters of the proposed regulations. Additionally, the chapters are reorganized and rewritten for consistency between sections and general simplicity.

Notice is also given that any person interested may present oral or written statements or arguments relevant to the proposed action at hearings to be held as follows:

<u>Anchorage</u>	June 5, 1984, Central Jr. High School, Chorus Room/Multi-purpose, 7:00 p.m.
<u>Fairbanks</u>	June 6, 1984, Department of Natural Resources, Northcentral District Office, 4420 Airport Way, 7:30 p.m.
<u>Juneau</u>	June 13, 1984, Assembly Chambers, 155 Seward Street, 7:30 p.m.
<u>Haines</u>	June 14, 1984, Chilkat Center for the Arts-Auditorium. 7:30 PM.
<u>Klukwan</u>	June 14, 1984, ANB Hall, 2:00 p.m.

Additionally, comments may be submitted in writing if mailed to the below address so that they are received by 4:30 p.m. on Friday, June 22, 1984.

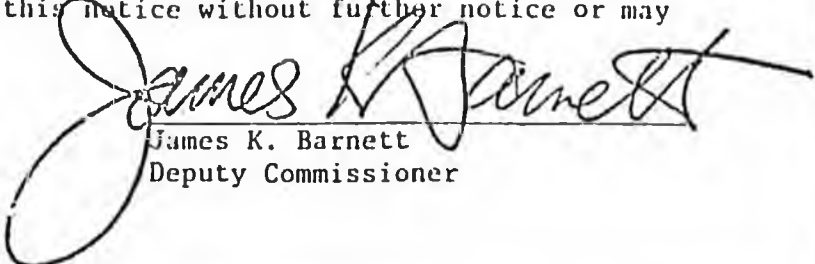
This action is not expected to require an increased appropriation.

Copies of the proposed regulations may be obtained by writing to:

State of Alaska  
Department of Natural Resources  
Division of Parks and Outdoor Recreation  
Pouch 7-001  
Anchorage, Alaska 99501

The Department of Natural Resources, upon its own motion or at the instance of any interested person may, after the close of the period for public comment, adopt proposals within the scope of this notice without further notice or may decide to take no action on them.

Dated: April 26, 1984

  
James K. Barnett  
Deputy Commissioner

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TO: Senator Bill Ray

FROM: Paula d. Scavera

DATE: March 27, 1984

RE: CSHB 504 (Finance)

This bill creates a special student loan program to encourage rural residents to return to their communities to teach in local schools.

#### SECTION 1

Establishes a Teacher Scholarship Loan Program and a Teacher Scholarship Revolving Loan Fund. States the program will be administrated by the Alaska Commission on Postsecondary Education. Gives local school boards the authority to select the students, but leaves administration of the actual loans to the Commission.

If a borrower returns to teach in a rural school, the borrower becomes eligible to receive up to 100% forgiveness. The schedule for forgiveness is: one year employment--15%; two years--30%; three years--45%; four years--70% over four years--100%.

A loan may not exceed \$10,000 per school year.

The selection (eligibility) criteria is:

1. student must be a graduate of an Alaskan high school with enough credits for admittance to an accredited college or university
2. show evidence of seeking a teachers degree
3. meet the conditions set by the student's local school board relative to teacher requirements
4. submit an application
5. school boards are required to award loans giving a preference to applicants from rural schools and by taking into account the student academic record

6.a student cannot borrow through this program and the regular student loan program at the same time

Definition of "rural" means a community in the state with a population of 4,500 or less.

#### SECTION 2

Immediate effective date clause

\$2.50

February 1984

# Alaska Native News

A Statewide Magazine

**CEDC and  
Rural Development**

**Native Students  
and  
Non-Native Teachers**

*Handwritten signature*

*Kay Mallis  
1024 W. 6th Ave., Suite 204 B  
Anchorage, AK 99501*

## Culture, Cooperation, Community and the Alaskan Native Classroom

By Robert David Stearns

In rural Alaska the scope of sociocultural influences within the learning environment of the predominantly Native classroom is broad. The learning that takes place there is a cultural transmission process. The teachers and students are affected in thought and action by their respective sociocultural experiences. Interactional behavior among teachers and students, as well as the vitality of the classroom learning environment, are affected by cooperation.

This article examines three elements woven into a tapestry forming the learning environment of the classroom in rural Alaska—the threads of culture, cooperation and community. As we shall see, these threads have both texture and dimension in affecting the quality of the interrelationships among teachers, students, parents and other community members.

### Culture

Culture is learned and is the human manifestation of social interaction. Considering the field of education, culture is all the knowledge that is learned and shared—transmitted—by community members. Within both the classroom and home learning environments, we can find cultural influences on the interactive process of knowledge transmission; some influences being essentially explicit and others implicit. In the classroom, however, the causes and effects of explicit or implicit interactional behaviors which arise between a non-Native teacher and a Native student are difficult for an outside observer to discern—more difficult than in the monocultural learning environment found in the Native home. For example, a verbal/nonverbal communicative exchange between a teacher and a student

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*'... teaching strategies and teaching styles must be developed or adapted to foster student respect for ethnic diversity.'*

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may appear to be meaningless to one observer; to another, the same exchange may appear to be an intentional teacher machination slighting the student; to a third, the event seems to be associated with a hyperactive student's behavioral hyperboles. In each instance, the observers' perceptions are affected by their respective cultural background. Simply stated, no one is "free from the influences of culture. The 'isolated individual' (free of culture) is a myth" (Cole and Scribner 1974:8).

In the hypothetical classroom situation presented above, what each observer sees occurring interactionally between the non-Native teacher and Native student, how he categorizes what he sees (as being essentially a positive or negative communicative exchange), and why he categorizes what he sees is actuated by culturally-based thought processes. As with the observations of the outside observers, the *raison d'être* of everyday teacher-student interactions in the rural or urban classroom is rooted also in culture; the teacher and each of his or her students view interactive phenomena within the classroom from the perspective of their cultural experience.

### Cultural Concepts

The concept of cultural relativism, cultural pluralism and cultural discontinuity help to give further depth to the import of culture in

the classroom in a pluralistic society. During the enculturation process, members of every society learn to see the world from an ethnocentric viewpoint. Their community is the world's center. This perspective is not only held by all peoples, but is also implicit in curriculum materials developed by urban educators as well as in teacher interactional styles in the classroom. Curriculum materials used and teaching styles employed in the rural classroom of predominantly Native students make it clear that the pedagogical perspective is the non-Native or mainstream perspective: primary texts refer to clotheslines and pajamas while mainstream-oriented teachers talk of "common" roses and tulips, all unfamiliar to the everyday experience of most Alaskan Native children.

### Cultural Relativity

To bridge the cultural gap between non-Native teacher and Native student in classrooms in Alaska, teachers must learn to

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*'The transition from home to classroom can be traumatic for any child entering school for the first time. For the Native child, the transitional experience is even more difficult...'*

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"see" from the Native viewpoint. They must use curriculum and teaching strategies incorporating the indigenous child's known world in presenting new concepts. These educators must become less cultural outsiders and more cultural insiders by becoming familiar with the sociocultural dynamics of



Native households and communities—moving from the ethnocentric pole to the cultural relativistic pole on the continuum of cultural sensitivity. Accordingly, a more culturally relativistic teacher would (1) make his or her teaching style sensitive to each child's cultural and socialization background; (2) demonstrate respect for the child by facilitating activities and encouraging each student to complete successfully the activity at hand; and (3) take a firm, directive role in classroom management, recognizing and accepting cultural differences while promoting creativity and experimentation.

#### **Cultural Pluralism**

Academicians seeking to counteract or moderate the impact of the mainstream emphasis on acculturation in the classroom have promulgated the term "cultural pluralism." The system of cultural pluralism mandates the right of ethnic groups to retain their societal identity and their cultural values and charges teachers to provide a cooperative environment so that all of their students will receive a comparable, equal education. For this aim to be realized, teachers and educators must be aware of several socio-pedagogical considerations—teaching strategies and teaching styles must be developed or adapted to foster student respect for ethnic diversity. Be-

fore implementing this approach in the classroom, mainstream teachers and educators must realize their own cultural

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***'teachers who ignore teaching-learning styles occurring in the Native community may impede the "learning to learn" classroom modality.'***

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predilections toward ethnic minorities. A way for the mainstream teachers or educators, as well as for the minority students, to overcome their biases is for them to interact, face-to-face, with individuals of other ethnicities. The individual teacher/educator who seeks and maintains cross-cultural interaction inside and outside the classroom will acquire a greater understanding and a greater appreciation of others who have life-styles different from his or her own. Such cross-cultural interaction encourages movement toward intercultural understanding as it encourages and promotes movement toward cultural pluralism.

#### **Cultural Discontinuity**

The transition from home to classroom can be traumatic for any child entering school for the first time. For the Native

child, the transitional experience is even more difficult than it is for the mainstream child. The abrupt changes suggest a cultural discontinuity in the everyday experience of

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***'Teachers teach and curriculum planners plan curricula as if the village school existed without the village—they teach and plan in a vacuum.'***

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the child.

John Ogbu has distinguished between three types of cultural discontinuities: universal, primary and secondary (1982:290). The universal discontinuity is experienced by all children regardless of sociocultural background. Every child attending school for the first time must make cognitive adaptations in their learning style appropriate to the classroom environment. Ogbu suggests social-emotional socialization and language are discontinuities experienced by all school children (*ibid.*:292). Primary discontinuities "result from cultural developments before members of a given population come in contact with . . . (mainstream)-type schools" (*ibid.*:293). The difference between primary and secondary discontinuities is that the latter develops *after* members of two populations (e.g. Aleut and Sugpiaq Eskimo) have been in contact, or *after* members of a given population have begun to participate in an institution, such as a school system. Ogbu considers Alaskan Natives to be affected by this type of discontinuity (*ibid.*:299).

Susan Philips found that Indian school children, from their home socialization experience, had the expectation that an adult leader (Indian), unlike the non-Indian school teacher, would not try to control all learning and communication activities. In another study involving a Canadian Indian and a non-Indian teacher, Erickson and Mohatt noted, from observing classroom videotapes, that the non-Indian teacher used "spotlighting"—calling the name of a particular student in class to respond to a question—as an instructional strategy, a strategy in which students responded with silence (1982). Toward the end of the academic year in the Canadian school, the non-Indian teacher began to use the successful teaching strategy of the Indian teacher in the next classroom whereby the non-Indian teacher established "privitized" arenas for his In-

dian students (quietly discussing an issue or learning activity with a student or small group of students). The privatized approach reflected a style used by Indian adults conversing with children in their village. Cole and Scribner have observed that teachers who ignore teaching-learning styles occurring in the Native community may impede the "learning to learn" classroom modality (1974:302). Again, the tacit implication for teacher and educator may be the need for movement toward cultural accommodation or cultural continuity—making the changes experienced by the young Native student less "abrupt and dramatic" (Spindler 1974:302).

### **Cooperation**

Cooperation linkages exist in virtually all rural Alaska social interactions. Such linkages might be expected since Native communities having predominantly subsistence economies depend upon cooperation among members for survival. But cooperation found in Native villages is replicated to varying degrees in *all* communities, rural or urban. All communities depend upon social groups for their welfare. The networking among the social groups who form the community is carried out via interpersonal cooperation linkages. The vitality of the

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***'Teachers in rural Alaska, with few exceptions, come from mainstream, non-Native backgrounds.'***

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cooperative networking among the members of a community, whether the community is an entire village or subgroup such as a classroom, often presages the vitality of the community itself. Thus it is cooperation—not competition—which fosters community growth. As Garcia insightfully points out, "Community interdependence and cooperation dispute the myth that our (mainstream) society is essentially competitive" (1982:60).

### **Communities**

In one sense, the classroom learning environment is most dependent upon the local community, for the communities provide the students. On the other hand, in these rural communities in Alaska and in rural communities throughout the Americas, the input from the local community to the learning environment of the classroom is

minimal. Teachers teach and curriculum planners plan curricula as if the village school existed without the village—they teach and plan in a vacuum. Oddly enough, the larger communities which envelop the village—the regional, state, national and international communities—have the greatest impact on what is taught and how it is taught in the village classroom.

Teachers in rural Alaska, with few exception, come from mainstream, non-Native backgrounds. They acquired their values, beliefs, attitudes and other cultural attributes through the enculturation process of growing up in their hometowns, mostly outside of rural Alaska.

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***'The key to making the learning environment of the rural classroom more culturally congruent may not lie solely within the confines of the school itself, but in its broader context of the school's community.'***

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den shifts in oil revenues. If Saudia Arabia decides to saturate the oil market with increased oil production, the market price of oil, including that produced in Alaska,



*Photo Courtesy CEDC*

At the state and national level, curricula are formulated and policies drafted which affect the day-to-day management of the village classroom and the content of what is taught there. At the international level, the influence of the international community would be slight or nonexistent, we would think, particularly within the small rural classroom in Alaska. But Alaska, like developing countries, is dependent on international market conditions and trade. To maintain the quality of its educational programs, Alaska cannot afford a sizeable reduction in its budget revenue. Alaska's budget is most vulnerable to sud-

would fall appreciably. If the price of oil remained low in Alaska from the Saudi's continuation of saturating the market, the State, suffering from reduced revenue, might be forced to cut back its program, for example, to provide monies for routine maintenance of village schools/classrooms and development of culturally-relevant curricula.

### **Concluding Thoughts**

The key to making the learning environment of the rural classroom more culturally congruent may not lie solely within the confines of the school itself, but in its broader context of the school's community.

Teaching-learning activities take place

in the community and, accordingly, so does the transmission of the culturally appropriate ways to interact with others, to view the world, and to evaluate our actions as well as the actions of others. Children are taught attitudes, values, belief systems, expectations and roles acceptable to community members. Knowledge transmission in the home and the classroom, is a here-and-now, face-to-face phenomenon. The dynamics of the classroom learning environment, of whatever specificity, do not exist in a vacuum. As we discovered, the quality of the teaching and learning that takes place in the classroom is strongly influenced by cooperation and other sociocultural parameters found outside the school—in the community. Thus it is the task of the teacher/educator to find suitable strategies to link the teaching and learning taking place in the classroom to the everyday cultural realities experienced by Native children within their community.

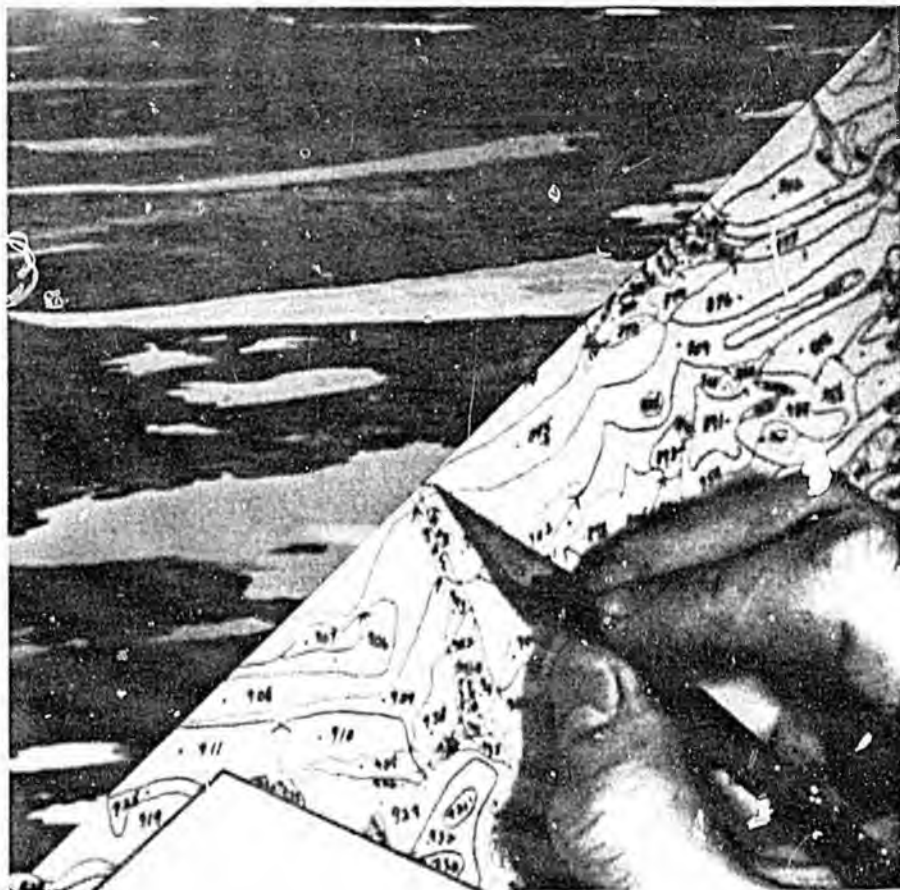
*Robert David Stearns, Ph.D. is an Assistant Professor, University of Alaska-Fairbanks.*

#### REFERENCES

1. Anchorage Daily News, November 29, 1983, "Rural Villages Dealing With Problems Liquor Brings," p. 34.
2. Anchorage Daily News, December 1, 1983, "Alaska Study Links Most Misdemeanors to Drug, Alcohol Use," p. 1.
3. Anchorage Daily News, December 1, 1983, "Knowles Drops Checkpoint Plan, Chooses Patrol," p. 1.
4. Anchorage Times, January 3, 1982, "Tyonek Village Officials Seek Halt to Liquor Sales."
5. Jones, Dorothy, *The Urban Native Encounters the Social Security System*, Institute of Social, Economic and Government Research, University of Alaska, Fairbanks, Alaska, 1974, pp. 40-42.
6. Lonner, Thomas S. and J. Kenneth Duff, *Village Alcohol Control and The Local Option Law Center for Alcohol and Addiction Studies*, School of Health Sciences, University of Alaska, Anchorage, Alaska, 1983.
7. Stearns, Norman S., Thomas A. Bergan, Edward B. Roberts and John L. Quigley, "Systems Intervention: New Help for Hospital," *HCM Review*, Fall, 1976, pp. 9-18.
8. VanStone, James W., *Athabaskan Adaptations: Hunters and Fishermen of the Subarctic Forest* Chicago: Aldine Publishing Co., 1974, pp. 75, 101 and 118.

## geo•pro•cess:

to subject a geographic area to a special process (as with the aid of aerial maps and computer graphics) for the purpose of producing multi-levelled geographic information.



This year the North Slope Borough committed itself to a massive computerized land management program called

## Geographic Information System (GIS)

that will greatly facilitate planning, development, and environmental safety within its jurisdiction of 88,000 square miles.

## GIS:

EXPANDING OUR KNOWLEDGE OF  
THE LAND

THE NORTH SLOPE BOROUGH

Barrow, Alaska

# Guest Editorial . . .

## Fund Students, Not Professors -

### The Hayes Scholarship Bill

File  
HB-504

By Jim Greig, Ph. D.

Rural Native American students may soon receive \$10,000 per year scholarships towards teaching degrees if the bill recently introduced by Alaska State Representative Joe Hayes is successful.

Many voters may see this as too much lavished on a favored ethnic minority. They may see this bill as both an example of government waste and of government reverse discrimination.

But, I have good evidence to show that this bill is neither wasteful nor discriminatory. The reality is quite the opposite.

My evidence comes from inside information, information that is common knowledge among rural college professors and administrators but is almost never released to the general public.

I can divulge this information because I was willing to risk my career in Alaska rather than cover up the waste that I found in rural higher education.

For any that care to investigate this evidence, I have quite extensive, specific information. In 1981 and 1982 I worked as a University of Alaska professor among Native American villages along the Yukon River.

Then, in the spring of 1983, I worked as the director of a "non-profit" Native teacher education program among the villages of the Bering Sea. The following are just a few of my experiences as a rural educator.

When I arrived at my job on the Bering Sea, I was responsible for directing an on-going \$250,000 Federal program that

was coordinated with two University of Alaska programs that cost about \$252,000.

In all, we were spending about \$600,000 per year.

All the publicly released documents—grant requests, appeals for more state funding, etc.—advertised that we had over 40 students, all rapidly progressing towards their teaching degrees.

But, after I had been on the job for a month, nothing seemed to be happening. Four or five students seemed to be doing some of their assignments, but that was about all. This program had been running for a year and a half before I arrived.

Had the students done any work during that year and a half? It was hard to say. No credit hour totals had ever been compiled.

What was the total cost of this program? Again, no total cost figures had ever been kept.

I asked the university officials for their totals, but they said that they didn't have any.

In attempting to determine the success rate of my program, I began to piece together the facts. If the program really was not working, perhaps something could be done to improve it. But, first I had to determine what was actually happening. So, I began to assemble complex charts on my office walls—charts showing student progress during the current semester and charts showing student progress during the previous semesters.

At first it was difficult to determine just what I should consider a "student." After

all, I had over 40 people signed up, and all were claiming to be "students."

Yet, little work was being done. But, then I found a clear solution. If, for example, those in my program completed a total of 1000 courses (3 credit hours each) during the school year, and if each full-time student was theoretically expected to complete 10 courses per year, then I could justifiably speak of having 100 "students." This would be true no matter how many people were actually on my rolls.

Further, if the total cost of my program was, for example, \$1,000,000 per year, then I could say that the efficiency of this program was \$10,000 per student per year.

Such cost effectiveness is so easy to calculate that it could be demanded by the State Legislature and even published in the newspapers. In this way alternative programs could openly compete with each other for public funds. At present, university administrators hide such statistics as though they were nuclear secrets.

For example, one day two officials from a rural community college came by and noticed the charts on my wall.

"Better not display information like that," said one.

"Best not to collect such information in the first place," said the other.

These well intentioned men simply wanted to give me good survival advice. Nevertheless, I kept on with my chart work. Soon my charts clearly showed

that over the last year and a half this program had not 40 students but only 5 students. I was generously calculating that one "student" would complete about seven courses per year — which is only a part-time load anyway. Else.

Further, we were spending not \$10,000 but \$120,000 for each student each year. At this rate, the price of just one teaching degree was going to be well over \$700,000.

I went to a high administrator of the local community college that formed part of this program.

"Look at these charts," I said. "This program clearly isn't working."

"I know" said the administrator, "but we have tried almost everything."

I had been giving some thought to another, quite obvious approach. It seemed to me that most Native American college graduates that I met in rural Alaska earned their degrees at major campuses. Scholarships large enough to allow our average student, who often had dependent children, to venture onto a large campus, might be the way to go.

"What about setting up a large scholarship fund to send our best students to major campuses?" I asked. "It might be worth a try."

"No way!" He said.

At this point, I should give the reader some background information. Why was the administrator so upset over my suggestion? The answer is that if these

Continued on page 7

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# Students . . .

-Continued from page 4

scholarships were granted, his college would not only be losing student tuition money, but it would also be faced with decreasing enrollment statistics.

His total student enrollment was a major factor in his own funding and was a major factor by which his bureaucratic superiors measured his effectiveness as an administrator.

He didn't want to send away promising students—even if it was to their advantage.

Why don't other rural professors protest over the waste within their own programs? After all, don't professors have the freedom and desire to "profess" the truth? The answer to this is, again, "No way!"

Almost two hundred Ph. D's applied for the position that I was selected for at the University of Alaska. Most of these were unemployed. Even if they could find jobs in the Lower Forty-Eight, their average pay would only be about \$18,000.

The Alaskan hush is often their last chance to make up for all those years at the poverty level.

My Alaskan job paid about \$50,000 per year, plus a long vacation, junkets to southern California, and other benefits. With these wages and with 200 Ph.D's waiting in line to replace you, are you going to rock the boat? Probably not.

If you are a boat rocker, you are very quickly replaced. Through a process of natural selection, all boat rockers are soon jettisoned, and only those with a stomach for this kind of excursion survive. I now run my own construction company in New Mexico.

So, would this \$10,000 scholarship be wasteful? Not at all. In fact, quite the opposite. If my program is typical, and I believe it is, the taxpayer is already spending up to \$120,000 a year for each rural student.

How much better would it be for this money to fund twelve students directly, instead of one student indirectly. As it is, most of this \$120,000 per student never benefits the student, but instead benefits the bank account of some professional educator.

The case is similar if the efficiency of the main rural teacher education program of the University of Alaska at Fairbanks, the X-CED Program, is put to the test. X-CED spends in excess of \$1,130,000 per year to field eight professors, some with as little as two or three actual students. This money alone would fund 113 \$10,000 scholarships—perhaps far more scholarships than rural Alaska could

presently absorb.

Figured this way, the direct benefits become tremendous, and this scholarship program is already funded. It is just a matter of switching the money around.

Would this scholarship constitute reverse discrimination? I think not. The point of this scholarship is not to reward someone for having a particular kind of genes; but for having a particular kind of knowledge. Someone with, for example, Inupiaq ancestry who was raised in Ireland would not be a fitting candidate for these scholarships.

On the other hand, an Irish child adopted by an Inupiaq family presumably could become a scholarship candidate.

Further, these scholarships would not be designed to reward a student simply because he is a product of Alaskan Native culture.

If, for example, the proposed scholarship were for a degree in electrical engineering, then the student's cultural knowledge would have no relevance. But, the point here is that such cultural knowledge is directly relevant to the student's future duties as a teacher of his own children.

As has been amply demonstrated, teachers from the American mainstream rarely remain in a Native American village long enough to understand their new culture or to understand their students.

Due to this lack of cultural and linguistic knowledge, effective education suffers.

To conclude, from direct experience I know that much of rural higher education is extremely wasteful. For every \$100,000 the state pours into rural programs, over \$90,000 gets drained away by a vast bureaucracy of professional educators.

How much better would it be to give the students money directly and to cut out all of these expensive middlemen. These educators will certainly scream over such a proposal.

But, they can easily be silenced by auditing their programs and calculating the total cost per actual student. At present this ratio is never made public.

Secondly, it seems only fair that rural Alaskan communities be given the opportunity to educate their own children. These scholarships should not be seen as discriminating against those who are not Native Americans, but as rewarding those who have a specialized and valuable kind of knowledge.

**PUBLIC AUCTION**

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 3-20-84

REQUEST Page 1 of 2  
 Bill/Resolution No.: CSHB504(Fin)  
 Title: Teacher Scholarship  
Loans  
 Sponsor: Hayes, Hurlbert, et. al.  
 Requestor: House Finance  
 Date of Request: 3-20-84

FISCAL DETAIL  
 Agency Affected: Education  
 Program Category Affected: Postsecondary  
Commission  
 BRU, Program or Subprogram(s) Affected:  
Scholarship Loan Fund

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	N.A.	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>	N.A.	164.5	348.8	554.6	783.7	830.8
<b>REVENUE</b>	N.A.	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	164.5	348.8	554.6	783.7	830.8
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	N.A.	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Kerry D. Romesburg, Executive Director Phone: 465-2854  
 Division: Alaska Commission of Postsecondary Ed. Date: 3-20-84

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

12/1/83

FISCAL ANALYSIS  
CSHB504 (Fin) Page 2 of 2

March 20, 1984

1. Estimated number of teacher scholarship loans available:

FY85	80
FY86	160
FY87	240
FY88	320
FY89	320

2. Since a student may not borrow both a teacher loan and a standard student loan, much of the cost would be off-set. The only add-on, other than travel, would be for those eligible costs exceeding \$6,000. This is estimated to be \$2,500 for 25 students in FY85, and then is carried forward with a 6% inflation in future years. The result for costs, other than travel are:

FY85	\$ 62.5	FY87	\$210.7	FY89	\$315.7
FY86	\$132.5	FY88	\$297.8		

3. Travel estimated costs are compiled upon the assumption that half the students each year will attend in-state, and half will attend out-of-state. Two roundtrip airline trips have been projected from various Alaska sites to the following locations: Anchorage, Fairbanks, Portland, Phoenix, and Los Angeles. The additional travel costs are:

FY85	\$102.2	FY87	\$343.9	FY89	\$515.1
FY86	\$216.3	FY88	\$485.9		

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST

Bill/Resolution No.: CSHB 504 (Hess)  
Title: Teacher Scholarship Loans

Sponsor: Hayes, Huribert, et al.  
Requestor: House HESS  
Date of Request: 1-15-84

FISCAL DETAIL

Agency Affected: Education  
Program Category Affected: Postsecondary Commission  
BRU, Program or Subprogram(s) Affected: Scholarship Loans

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	N.A.	0	0	0	0	0
CAPITAL	N.A.					
REVENUE	N.A.	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	N.A.	62.5	152.5	210.7	297.8	315.7
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	N.A.	0		0	0	0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Kerry D. Romesburg Phone: 465-2854  
Division: Commission on Postsecondary Education Date: 1-15-84

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

HB504: Teacher Scholarship Program

A. Comments

1. Borrower must be a graduate from an Alaskan public high school. There are a number of private high schools which would have no students eligible (Covenant High School - Unalakleet, Monroe High School - Fairbanks, St. Mary's Catholic High School - St. Mary's, for example).
2. Borrower is eligible to borrow up to the total cost of room and board, tuition and fees, and books and supplies, or \$10,000, whichever is lower. Hence, only twenty or thirty students per year would borrow more than the normal \$6,000 student loan maximum.
3. Borrower must maintain good standing to continue receiving loans. ("C" average, enroll and complete 12 hours per term.)
4. Loans may not be awarded for more than 5 years of study.
5. Interest is 5% - repayment is 10 years.
6. Section 14.43.630 requires the commission to actually transfer funds to the school districts. We feel that fund transfer to the district is an unnecessary step and should be eliminated. The funds should go to the student (actually to the school in which the student enrolls) and not to the district and then to the student.
7. Section 14.43.640 (b)(1) means that if a borrower does not teach

public school in Alaska, no loan forgiveness is possible - not even the normal 50% for which other loan borrowers are eligible.

B. Possible Amendments

1. Section 14.43.630 amended to read:

Sec. 14.43.630. ADMINISTRATION. The teacher scholarship loan program shall be administered by the student financial aid committee (AS 14.43.095) in accordance with regulations adopted by the committee. The committee shall allocate [DISTRIBUTE] the loan awards [FUNDS] available for teacher scholarship loans annually to local school boards giving a preference to school districts with a high percentage of students in ethnic minorities and a low percentage of teachers in ethnic minorities. The local school boards shall select the recipients of the teacher scholarship loans.

2. Section 14.43.640 amended to read:

Sec. 14.43.640. CONDITIONS OF LOANS. Each school district shall award teacher scholarship loans subject to the following conditions:

(1) the conditions provided in AS 14.43.120 apply except that no loans may be made to graduate students [AND THE STATE SHALL REPAY A PORTION OF A TEACHER SCHOLARSHIP LOAN UNDER AS 14.43.120 (j) ONLY IF, IN ADDITION TO THE OTHER CRITERIA, THE BORROWER IS ALSO EMPLOYED AS A PUBLIC SCHOOL TEACHER IN THE STATE DURING THE PERIOD FOR WHICH THE LOAN IS FORGIVEN];

(2) if a borrower meets the conditions provided in paragraph (1) of this section and is employed as a public school teacher in the district from which the borrower graduated, AS 14.43.120 (j) does not apply, but rather, the portion of the loan that shall be paid by the state is the following percentages of the total loan received plus interest up to a total of 100 percent of the total loan:

- (A) one year employment, 15 percent;
- (B) two years employment, an additional 15 percent;
- (C) three years employment, an additional 15 percent;
- (D) four years employment, an additional 25 percent;
- (E) over four years employment, an additional 30 percent; and

(3) a loan may not exceed \$10,000 in a school year.

3. Section 14.43.650 amended to read:

Sec. 14.43.650. SELECTION CRITERIA. (a) To be eligible for a teacher scholarship loan, a student must

(1) be a graduate of, or scheduled for graduation within six months from, an Alaskan [A STATE PUBLIC] high school, with sufficient credits to be admitted to an accredited college or university;

(2) be enrolled in or show evidence of intent to enroll in a degree program directed at a teaching career at the elementary or secondary school level; and

(3) meet the conditions set by the student's local school district with respect to the district's requirements for teachers in particular subject areas.

C. Fiscal Analysis

1. Estimated number of teacher scholarship loans available

FY85	80
FY86	160
FY87	240
FY88	320
FY89	320

2. Since a student may not borrow both a teacher loan and a standard student loan, much of the cost would be off-set. The only add-on would be for those eligible costs exceeding \$5,000. This is estimated to be \$2,500 for 25 students in FY85, and then carried forward with a 6% inflation in future years.

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE  
LETTER OF INTENT  
FOR  
COMMITTEE SUBSTITUTE FOR HOUSE BILL 504 (FINANCE)

It is the intent of the legislature that rural students who are/were displaced from their communities because of (a) inadequate school facilities, (b) by Division of Family and Youth Services (State of Alaska, Department of Health and Social Services), (c) health reasons, or (d) who have elected to or were required to attend a school in an urban setting, will be given the same preference as indicated in AS 14.43.650(b), added by Section 1 of this bill. The local school board shall select these students on a case-by-case basis.



---

Al Adams, Chairman  
House Finance Committee

Selected letters of support and suggested changes.



## MUSTANGS

Fortuna Ledge P. O.

(907) 679-6112

Marshall, Alaska 99585

February 23, 1984

The Honorable Representatives Hayes, Hurlbert, Adams, Abood, Barnes, Bussell, Cato, Cowdery, Davis, Fuller, Furnace, Grussendorf, Herrmann, Koponen, Lindauer, Liska, Malone, Martin, M.W. Miller, Ringstad, Shultz, Szymanski, Uehling, Ward, Zharoff, Fritz, Bettisworth and McBride  
House of Representatives  
State of Alaska  
Juneau, Alaska 99801

Dear Committee Members:

At our recent Advisory School Board Meeting we reviewed the proposed House Bill No. 504, regarding State educational loans. We found the findings and intent portion of the Bill to be not only true, but also stating concerns we have discussed often. As we continued with the reading of the Bill, however, we found that section 14.43.650, Selection Criteria, has restricted a group of highly desirable potential teachers from being eligible.

We are pleased that graduating students may have the financial help needed to continue their education and feel the State of Alaska is very generous in providing funds for them. However, we feel the Bill overlooks those former graduates who, for whatever reason, decided to put off going to college for a year or two. There are many capable and desirable people in this group who have worked other available jobs and now have the maturity and drive needed to continue their education. But then now find they lack adequate financial help.

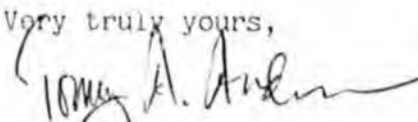
The most noteworthy group being excluded from House Bill 504, we feel, are those individuals who have gained experience working in our schools as classroom aides. Many are highly capable aides with high potential for making excellent teachers. House Bill 504 with its recent six month graduate restriction eliminates this highly desirable group.

Letter to House of Representatives  
House Bill No. 504  
Page two

It is our hope that the committee re-assess the Selection Criteria outlined in House Bill 504 and change the recent graduate requirement to allow for these highly desirable individuals.

Thank you for your time and consideration on this matter.

Very truly yours,

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

Tommy A. Andrew, Chairperson  
Advisory School Board

TAA:te



FEB 9 1984

# Covenant High School

(907) 624-3282 Unalakleet, Alaska 99684

February 6, 1984

Representative Jack Fuller  
Alaska State Legislature  
Pouch V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Fuller:

Enclosed is a letter which we submitted at the hearing recently on HB 504. We feel that this bill could serve an excellent purpose in the bush but feel strongly that private school graduates should not be restricted from participation. Our letter expresses our viewpoint.

The method of payment might need to be altered in order to avoid channeling funds through a private school to the recipients, but I am sure that this could be done without altering the intent of the bill. I am inclined to believe that it would be preferable, at any rate, to have recipients receive grants direct'y from the state on nomination from the districts. This method would largely parallel the present Student Loan program while giving the districts input on promising candidates.

Other items in the bill which might be given additional consideration are the following:

Sec. 14.43.640 Conditions of loan. Paragraph 2 requires that the borrower must teach in the district from which he/she graduated in order to be eligible for loan forgiveness. I believe that this is entirely too restrictive. In small districts such as Nome or Dillingham, an opening may not be available upon graduation. Also, marriage often requires a graduate to re-locate. It has been our experience that most Alaska Native graduates do return to the bush, and the value of others in the major city school systems is significant in its impact on Native students in those areas as well.

It seems unfortunate also that a returning student would be restricted from teaching in a private school in order to receive credit toward forgiveness. Federal teacher loans have not made this distinction. If the school is classified as having a high percentage of minority students, the borrower may apply for a percentage of forgiveness regardless of the public or private status of the school.

I am personally inclined to think that the loan should be supplemental rather than set at \$10,000 maximum without restrictions. BIA loans, for example, require that the applicant "show financial need after other sources of funding have been considered." Some such requirement would serve the double purpose of weeding out the less serious applicants and would increase the numbers of students who could be served.

I think that there should be close state monitorship of the loan recipients through the four years. This might require more than the present regulations for the Student Loan program.

Again, we want to indicate our strong support for this bill and will appreciate your consideration of the items we have discussed.

cc. Rep. Joe Hayes

Sincerely,

Alfred S. White, Principal

# CHUGACH

School District — Nyal D. Worsham, Superintendent



February 2, 1984

Honorable Joseph Hayes, Speaker of the House  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811



RE: House Bill #504

Dear Mr. Speaker:

I wish to speak in support of House Bill #504 related to a teacher scholarship fund for native students. Having spent the last eight years in Alaska bush and rural school systems, I know that our native students do need the relationships that native teachers can give to them.

We need positive counseling efforts to lead our future native teachers into the profession and give them support while they develop their teaching skills.

I thank you for the introduction of this bill and wish you and Representative Hurlbert success in its passage.

Sincerely,

Nyal D. Worsham, Supt.

cc: Representative Vern Hurlbert  
Files

Alaska Native Land Managers Association  
800 K Street, Suite 207  
Anchorage, Alaska 99501  
Tel. 272-1254

February 13, 1984

Representative Mae Tischer  
Pouch V (MS 3100)  
Juneau, Alaska 99811

Re: HB 504

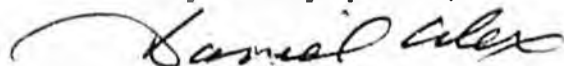
Dear Representative Tischer:

At a recent meeting of the Alaska Native Land Managers Association, the membership passed the enclosed resolution urging passage of HB 504, dealing with establishing the teacher scholarship loan program.

We feel that this bill satisfies an important need in rural Alaska. For too long, young people have left the villages to attend college, never to return. Additionally, we have watched a parade of non-native teachers through the village schools. We feel that it is important to have a stable staff of teachers in rural schools. We also feel that it is preferable to have native teachers teaching in predominantly native schools in order to understand and preserve the unique culture and history of Alaska Native peoples. It is our feeling that native teachers will provide a valuable role model for students in rural Alaska. The students need to see that they can be a success and that they can be leaders in today's world.

We feel strongly that the passage of HB 504 will be another step along the path towards improving rural education and the lives of rural Alaskans.

Very truly yours,



Daniel Alex,  
President

MR VERN HULBERT  
HOUSE OF REPRESENTATIVES  
JUNEAU, AK

FEB. 15, 1984

DEAR REP. Vern Hulbert

THIS IS A LETTER CONCERNING HOUSE BILL NO. 504  
IN SUPPORT OF STUDENT LOANS TO AKASKAN STUDENTS.  
I AM IN FULL SUPORT OF THIS BILL. I CAN HONESTLY SPEAK  
ON THIS ISSUE. WHEN I ATTENED THE X-CED PROGRAM THERE  
WHERE MANY DISCOMFORTS I HAD TO ENCOUNTER IN APPLYING  
FOR FUNDING AS AN OFF CAMPUS STUDENT. THE EXISTING LOANS  
WERE NOT ENOUGH TO MET THE NEEDS OF ANYONE WITH A FAMILY.  
WE ALL UNDERSTOOD THAT IT COSTED MONEY TO GO TO SCHOOL  
BUT THE HARDSHIP WAS AT TIMES VERY DEMANDING ON OUR  
SLIM BUDGETS.

THE BILL HAS INSIGHT FOR OUR NON-CERTIFIED TEACHERS  
WHO HAVE BEEN VERY DEDICATED TO THEIR JOBS. THAY HAVE  
WORKED VERY SILENTLY WITHOUT RETIREMENT BENIFITS ON PART  
TIME BASES. I CAN FORESEE THEM GOING ON TO SCHOOL NOW  
IF THIS BILL IS PASSED IN BOTH HOUSES. THE COMMUNICATION  
WHICH LINKS THE VILLAGE LIFE AND THE SCHOOLS ARE THE NON-  
CERTIFIED AIDES. PERHAPS, IN THE FURTURE WITH MORE  
CERTIFIED TEACHERS WHO ARE ALASKAN NATIVES A BETTER  
DELIVERY OF EDUCATION WILL BE A REALITY HERE IN RURAL  
ALASKA.

I ALSO CAN SEE ANOTHER BARRIER WHAT WILL BE DONE  
FOR THE NATIVE CERTIFIED TEACHERS WHO MUST WAIT  
FOR THE TENURE TEACHERS TO MOVE ON I MYSELF SIT IN THAT  
POSITION AND HAVE BROUGHT IT TO THE ATTENTION OF THE  
REAA BOARD THE REPLY WAS THE TENURE TEACHER OR AN  
OPENING WITHIN THE DISTRICT WHEN EVERY THE WAS ON WHERE  
I CAN FTY THE SLOT.

SINCERELY

  
MARIE T. [WALKER] HAILEY

# MEMORANDUM

# State of Alaska



TO: The Honorable Mae Tischer  
Alaska State Representative  
Chairman, House Health  
& Social Services

DATE: February 2, 1984

FILE NO:

TELEPHONE NO: 465-2800

FROM: Harold Reynolds  
Commissioner  
Department of Education

SUBJECT: HB 504: Teacher Scholarship  
Loan Program

The State Board of Education addressed HB 504 during the State Board meeting in Juneau, January 31, 1984. The Board voted approval of the concept of a loan program to encourage Alaskan ethnic minorities to enter the teaching profession. There were several areas which they felt needed further clarification in consideration of the legislation:

1. The findings and intent focus on problems experienced in rural Alaska, but the bill would allow any ethnic minority student to be eligible, including those from the urban Alaskan districts, with forgiveness tied to that teacher returning to the district from which he came. The State Board expressed some confusion as to whether this is what was intended by the sponsors, or if the intent was to limit the loan program to just rural ethnic minority students. If it is to be limited to rural students a definition of rural students should be included in the legislation.

2. The State Board of Education felt the criteria for forgiveness was too restrictive by requiring that a student return to teach in the district from which he graduated. The district from which he graduated may have no openings when the teacher is ready to return to teach. If that student returns to teach in another Alaskan school district, other than the district from which he graduated, the State still receives the benefit of the ethnic minority in the teaching role. If it is the intent of the legislation to assure that students return to teach in rural Alaska, this might also be accomplished by expanding Sec. 14.43.640(2) to include "employed as a public school teacher in the district from which he graduated or another rural Alaskan school district." This amendment would also require that rural school district be defined in a definitions section.

3. The State Board of Education felt that the loan should be available to a student who, after completing an academic major (i.e. history, English, science), decides to return to college for a fifth year of study for the purpose of teacher training. As the legislation currently drafted, it prohibits loans for graduate study.

4. The State Board of Education felt that the loan program should also be available to Alaskan ethnic minority students

The Honorable Mae Tischer  
February 2, 1984  
Page 2

attending high school outside the State who desire to enter the teaching profession and return to the State to teach.

The legislation appears to be an excellent step towards encouraging Alaskan ethnic minorities into the teaching profession and providing incentives to return Native Alaskans to rural areas to teach. Your consideration of the State Board of Education's recommendations is appreciated.

cc: Ernestine Griffin, President  
State Board of Education  
Rep. Joe L. Hayes  
Rep. Vernon L. Hurlbert  
Rep. Albert P. Adams  
Rep. Mitchell E. Abood, Jr.  
Rep. Ramona L. Barnes  
Rep. Charlie Bussell  
Rep. Bette Cato  
Rep. John Cowdery  
Rep. Mike Davis  
Rep. John G. "Jack" Fuller  
Rep. Walt Furnace  
Rep. Ben F. Grussendorf  
Rep. Adelheid Herrmann  
Rep. Niilo Koponen  
Rep. John Lindauer  
Rep. John L. Liska  
Rep. Hugh Malone  
Rep. Terry Martin  
Rep. Mike W. Miller  
Rep. John Ringstad  
Rep. Richard Schultz  
Rep. Mike Symanski  
Rep. Rick Uehling  
Rep. Jerry Ward  
Rep. Fred Zharoff  
Rep. Milo Fritz  
Rep. Robert H. Bettisworth  
Rep. Jack McBride



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

## ANCHORAGE REGIONAL OFFICE

1411 W. 33RD  
ANCHORAGE, ALASKA 99503  
(907) 274-0536

## JUNEAU OFFICE

147 S. FRANKLIN #207  
JUNEAU, ALASKA 99801  
(907) 586-3090

## FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701  
(907) 456-4435

TO: Mae Tischer, Chairman  
House HESS Committee  
Members of the Committee

DATE: February 21, 1984

RE: HB 504; "An Act establishing the teacher scholarship loan program."

NEA-Alaska strongly supports and encourages favorable consideration of the concept of scholarship incentives as a method of encouraging Alaska Natives to pursue careers in teaching in the public schools in Alaska. This particular issue was established as one of the six major legislative priorities of the Delegate Assembly, meeting in Anchorage in January.

It may be appropriate for the Committee to seek data relative to the previous implementation of AS 14.43.050 -.090 for purposes addressing specifically identified needs. SB 426 expands upon the provisions of the above referenced statute.

We would further encourage that the Committee, either on its own initiative or through the Department of Education, consider the feasibility of conducting an annual survey of all Alaska Native High School sophomores, juniors, and seniors and, perhaps even a supplemental survey of their parents and guardians as well, in an effort to build a data base which could be used to bring even more focus to this kind of legislation on a long term basis. Specifically, it seems appropriate to have more information on:

- career aspirations, expectations, needs
- current deterrents, barriers, problems
- extent and nature of counseling and adequacy of curriculum

A recent survey published by Texas Christian University on "Factors Related to High School Students' Interest in Teaching as a Profession" strongly suggest that a decline in parental interest in encouraging their children toward teaching is a major factor. It may be appropriate to ascertain the validity of this conclusion for Alaska.

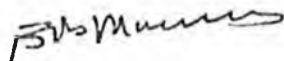
With an increasing number of Native students in the urban areas perhaps it is worthy of some emphasis to encourage, through incentives, more Native teachers in these areas as well.

It also seems appropriate to consider making this loan program an adjunct of the regular student loan program, but utilizing an expanded and separate sub-committee of the Post Secondary Education Commission which would also include practicing teachers and parents among its membership.

We feel that it is appropriate to raise some caution relative to geographic restrictions upon where a recipient may chose to teach. Reduction in the teaching force, non-retention and/or desire to voluntary job changes may have some effect on mobility of the recipients.

Finally, it may also be appropriate to clarify the legislative intent of HB 504 as it pertains to the term "teacher." AS 14.20.207 currently provides that the term teacher is also intended to cover administration. It is our recommendation that the primary focus be toward those who are actually in a classroom teaching circumstance.

Respectfully Submitted,



Bob Manners  
Executive Secretary  
NEA-Alaska

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**COMMITTEE REPORT**  
**SENATE**

FURTHER: \_\_\_\_\_

Date 7/14/55

Mr. President

The Committee on Education considered SB 100

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title \_\_\_\_\_
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_  
\_\_\_\_\_  
*Joseph W. ...*  
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\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Chairman recommendation

FILE WITH HB 505

Alaska State Legislature

SENATOR  
ROBERT H. ZIEGLER, SR.  
307 BAWDEN STREET  
KETCHIKAN, ALASKA 99901

While in Juneau  
POUCH V  
JUNEAU, ALASKA 99811



Senate

VICE CHAIRMAN  
SENATE RESOURCES COMMITTEE

MEMBER  
SENATE JUDICIARY COMMITTEE

WESTERN STATES LEGISLATIVE  
FORESTRY TASK FORCE

WESTERN CONFERENCE COUNCIL  
OF STATE GOVERNMENTS

May 15, 1984

Senator Bill Ray, Chairman  
Senate Judiciary Committee  
Alaska State Legislature  
Juneau, Alaska

Re: CSHB 505

Dear Bill:

I really haven't knocked myself out researching the captioned bill. (Guy is hors de combat with a bum back and I have no idea when he'll be back.) In any event, here is all kinds of backup, consisting primarily of a section by section analysis prepared, I assume, by the Division of Insurance.

I have also attached a letter of recommendation and support from Commissioner Lyon.

It would be my thought that, if you turned the bill lose, you watch to see when Senator Faiks is going to calendar it and then arrange to have distribution of the attachments made a day or so before the bill hits the floor.

Very truly yours,

Robert H. Ziegler, Sr.

RHZ:lk

Attachments

CSHB 505 (Jud)

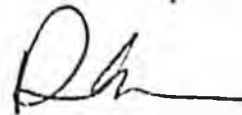
An Act Relating to Insurance; and providing for an effective date.

The Administration is in favor of CSHB 505 (Jud). The Division of Insurance considers this bill as one of its priority items of legislation.

The proposal has three principal features:

1. The bill consolidates a variety of criminal provisions found throughout the Insurance Code (Title 21) into one section. The language now comports with criminal code changes of a few years ago. No new criminal acts have been added, but there are a few that have been upgraded.
2. A number of new administrative penalties have been added to the code. Presently, any violation of the Insurance Code is a criminal act. However, violations are not necessarily subject to administrative remedy. Since the criminal prosecutor is less than enamored with pursuing a misdemeanor, the violator in a number of cases can continue to act without criminal or civil repercussions. This bill would change that by creating a general civil penalty and by upgrading the level of penalty that can be applied. The penalties were last revised in 1966.
3. The third feature of the bill (Secs. 21.36.380 - 410, on pages 9 and 10) basically tracks a model bill by the National Association of Insurance Commissioners. It deals with a growing concern amongst insurance regulators about data sought during investigations of criminal activities. In recent months, a number of fraud investigations have commenced in the west. The Division of Insurance is participating in some of these. One of the challenges faced is that there is no immunity available for persons sharing or providing information. This fact has impeded a number of investigations across the country. In some cases, other insurance regulators are willing to act as our agent in securing data, but have no protection when and if they do so. This bill would provide that protection. It would also require insurers to apprise the Director of any suspected criminal activity and extend an immunity for providing that information.

This legislation has the potential to substantially reduce the effectiveness of persons engaged in insurance criminal activity in this state or relating to this state.



Richard A. Lyon, Commissioner  
Department of Commerce & Economic  
Development

This proposal, while lengthy, is a relatively straightforward cleanup and update of the penalty provisions in the insurance code. The first function of this bill is to consolidate the criminal penalties of the insurance code in a single section, Sec.21.36.360. There are no NEW criminal penalties created, but there are some upgrades. Currently, any violation of Title 21 (the insurance code), is a misdemeanor unless otherwise specifically labeled.

The second function of this bill is to establish an administrative penalty for any violation of the insurance code. In many cases there is no administrative or civil penalty for a violation of the code. This means that the violator gets away with the act, since a district attorney is going to be less than enamored with prosecuting as a misdemeanor some of the technical violations we see in the administration of the code. This bill sets up a dual course, where an administrative remedy and a criminal remedy will be available for any violation of the code. This is accomplished by changing all the present criminal language to civil penalty language. In doing this, the penalty levels, which have not been changed since 1965, have been reviewed and upgraded. Language to clarify that a hearing must be held before imposition of penalties was added in House Judiciary

The third element of this bill deals with a growing concern amongst insurance regulators concerning information sought during investigations of criminal activities. In recent months a number of fraud investigations have commenced in the west, some in which our division is participating. The challenge we currently face is that there is no immunity available for persons sharing or providing information. This fact has impeded a number of investigations across the country. In some cases other insurance regulators are willing to act as our agent in securing information but have no protection if they do so. Presently two states have adopted legislation that deals with this issue. We have used a model that tracks a National Association of Insurance Commissioners model.

Section 1. Page 1, lines 9-16.

This is a new civil penalty section that fines an insurer who fails to submit its annual financial statement when due. It also gives the director the authority to suspend the activities of an insurer who fails to submit the statement when due. The concern here is that the statement is the director's principal tool in determining the financial health of an insurer and its absence leaves that health in question.

Section 2. Page 1, lines 17-26.

This section establishes a new civil penalty. The section deals with violations of AS 21.09.220-250, which is the section on the countersignature law which is in the process of repeal, and with writing through unlicensed agents. The current criminal penalty is transferred to Section 10 [see Sec. 21.36.360(1)].

Section 3. Page 1, lines 27-29 & page 2, lines 1-11.

This section establishes a new civil penalty. AS 21.22 is the insurance holding company act which is concerned with the acquisition of, control of, or, merger with a domestic insurance company. The current criminal penalty is transferred to Section 10 [see Sec. 21.36.360(h)].

Section 4. Page 2, lines 12-17.

This section establishes a new civil penalty. AS 21.27 is the insurance agents, brokers, solicitors, and adjusters licensing act. The current criminal penalty is transferred to Section 10 [see Sec. 21.36.360(j)].

Section 5. Page 2, lines 18-24.

This section establishes a new civil penalty. It deals with reporting of premiums to an insurer by a licensee. The current criminal penalty is transferred to Section 10 [see Sec. 21.36.360(n)].

Section 6. Page 2, lines 25-29 & page 3, lines 1-4.

This section establishes a new civil penalty. It is concerned with the monies a licensee receives as premium from an insured or as return premium from an insurer. These are trust funds and their misuse or misappropriation is a matter of particular concern to the division. The current criminal provision is transferred to Section 10 [see Sec. 21.36.360(b)(5)].

Section 7. Page 3, lines 5-17.

This section deals with the penalties for violation of the licensing law. The principal change here is an upgrading of the amount of penalty.

Section 8. Page 3, lines 18-27.

This section upgrades the fine applied in lieu of suspension, revocation, of refusal to renew a license from \$500 to \$2500.

Section 9. Page 3, lines 28-29 & page 4, lines 1-9.

This section establishes a new civil penalty. It deals with persons refusing examination by the director of their activities in the surplus lines market. The current criminal penalty is transferred to Section 10 [see Sec. 21.36.360(l)].

Section 10. Page 4, lines 10-29, all of pages 5-9 & page 10, lines 1-21. This section centralizes the criminal provisions of the insurance code. The chapter into which this has been inserted is the trade practices and frauds chapter, a logical place to look for these provisions. The new section also deals with investigation information confidentiality and immunity.

Sec 21.36.360(a). Page 4, lines 10-16.

This subsection prohibits fraudulent and criminal acts and provides that

the criminal penalties are in addition to civil penalties. We have made a distinction between fraudulent and criminal because of the connotation associated with the term "fraudulent". The word as used in this section generally means to intentionally injure, defraud, or deceive.

Sec 21.36.360(b)(1). Page 4, lines 17-22.

This section is drawn from the current AS 21.36.180(a), which is repealed in Section 22. No substantive change.

Sec 21.36.360(b)(2)-(3). Page 4, lines 23-29 & page 5, lines 1-2.

These sections are drawn from the current AS 21.36.200, which is repealed in Section 22. No substantive change.

Sec 21.36.360(b)(4). Page 5, lines 3-9.

This section is drawn from the current AS 21.36.180(b), which is repealed in Section 22. No substantive change.

Sec 21.36.360(b)(5). Page 5, lines 10-12.

This section is drawn from the current AS 21.27.360(c) which is amended in Section 5. No substantive change.

Sec 21.36.360(b)(6). Page 5, lines 13-14.

This section effectively upgrades the criminal offense of failing to pay a tax liability under this title, depending on the amount the person has failed to pay. It is currently a misdemeanor under the general penalty section of the insurance code, AS 21.90.020.

Sec 21.36.360(c). Page 5, lines 15-23.

This section is drawn from the current AS 21.69.060 which is amended in Section 14. It deals with solicitation to form an insurer without a solicitation permit. No substantive change.

Sec 21.36.360(d)-(e). Page 5, lines 24-29 & page 6, lines 1-5.

These sections are drawn from the current AS 21.06.170(e) which is repealed in Section 22, and deals with perjury in an examination, investigation or hearing of the division. No substantive change.

Sec 21.36.360(f). Page 6, lines 6-10.

This section is drawn from the current AS 21.69.210 and deals with false accounts, documents, or advertisements in forming an insurer. See Section 15. No substantive change.

Sec 21.36.360(g). Page 6, lines 11-14.

This section is drawn from the current AS 21.69.390 and deals with the removal or concealment of records of a domestic insurer. See Section 16. No substantive change.

Sec 21.36.360(h). Page 6, lines 15-16.

This section is drawn from the current AS 21.22.170 and deals with insurance holding companies. See Section 3. No substantive change.

Sec 21.36.360(i). Page 6, lines 17-28.

This section is drawn from the current AS 21.09.250-260 and deals with the writing of business by insurance companies through persons not licensed by this state. See Section 2. No substantive change.

Sec 21.36.360(j). Page 6, line 29 & page 7, lines 1-12.

This section is drawn from the current AS 21.27.010(d), AS 21.66.160, and AS 21.84.420(a) and deals with agents, brokers, solicitors, and adjustors licensing. See Sections 4, 12, and 18. No substantive change.

Sec 21.36.360(k). Page 7, lines 13-21.

This section is drawn from the current AS 21.27.370 in the licensing chapter which requires all parties to the insurance transaction have the appropriate license. The penalty is drawn from the general penalty section, AS 21.90.020. No substantive change.

Sec 21.36.360(l). Page 7, lines 22-26.

This section is drawn from the current AS 21.33.320 dealing with examination of surplus lines transactions. See Section 9. No substantive change.

Sec 21.36.360(m). Page 7, lines 27-29 & page 8, line 1.

This section is drawn from the current AS 21.69.510(a) dealing with unauthorized dividends of a domestic insurer. See Section 17. No substantive change.

Sec 21.36.360(n). Page 8, lines 2-6.

This section is drawn from the current AS 21.27.360 dealing with agents and brokers trust accounts. See Section 5. No substantive change.

Sec 21.36.360(o). Page 8, lines 7-10.

This section is drawn from the current AS 21.36.200 which is repealed in Section 21. It deals with false applications for insurance. No substantive change.

Sec 21.36.360(p). Page 8, lines 11-12.

This section is drawn from the current AS 21.90.020, the general penalty section of the insurance code. See Section 20. No substantive change.

Sec 21.36.360(q). Page 8, lines 13-28.

This subsection establishes the level of criminal violation in each of

the activities described in the section. i.e., whether it is a class B felony, class C felony, class A misdemeanor, or a class B misdemeanor.

Sec 21.36.370. Page 8, line 29 & page 9, lines 1-9.  
This section is drawn from the current AS 21.36.180(b) which is repealed in Section 22. No substantive change.

Sec 21.36.380. Page 9, lines 10-16.  
This is a new provision which requires that claims forms contain a warning that falsification is a felony.

Sec 21.36.390. Page 9, lines 17-27.  
This is a new requirement requiring insurers to advise the director when they have knowledge of a fraudulent claim. It also provides immunity from civil liability for persons providing such information without malice.

Sec 21.36.400. Page 9, lines 28-29 & page 10, lines 1-13.  
This is a new section. It provides confidentiality for data received under Sec.21.36.390. Presently investigations are considered examination of the insurer and are confidential while necessary, but this is not true when an insurer is not involved thus impeding investigation.

Sec 21.36.410. Page 10, lines 14-21.  
This is an important new provision that enables the director to effectively share investigative functions with other states. It allows the director to designate another state to act on his behalf and vice-versa. The information would be in the participating state as well as the principle state. This would be a valuable tool in investigating violations of the insurance code by non residents. Further, the sharing of the data will better enable us to head off problems before they are sufficiently entrenched and cause loss to the insureds in this state and the insurer.

Section 11. Page 10, lines 22-29 & page 11, lines 1-5.  
This section upgrades the rate law penalty provisions to make them more meaningful. Presently the gain from a violation of that law may well exceed the loss from a penalty application. With this new provision, that would no longer be the case.

Section 12. Page 11, lines 6-17.  
This section establishes a new civil penalty. It deals with doing a title insurance business without an effective certificate of authority. The current criminal provision is transferred to Section 10 [see Sec. 21.36.360(j)].

Section 13. Page 11, lines 18-29 & page 12, lines 1-3.  
This section substantially upgrades the title insurance rate law

penalties. The gain from writing a title insurance policy at an inappropriate rate is far more profound than in a property/casualty situation. It is also more likely to occur.

Section 14. Page 12, lines 4-9.

This section establishes a new civil penalty. AS 21.69 deals with the organization and corporate procedures of domestic insurers. The current criminal penalty is transferred to Section 10 [see Sec. 21.36.360(c)].

Section 15. Page 12, lines 10-19.

This section establishes a new civil penalty. This section deals with deliberate falsification of company records. The current criminal penalty is transferred to Section 10 [see Sec. 21.36.360(f)].

Section 16. Page 12, lines 20-29 & page 13, lines 1-2.

This section establishes a new civil penalty. This section deals with the removal or concealment of the records of a domestic insurer. The current criminal penalty is transferred to Section 10 [see Sec. 21.36.360(g)].

Section 17. Page 13, lines 3-12.

This section establishes a new civil penalty. It deals with the unauthorized payment of dividends. The current criminal penalty is transferred to Section 10 [see Sec. 21.36.360(m)].

Section 18. Page 13, lines 13-21.

This section establishes a new civil penalty. It deals with the unlicensed agent of a fraternal benefit society. The current criminal penalty is transferred to Section 10 [see Sec. 21.36.360(j)].

Section 19. Page 13, lines 22-29 & page 14, lines 1-6.

This section establishes a new civil penalty. It deals with misrepresentations under the fraternal benefit society chapter. The current criminal penalty is transferred to Section 10 [see Sec. 21.36.360(p)].

Section 20. Page 14, lines 7-24.

This section is needed in view of the transfer of the criminal penalty in Section 19. AS 21.84 is an exclusive chapter that incorporates the other provisions of AS 21 only by specific reference within that chapter. No substantive change.

Section 21. Page 14, lines 25-29 & page 15, lines 1-6.

This section establishes a new general civil penalty for violations of the insurance code not specifically carrying a stated civil penalty. The current criminal general penalty is transferred to Section 10 [see Sec. 21.36.360(p)]. The effect of this change is to have a civil penalty and a criminal penalty for any violation of the insurance code. This fact will

provide options that do not now exist for dealing with the bad actors in the insurance industry.

Section 22. Page 15, lines 7-8.

AS 21.06.170(e) is repealed and has been transferred to Section 10 [see Sec. 21.36.350(d) and 21.36.360(e)].

AS 21.36.180 is repealed and has been transferred to Section 10 [see Sec. 21.36.360(b)(1) and 21.36.360(b)(4)].

AS 21.36.200 is repealed and has been transferred to Section 10 [see Sec. 21.36.360(b)(2), 21.36.360(b)(3), and 21.36.360(o)].

AS 21.51.340 is repealed because it is redundant and is covered in Section 10 in the general penalty section [see Sec. 21.36.360(p)].

Section 23. Page 15, line 9.

Effective date clause.

H B

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FILE WITH HB 506

TO: Senator Bill Ray

FROM: Paula d. Scavera

DATE: May 24, 1984

RE: SCSHB 506 (State Affairs) Prompt payment for purchase by the State

This bill requires the State to make payment for goods or services on the date the payment is due or within 30 days after receipt of a proper invoice. The bill exempts purchases of over \$500,000 from the provisions of the bill.

#### SECTION 1

(a) Requires the agency to pay on a required payment date as defined under terms of a contract or 30 days after receipt of proper invoice.

(b) Provides for the State to take advantage of any discounts offered by a vendor and if invoice is paid on time, the State agency will deduct the amount of the discount offered from the total amount of the invoice.

(c) Establishes the rate of interest at 1.5% per month that must be paid by the State for past due balance---also provides for the exclusion of interest in the event the seller and the State have mutual agreement.

(d) Exempts purchases of more than \$500,000 from the provisions of the bill. Provides for an exemption in the event the State notifies the vendor or seller of a dispute in the invoice.

(e) Provides that any interest incurred by lack of prompt payment will be charged to the budget of the department involved.

(f) Definition section

#### SECTION 2

Exempts contracts entered into before the effective date of the bill.

#### SECTION 3

Effective date clause-- July 31, 1983

There is a fiscal note. There is a further referral to Finance.

The only difference between the House version and the Senate State Affairs version is the word "proper" was inserted on Line 28.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Page 1 of 3

Revision Date: February 29, 1984

REQUEST

Bill/Resolution No.: HB 506  
Title: Relating to Payment for  
Purchases by the State  
Sponsor: Shultz/Tischer/Uehling/Liska  
Requestor: (s) State Affairs  
Date of Request: May 16, 1984

FISCAL DETAIL

Agency Affected: A11  
Program Category Affected: A11  
BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		600.0	618.0	650.0	650.0	650.0
200 TRAVEL		50.0	53.0	55.0	58.0	61.0
300 CONTRACTUAL		200.0	210.0	220.0	231.0	243.0
400 SUPPLIES		50.0	53.0	55.0	58.0	61.0
500 EQUIPMENT		100.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	0					
800 MISCELLANEOUS						
TOTAL OPERATING	0	1,000.0	934.0	980.0	997.0	1,015.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	1,000.0	934.0	980.0	997.0	1,015.0
FEDERAL FUNDS						
OTHER						
TOTAL	0					

POSITIONS:

FULL-TIME		22	22	22	22	22
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Kenneth E. Bischoff *KEB A*  
Division: Finance

Phone: 465-2240  
Date: May 17, 1984

Approved by Commissioner: Lisa Rudd *LR*  
Agency: DEPARTMENT OF ADMINISTRATION

Date: May 17, 1984

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

19/301/0516-09/2

Rev. 3-20-84  
19/FORMS/FN

*1. on to Admin. 5/17/84*

MF

House Bill 506  
Fiscal Note Analysis  
Prepared by Division of Finance  
Department of Administration  
May 16, 1984

This fiscal note is submitted for the fiscal impact on administrative costs only, as requested by the Senate State Affairs Committee.

To implement the provisions of this bill, State agencies will need to establish internal procedures as directed by the Department of Administration to administer vendor claims that are due interest. Additionally, more personal service resources will need to be devoted towards speeding up the payment processes without eliminating necessary review steps. Necessary review steps will still include verification that goods/services were as ordered, and as priced, and that invoicing meets requirements for payment.

The Department of Administration will need to strengthen its oversight role concerning vendor payments. Two positions will be required to perform such oversight directly in order to help resolve vendor concerns via the vendor HOTLINE, to resolve agency/vendor disputes, and to audit agency payment processes to determine if they can be streamlined. The Department of Administration will also need to develop more sophisticated computer programs to monitor the payment processes so that trouble areas can be identified early on. We do not currently have the resources to do this adequately.

The one million dollars required to cover the fiscal impacts of this bill should be allocated as follows:

1. \$300.0 to the Department of Administration to cover the cost of personal services of the two positions, and contractual services associated with programs needing to be developed to help us monitor the payment processes.
2. The remaining \$700.0 will be allocated to the agencies based largely upon volume of transactions processed, to help them administratively set up for the effects of this bill.

The breakout of costs by object code represents an estimate of how costs would be incurred by agencies. Personal services would be the costs for all departments and agencies for additional personnel necessary to track, review, and expeditiously process all vendor payments to assure none are held up. They will "bird-dog" each invoice, force officials to approve payments promptly, check and follow-up on all receiving documents, handle related phone calls and correspondence.

The \$600.0 represents approximately 22 full-time positions (average range 12). These workers will be distributed among all agencies. Their effort would be to heighten the pace of paper flow thru to prevent late payments. We presently handle in excess of 1,000,000 invoices per year. This means that if 5% of the bills need attending to, each new person has to handle 2,270 new invoices on a special basis each year, or approximately 12 new problems per day.

Travel costs are for agency personnel in all State agencies, to review and research problems related to billings for many remote sites. This often is the cause for late payments.

Contractual services are for related consultant, data processing services, etc., necessary to make old systems more efficient. Consultant services help provide new solutions for rapid processing where necessary. The actual use of these funds will be determined on a case-by-case basis.

Equipment is that related to institution, as necessary, of new methods to provide more rapid processing.

IT SHOULD BE NOTED THAT THE ABOVE COSTS WOULD BE INCURRED IN AN ATTEMPT TO AVOID PENALTIES. IF THEY ARE NOT APPROVED, THEN WE WILL SIMPLY HAVE TO PAY PENALTIES (INTEREST), WHICH IS COUNTER PRODUCTIVE AND DOES NOT SOLVE THE PROBLEM.

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF FINANCE

POUCH C (MS 0210)  
JUNEAU, ALASKA 99811

PHONE:  
(907) 465-2240

May 15, 1984


Honorable Vic Fischer  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Senator Fischer:

This letter is in response to a request by your office as to what the additional administrative costs would be that are associated with House Bill 506 relating to payment for purchases by the State. The Department of Administration's fiscal note and analysis is enclosed. The fiscal note is broken into two parts; the first being what the potential interest cost might be that would result as an implementation of this bill; secondly an estimate of one million dollars is our best guess as to the amount of resources that would be diverted to avoid interest penalties. Agencies will be forced to reduce review time to determine whether a payment is proper. Such review should include verification that goods/services were as ordered, priced, and that invoicing meets requirements for payment. Agencies will need to establish internal processes to handle claims by vendors that they are due interest. As with any process, disputes will arise that must be resolved in an equitable fashion. The change in administrative costs to implement the provisions of this bill then would be: to perform less review as to determining the propriety of the payments being processed in order to speed up payment times to avoid interest penalties and establish an additional process to resolve vendor claims for interest.

We are continuing to work on your other information request related to this bill to prepare certain statistics by agency on their vendor payment track record. This effort will involve some programming on our part to prepare a suitable file of information. The Division of Legislative Audit has consented to assist us on the statistical side as they have some programs already developed that would be suitable for the purposes of this request.

Sincerely,

  
Kenneth E. Bischoff  
Director

KEB/jbh  
3/3302/0515-08

Enclosures

cc: Commissioner Lisa Rudd  
Department of Administration

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

cc

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

REQUEST

Bill/Resolution No.: HB 506  
 Title: Payment for purchases by the state  
 Sponsor: Shultz  
 Requestor: House Finance  
 Date of Request: 2/28/81

FISCAL DETAIL

Agency Affected: ATT  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

~~SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL~~

Analysis: Any penalties assessed the state due to enactment of this bill should be absorbed by agencies within their existing budgets.

~~ANALYSIS OF FISCAL IMPACT OF BILL~~

Prepared By: Rep. Al Adams, Chair **APA** Phone: 465-3706  
 Division: House Finance Committee Date: 2/28/81

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

*Al Adams*

Computation of Vendor Payments Basis

1. Enacted Budget for Fiscal Year 1984	<u>\$4,185,000.000.</u>
Less 2. Permanent Fund Dividends	(179,000,000.)
3. Grants & Claims	(1,165,537,600.)
4. University of Alaska Payments	(244,700,000.)
5. State Salaries	(801,100,000.)
6. Loans	(201,900,000.)
7. Debt Service	(180,600,000.)
8. University of Alaska Capital	(52,000,000.)
9. Chapter 10 and other Supplemental Legislation	<u>(240,000,000.)</u>
	<u>(3,064,937,600.)</u>
	<u>\$1,120,062,400.</u>

1,120,062,400 x .05 x .015 x 2 = 1,680,094 or 1.7 million

From FY 84 Legislature's Summary of Appropriation as annotated

1. Lead page - Enacted (less Governor's Vetos) Total Column
2. FCC page 8, CH 107, page 14, line 11
3. FCC page I, Objects of Expenditure Grants, Claims
4. FCC page 65, CH 107, page 128, line 16
5. FCC page I, Objects of Expenditure, Personal Services line, CC column
6. Lead page - Loans line, Enacted (less Governor's Vetos) Total Column
7. FCC page I, State Bond Committee line, CC column
8. FCC page 45 to 46, CH 107, page 87, line 10 through page 90, line 9
9. Other Chapters (10, 21, 24, 34, 53)

Prepared By: Ken Buschoff Phone: 465-2240  
Division: Finance Date: 2/29/84  
Approved by Commissioner: LISA RUDD Date: 2-29-84  
Department: Administration

BILL SHEFFIELD  
GOVERNOR



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 23, 1984



The Honorable Mae Tischer  
Alaska State House of Representatives  
Pouch V  
Juneau, AK 99811

Dear Representative Tischer:

I am forwarding to you a copy of our Analysis /Position and Fiscal Note on HB 506, Relating to Payment for Purchases by the State.

Our position upon analysis of this bill is that the current average payment time is better than what is required by this legislation. Attempting to avoid penalties under this bill would cause agencies to divert attention from appropriation and accounting control processes to focusing on speeding up the payment process for relatively few bills. Consequently, a few more bills would be timely paid, but the State would have less assurance as to the overall propriety of payments processed.

It is our responsibility to point out that real costs are associated with this bill. The changes in payroll handling procedures that Gary Jenkins refers to in his letter were implemented at a significant and ongoing cost to the State. Vendor delivery of goods/services and related invoicing is not uniform between vendors and requires additional verification that goods/services were as ordered, priced, and that invoicing meets requirements for payment. As to Mr. Jenkins' comments regarding vendors with 60-to 120-day-old unpaid billings, the State Department of Administration, Division of Finance's Pre-Audit Section (465-2260), has had a vendor's hot line which will accept collect calls in regard to overdue payments and/or other vendor invoice/payment problems since 1978.

The average payment time by the State is approximately 25 days for all State agencies. This average payment time includes disputed invoices, invoices dated more than one day before the post-marked date, and invoices dated before goods or services were delivered. This 25-day average, coupled with availability of a vendor's hot line for distressed vendors, creates what we

*At 3:00 PM The Governor 3/23/84*

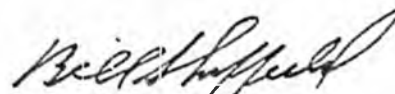
The Honorable Mae Tischer

-2-

March 23, 1984

consider to be a reasonable and responsive atmosphere conducive to meeting vendor needs and still affording proper accounting controls as mandated by AS 37.05.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield  
Governor

Enclosures

# MEMORANDUM


# State of Alaska

TO: Administrative Officers  
All Agencies

DATE: December 10, 1982

FILE NO:

TELEPHONE NO: 465-2260

FROM:  Sue Alexander  
Pre-Audit Supervisor  
Division of Finance  
Department of Administration

SUBJECT: Payment Time

After reviewing the Vendor Analysis for the month of November, it has been determined that it took the State an average of 25 days to pay its bills during this month. This is the same number of days as November of last year. The schedule below shows the payment time for each agency.

<u>Agency:</u>	<u>Payment Days</u>	<u>Agency</u>	<u>Payment Days</u>
Office of the Governor		Commerce and Economic Development	
Fiscal - Juneau	20	Fiscal	17
Fiscal - Anchorage	33	Small Business Loans	14
Administration		Energy & Power	29
Fiscal - Juneau	31	AK Power Authority	17
Fiscal - Anchorage	10	Military Affairs	39
Employee Housing	34	Natural Resources	37
Public Defender	19	Fish and Game	65
Leasing & Facilities	16	Public Safety	15
Telecom Systems - Anch.	26	Environmental Conservation	16
Alaska Broadcasting Comm.	13	Community & Regional Affairs	
Older Alaskan Comm.	13	Fiscal	11
Law	23	CETA Division	12
Revenue		Municipal Grants	18
Fiscal	13	Transportation and Public Facilities	
Garnishments	5	Fiscal	37
Education		Anchorage	22
Fiscal	25	Fairbanks	24
Vocational Rehabilitation	42	Anchorage Airport	16
Council of the Arts	21	Southeast	25
Health & Social Services		Ombudsman	4
Fiscal	26	Legislative Affairs	36
Public Assistance	2	Legislative Finance	5
Social Services	14	Legislative Audit	5
Handicapped Child Prog.	44	Alaska Court System	31
Labor			
Fiscal	25		

*Calendar days \**

MSA/gyr  
14D1/1209-1/F26

*\* From date of Invoice To date of Payment.*

# MEMORANDUM

# State of Alaska

to: Administrative Officers  
All Agencies

DATE: May 2, 1984

FILE NO:

TELEPHONE NO: 465-2260

*MSA*  
FROM: M. Sue Alexander  
Pre-Audit Supervisor  
Division of Finance  
Department of Administration

SUBJECT: Payment Time

After reviewing the Vendor Analysis for the month of April, it has been determined that it took the State an average of 21 days to pay its bills during this month. This is a one day decrease over April of last year. The schedule below shows the payment time for each agency.

<u>Agency</u>	<u>Payment Days</u>
Office of the Governor	24
Administration	21
Law	20
Revenue	12
Education	25
Health & Social Services	39
Labor	24
Commerce and Economic Development	48
Military Affairs	32
Natural Resources	22
Fish and Game	35
Public Safety	12
Environmental Conservation	11
Corrections	30
Community & Regional Affairs	17
Municipal Grants	14
Transportation & Public Facilities	21
Ombudsman	6
Legislative Affairs	24
Legislative Finance	13
Legislative Audit	6
Alaska Court System	10

MSA/sn  
8/F26/3D1/0502-12

Payments by Dollar Volume by Agency  
For the Period March 1 through May 11, 1934

No.	Agency	% Paid Within 30 days	% Paid Within 31-60 days	% Paid Within 61-90 Days	% Paid Over 90 Days
	Statewide Overall	90	07	01	02
01	Office of The Governor	69	26	03	02
02	Department of Administration	73	19	05	03
03	Department of Law	83	15	01	01
04	Department of Revenue	76	19	02	03
05	Department of Education	86	09	04	01
06	Department of Health and Social Services	81	10	02	07
07	Department of Labor	80	14	03	03
08	Department of Commerce and Economic Development	70	21	03	06
09	Department of of Military Affairs	64	27	04	05
10	Department of Natural Resouces	62	18	16	04
11	Department of Fish and Game	61	30	04	05
12	Department of Public Safety	88	07	02	03
18	Department of Environmental Conservation	97	01	01	01
20	Department of Corrections	61	21	14	04
21	Department of Community and Regional Affairs	98	02	00	00
25	Department of Transportation and Public Facilities	91	07	01	01
30	Office of The Ombudsman	99	01	00	00
31	Legislative Affairs Agency	65	28	04	03
32	Division of Legislative Finance	93	07	00	00
33	Division of Legislative Audit	99	01	00	00
41	Court System	90	06	01	03

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# COMMITTEE REPORT

## SENATE

FURTHER:

Date 9/11/70

Mr. President

The Committee on JUDICIARY considered 11/11/70

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt 5 CS for 1970-71
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_  
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\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Chairman recommendation

Alaska State Legislature

REPRESENTATIVE  
**TERRY MARTIN**  
DISTRICT 13  
HOUSE FINANCE COMMITTEE  
CHAIRMAN—UNIVERSITY OF ALASKA BUDGET



3960 REKA DRIVE—B6  
ANCHORAGE, AK 99508  
PHONE 333-6990

DURING LEGISLATURE  
POUCH V  
STATE CAPITOL BLDG  
JUNEAU, AK 99811  
PHONE 465-3783

May 19, 1984

To: All Members, Senate Judiciary Committee

From: Representative Terry Martin *T.M.*

Re: Senate CS For CS For HB 510 (Judiciary)

I concur in the changes made in the Senate Judiciary Committee Substitute for HB 510 and I support its passage. Thank you for your help and consideration.



CALENDAR

TO: Senator Bill Ray

FROM: Paula d. Scavera

DATE: April 30, 1984

RE: CSHB 510 (Finance)

This bill amends the Aeronautics Code of the Alaska Statutes requiring that aircraft accidents involving state and municipal aircraft are reported to the National Safety Board and the Department of Public Safety. At the present time state owned or long term leased aircraft don't have to report aircraft accidents.

SECTION 1

Requires that all aircraft involved in an accident, that are owned or leased by the State of Alaska or municipalities shall be reported to the National Transportation Safety Board and the Department of Public Safety.

The Department of Public Safety shall request the National Transportation Safety Board to investigate the accidents.

Gives a definition of "aircraft accident".

SECTION 2

Immediate effective date clause

Zero fiscal note

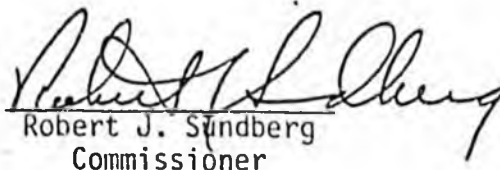
DEPARTMENT OF PUBLIC SAFETY  
POSITION PAPER - PROPOSED CSHB 510 (TRSP)

Support

The Department of Public Safety supports passage of the CSHB 510 (TRSP) being proposed by the House Transportation Committee.

Currently there is no requirement for reporting state or municipally operated aircraft accidents. By enacting this legislation, the National Transportation Safety Board, at the Department's request, would investigate accidents involving state and local government operated aircraft.

By utilizing the experience and expertise provided by the NTSB in determining the cause of accidents and following up on their recommendations as to how to eliminate these causes, will be beneficial to the state by reducing the probability of aircraft accidents occurring in the future.

  
Robert J. Sundberg  
Commissioner

# NATIONAL TRANSPORTATION SAFETY BOARD

## PART 830—RULES PERTAINING TO THE NOTIFICATION AND REPORTING OF AIRCRAFT ACCIDENTS OR INCIDENTS AND OVERDUE AIRCRAFT, AND PRESERVATION OF AIRCRAFT WRECKAGE, MAIL, CARGO, AND RECORDS

### Subpart A—General

- Sec.  
830.1 Applicability.  
830.2 Definitions.

### Subpart B—Initial Notification of Aircraft Accidents, Incidents, and Overdue Aircraft

- Sec.  
830.5 Immediate notification.  
830.6 Information to be given in notification.

### Subpart C—Preservation of Aircraft Wreckage, Mail, Cargo, and Records

- 830.10 Preservation of aircraft wreckage, mail, cargo, and records.

### Subpart D—Reporting of Aircraft Accidents, Incidents, and Overdue Aircraft

- 830.15 Reports and statements to be filed.

**AUTHORITY:** Title VII, Federal Aviation Act of 1958, as amended, 72 Stat. 781, as amended by 76 Stat. 921 (49 U.S.C. 1441 et seq.), and the Independent Safety Board Act of 1974, Pub. L. 93-833, 88 Stat. 2168 (49 U.S.C. 1901 et seq.).

### Subpart A—General

#### § 830.1 Applicability.

This part contains rules pertaining to:

(a) Providing notice of and reporting aircraft accidents and incidents and certain other occurrences in the operation of aircraft when they involve civil aircraft of the United States wherever they occur, or foreign civil aircraft when such events occur in the United States, its territories or possessions.

(b) Preservation of aircraft wreckage, mail, cargo, and records involving all civil aircraft in the United States, its territories or possessions.

#### § 830.2 Definitions.

As used in this part the following words or phrases are defined as follows:

"Aircraft accident" means an occurrence associated with the operation of an aircraft which takes place between the time any person boards the aircraft with the intention of flight until such time as all such persons have disembarked, and in which any person suffers death or serious injury as a result of being in or upon the aircraft or by direct contact with the aircraft or anything attached thereto, or in which the aircraft receives substantial damage.

"Fatal injury" means any injury which results in death within 7 days of the accident.

"Operator" means any person who causes or authorizes the operation of an aircraft, such as the owner, lessee, or bailee of an aircraft.

"Serious injury" means any injury which (1) requires hospitalization for more than 48 hours, commencing within 7 days from the date the injury was received; (2) results in a fracture of any bone (except simple fractures of fingers, toes, or nose); (3) involves lacerations which cause severe hemorrhages, nerve, muscle, or tendon damage; (4) involves injury to any internal organ; or (5) involves second- or third-degree burns, or any burns affecting more than 5 percent of the body surface.

#### "Substantial damage":

(1) Except as provided in subparagraph (2) of this paragraph, substantial damage means damage or structural failure which adversely affects the structural strength, performance, or flight characteristics of the aircraft, and which would normally require major repair or replacement of the affected component.

(2) Engine failure, damage limited to an engine, bent fairings or cowling, dented skin, small punctured holes in the skin or fabric, ground damage to rotor or propeller blades, damage to landing gear, wheels, tires, flaps, engine accessories, brakes, or wingtips are not considered "substantial damage" for the purpose of this part.

### Subpart B—Initial Notification of Aircraft Accidents, Incidents, and Overdue Aircraft

#### § 830.5 Immediate notification.

The operator of an aircraft shall immediately, and by the most expeditious means available, notify the nearest National Transportation Safety Board (Board), Bureau of Aviation Safety field office when:

(a) An aircraft accident or any of the following listed incidents occur:

(1) Flight control system malfunction or failure;

(2) Inability of any required flight crewmember to perform his normal flight duties as a result of injury or illness;

(3) Turbine engine rotor failures excluding compressor blades and turbine buckets;

(4) In-flight fire; or

(5) Aircraft collide in flight.

(b) An aircraft is overdue and is believed to have been involved in an accident.

#### § 830.6 Information to be given in notification.

The notification required in § 830.5 shall contain the following information, if available:

(a) Type, nationality, and registration marks of the aircraft;

(b) Name of owner, and operator of the aircraft;

(c) Name of the pilot-in-command;

(d) Date and time of the accident;

(e) Last point of departure and point of intended landing of the aircraft;

(f) Position of the aircraft with reference to some easily defined geographical point;

(g) Number of persons aboard, number killed, and number seriously injured;

(h) Nature of the accident, the weather and the extent of damage to the aircraft, so far as is known; and

(i) A description of any explosives, radioactive materials, or other dangerous articles carried.

### Subpart C—Preservation of Aircraft Wreckage, Mail, Cargo, and Records

#### § 830.10 Preservation of aircraft wreckage, mail, cargo, and records.

(a) The operator of an aircraft is responsible for preserving to the extent possible any aircraft wreckage, cargo, and mail aboard the aircraft, and all records, including tapes of flight re-

orders and voice recorders, pertaining to the operation and maintenance of the aircraft and to the airman involved in an accident or incident for which notification must be given until the Board takes custody thereof or a release is granted pursuant to § 831.17.

(b) Prior to the time the Board or its authorized representative takes custody of aircraft wreckage, mail, or cargo, such wreckage, mail, or cargo may not be disturbed or moved except to the extent necessary:

(1) To remove persons injured or trapped;

(2) To protect the wreckage from further damage; or

(3) To protect the public from injury.

(c) Where it is necessary to disturb or move aircraft wreckage, mail or cargo, sketches, descriptive notes, and photographs shall be made, if possible, of the accident locale including original position and condition of the wreckage and any significant impact marks.

(d) The operator of an aircraft involved in an accident or incident as defined in this part, shall retain all records and reports, including all internal documents and memoranda dealing with the accident or incident, until authorized by the Board to the contrary.

### Subpart D—Reporting of Aircraft Accidents, Incidents, and Overdue Aircraft

#### § 830.15 Reports and statements to be filed.

(a) **Reports.** The operator of an aircraft shall file a report as provided in paragraph (c) of this section on Board Form 6120.1 or Board Form 6120.2<sup>1</sup> within 10 days after an accident, or after 7 days if an overdue aircraft is still missing. A report on an incident for which notification is required by § 830.5(a) shall be filed only as requested by an authorized representative of the Board.

(b) **Crewmember statement.** Each crewmember, if physically able at the time the report is submitted, shall attach thereto a statement setting forth the facts, conditions, and circumstances relating to the accident or incident as they appear to him to the best of his knowledge and belief. If the crewmember is incapacitated, he shall submit the statement as soon as he is physically able.

(c) **Where to file the reports.** The operator of an aircraft shall file with the field office of the Board nearest the accident or incident any report required by this section.

**NOTE:** The reporting and recordkeeping requirements contained herein have been approved by the Office of Management and Budget in accordance with the Federal Reports Act of 1942.

<sup>1</sup>Forms are obtainable from the Board field offices (see footnote 1), the National Transportation Safety Board, Washington, D.C. 20594, and the Federal Aviation Administration, Flight Standards District Office.

<sup>1</sup>The National Transportation Safety Board field offices are listed under U.S. Government in the telephone directories in the following cities: Anchorage, Alaska; Chicago, Ill.; Denver, Colo.; Fort Worth, Tex.; Kansas City, Mo.; Los Angeles, Calif.; Miami, Fla.; New York, N.Y.; Oakland, Calif.; Seattle, Wash.; Washington, D.C.

From The Last Frontier

Rep. Terry Martin  
State Capitol, Pouch V  
Juneau, AK 99811





## National Transportation Safety Board

Bureau Field Operations  
Anchorage Field Office  
701 C Street, Box 11  
Anchorage, Alaska 99513

March 1, 1984

Mark Hanley  
& Terry Martin  
Pouch V, Capitol Building  
Juneau, Alaska 99811

Dear Mr. Hanley:

Pursuant to our telephone conversation you will find enclosed a list of the particular Federal Aviation Regulation Part Number and a brief description of each which does not apply to "public use" aircraft. Particular attention must be paid to Title 14 Code of Federal Regulations Part 1, which defines "civil aircraft" and "public aircraft".

The term "civil aircraft" is strategically used throughout the regulations which allows such aircraft to perform acts without repercussion from a federal viewpoint.

As you read through the brief descriptions you will realize the magnitude of the possible ramifications should these regulations be stretched to their ultimate definition.

Sincerely,

A handwritten signature in cursive script, appearing to read "George Kobelnyk".

George Kobelnyk

encls

FAR Part Nos  
Title 49, Part 830, 2 cys

## FAR PART NUMBERS AND DESCRIPTIONS

- 61.3 Certificate requirements: A pilot certificate is not needed, nor an instrument rating; however, a medical certificate is required.
- 91.5 Para b,1. Preflight action - A public aircraft is not required to compute landing and takeoff distances.  
Para b,2. Does not need other reliable information such as aircraft performance under expected values of airport elevation and runway slope, aircraft gross weight, and wind and temperature.
- 91.6 Category II and III Operations  
Para a,1. Public aircraft does not need special authorizations to use category II or III operations.
- 91.7 Flight Crewmembers at Stations  
Para b. Does not need to keep the shoulder harness fastened while at this duty station.
- 91.11 Liquor and Drugs  
Para a. States civil aircraft which renders this entire part useless for public aircraft. A pilot of a public aircraft may drink and fly with less than the required eight hours; may fly while intoxicated; may fly under the influence of any drugs; be prescribed by a doctor or self prescribed, and may carry intoxicated passengers indiscriminately.
- 91.12 Carriage of narcotic drugs, marijuana, and depressants or stimulant drug substances.  
Para a. A public aircraft can carry the above listed substances indiscriminately without violating the FARs.
- 91.13 Dropping Objects.  
A public aircraft should they desire can drop objects so as to create a hazard to persons or property and not be in violation of the FARs.
- 91.14 Use of Safety Belts  
Para a, 1. Pilot-in-command does not need to ensure that each passenger was briefed on how to fasten and unfasten the seatbelt.



Para a, 2. Does not need to notify the passengers to fasten their seatbelts.

Para a, 3. Does not need to ensure that each person occupies a seat or berth with a seatbelt secured about them.

91.21 Flight Instruction - Simulated Instrument Flight and Certain Flight Test.

Para a. Under this part a public aircraft does not need dual flight controls for flight instruction.

91.23 Fuel Requirements For Flight in IFR Conditions.

Para a. Public aircraft do not need the required 45 IFR fuel reserve.

91.25 VOR Equipment Check for IFR Operations.

Para a. Public aircraft are not required to perform a VOR operational check within the preceding 30 days for a flight under IFR rules.

91.27 Civil Aircraft - Certifications Required For Public Aircraft  
None as the title of this Part implies.

91.29 Civil Aircraft Airworthiness

A public aircraft does not need to be in an airworthy condition as the title of this Part implies.

91.30 Inoperable Instrument And Equipment For Multi-engine Aircraft.

A public aircraft does not need an approved minimum equipment list.

91.31 Civil Aircraft Operating Limitations on Marking Requirements.

As the title implies, a public aircraft does not have to remain within the approved operating limitations or the marking requirements as outlined by the appropriate manuals.

91.32 Supplemental Oxygen

Under this part a public aircraft does not need oxygen.

91.33 Powered Civil Aircraft With Standard Category U.S. Airworthiness Certificates; Instrument and Equipment Requirements.

This entire section, as the title implies, vindicates all public aircraft from its requirements. Remember that in a previous part of this regulation, public aircraft do not need an airworthiness certificate to begin with.

91.34 Category II Manual

91.51 Altitude Alerting System or Device; Turbo-jet Powered Civil Airplanes.

Again a public turbo-jet powered airplane need not comply.

91.52 Emergency Locator Transmitters

Para a. A public aircraft does not need to carry an emergency locator beacon.

All of the above parts are an interpretation of paragraphs using the term "civil aircraft" as defined in FAR Part 1, Title 14.

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**COMMITTEE REPORT**  
**SENATE**

FURTHER:

Date                     

Mr. President

The Committee on                      considered                     

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for
- new title
- same title and recommends
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to                      Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Chairman recommendation

**COMMITTEE REPORT**  
**SENATE**

FURTHER:

Date \_\_\_\_\_

Mr. President

The Committee on \_\_\_\_\_ considered \_\_\_\_\_

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Chairman recommendation

FISCAL NOTE

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

REQUEST

Bill/Resolution No.: HR 500  
 Title: "An Act relating to criminal use of a computer."  
 Sponsor: Repr. Hayes  
 Requestor: House Judiciary  
 Date of Request: 1/26/84

FISCAL DETAIL

Agency Affected: Department of Law  
 Program Category Affected: Admin. of Justice  
 BRU, Program or Subprogram(s) Affected: Prosecution

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

ANALYSIS: Attach a separate page for analysis

Prepared By: Richard I. Pegues, Director Phone: 465-3672  
 Division: Administrative Services Division Date: 2-1-84  
 Approved by Commissioner: Norman O. Gorsuch Date: 2-1-84  
 Agency: Department of Law

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Fiscal Note  
Analysis  
HB 520

February 1, 1984

This bill addresses a limited area of criminal activity where a person uses a computer system or a computer network to commit a crime. Because existing statutes already cover most of the criminal acts set out in the bill, enactment of this legislation will have little, if any, fiscal impact on the Department of Law's operations. This bill's provision making it a crime to use a computer to obtain information with no legal right to do so concerning the credit information of a person clarifies and strengthens existing law.

POSITION PAPER

HB 520

This bill defines certain elements of computer stored data as private and classifies attempts to access, use or modify that data as criminal acts.

The Department of Administration supports this bill as an aid and clarification to administering disciplinary action in the area of data security infringements.

A recent incident pointed out the necessity for clearer statutory instructions in the area of non-authorized data access. This bill represents a step toward clarifying those instructions and lays a base for future statutes if deemed necessary.

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A PRESENTATION ON  
COMPUTER CRIME LEGISLATION

Prepared for  
MEMBERS OF THE LEGISLATURE  
THE STATE OF ALASKA

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## THE NEED FOR COMPUTER CRIME LEGISLATION

### INTRODUCTION

Several issues related to the information services industry have led to the need for computer crime legislation.

The computer industry has created a consumer market that has put machines in the hands of hobbyists, and controls in the data processing industry have been reduced thru time-sharing options and other productional facets. While we see individuals invading systems in the news and entertainment mediums, the point is being raised that it will not be long before true criminals are involved in other areas. Unfortunately, this has become a reality. Little publicity is given to these cases of computer crime because they are not always turned over to law enforcement agencies. This is because computer crime statutes, for the most part, are either not in place or insufficient to result in prosecution. With little chance of achieving successful prosecution, or even getting to court, it is not surprising that many companies do not report computer crime.

Because of growing problems and concerns about unauthorized access to and manipulation of computer-based information, it is necessary to enact legislation. After unsuccessful attempts at the national level, it has become necessary to have progressive state legislatures implement legislation on a state-by-state basis.

### UNAUTHORIZED ACCESS TO CREDIT INFORMATION

The credit industry has evidenced criminal behavior thru unauthorized access in three basic scenarios:

1. Consumer victimization via stolen access codes.
2. File manipulation.
3. Investigation and collection agency activity using stolen access codes.

Each of these scenarios is elaborated on separately to illustrate the impact of this activity and the need for up-to-date legislation.

## Consumer Victimization

Attachment A, "For Sale: Credit Ratings," describes a process of victimization. The act of a consumer obtaining a good credit rating was facilitated by stealing subscriber access codes. The individuals that were selling these packages telephoned legitimate credit grantors subscribing to the credit agency. These individuals represented themselves as calling from the credit agency, usually using the pretext of clearing up a billing problem, or being from the security department. During the conversation the access code is requested and usually provided. This access code enables access to the credit data base to facilitate the process. The buyer of the good credit history uses the good accounts and requests other credit cards. The buyer runs up bills with no intent of paying. The good consumer is left with the issue of clearing up his or her credit history once it has been discovered that someone has used the individual's history.

## File Manipulation

Attachment B illustrates the issue of file manipulation. File manipulation is achieved by bribing someone to modify the information contained in files within the bureau or subscriber's premises and the submission of false credit information.

Unfortunately, not all bureaus have controls to prevent this access and many incidents of information modification occur. Once the bad credit history is deleted or modified, the individual applies for new credit accounts. (Controls exist within the TRW system to prevent and/or isolate attempts of this type.)

Even if consumer victimization and file manipulation efforts are successful, most law enforcement agencies will not pursue the case until there has been a loss to a credit grantor.

## Investigation and Collection Agency Activity (Attachment C)

Private investigators, lawyers, and repossession agents may, in isolated cases, have a legitimate purpose to access a credit data base; however, most of the major credit agencies do not allow these individuals to subscribe due to the control features required to monitor permissible access. Unfortunately, there have been many cases where individuals wanting this information have either stolen access codes or derived the access code from credit profiles sent to them by other subscribers with the access code on them.

Some collection agencies have acquired access codes in a similar manner. Although collection agencies have legitimate reasons to access a credit bureau, and they are subscribers, some do not use their own access code. The stolen access code is often utilized to reduce costs and increase commissions and agency profits.

#### A GROWING PROBLEM

According to recent statistics (Modern Office Procedures - March 1983, "Defending Your Computer Room Against Disaster") the average bank robbery is less than \$3,000. The average "white collar" embezzlement nets less than \$30,000. But the average computer crime is estimated to exceed \$600,000, with little chance of detection, prosecution or conviction.

Education has become a key element in the fight against this area of criminal activity, and the United States Department of Justice has opened a specialized four week computer fraud school for F.E.I. agents. The Department of Justice, Sacramento, California, operates a two week course specializing in the same subject. Other municipalities as well as private organizations are currently holding seminars to combat problem areas of detection.

The challenge is to actively prosecute computer crime suspects. A challenge in the sense that the current laws regulating computer access are extremely lacking. Following are three examples of TRW incidents that illustrate the need for computer crime legislation:

#### Example #1

An organized ring of credit criminals was established in a large metropolitan area. Although this example was taken from the Western Region, there is an indication that an identical ring is operating in the Eastern Region. One member of the ring provided computer password information to another who used it to gain access to our system. The suspect then retrieved hundreds of credit reports. Through a relocation and file merge system, the suspect was able to alter negative credit information into what appeared to be a positive profile.

The fee charged for this service varied, however, it averaged about \$600 per report. This particular case is being actively prosecuted at the writing of this report. The section selected for prosecution was 502 P.C. (California).

### Example #2

A collection agency/private investigative firm gained access to computer password information on several Information Services Division subscribers. As such, unauthorized access was made into our system and a total of \$65,000 worth of credits were applied for from various east coast subscribers. While working the investigation of this matter, several New York agencies were contacted and each declined investigative jurisdiction. Most felt that it was a civil or federal problem, in that no computer crime bill existed.

Subsequently, the F.B.I. was contacted and consented to continue the investigation. A suspect was identified and prosecution is being actively pursued.

### Example #3

A coast-to-coast organized crime ring obtained several thousand blank credit cards. Later, they obtained illegal access into credit systems and retrieved thousands of credit profiles of potential victims. By viewing the reports, account number information was obtained and later embossed on the stolen cards. The total amount stolen from creditors is unknown at this time, but it is believed to exceed \$1,000,000. Investigation is continuing.

Crimes by these individuals were made possible through the illegal access to computer files. In each case the criminal simply called a TRW operator and relinquished certain password information which then caused the computer to be accessed.

It is acutely apparent that much has been done in the area of detection, but legislation is now needed for active prosecution.

### CALIFORNIA'S COMPUTER CRIME LEGISLATION

SB 648 (California Penal Code 502), of which a copy is attached, was introduced in the California Legislature in March of 1981. This bill modified the penal code to make it a crime to intentionally access or cause to be accessed any computer system or network for the purpose of damaging the credit rating of any person. The bill was sponsored by an individual in the San Diego District Attorney's office, Fraud Division, in response to a situation in San Diego in which an individual's credit file was sold for the purposes of obtaining credit under fraudulent circumstances. (Similar legislation has been enacted in New York.)

Legislative justification for the bill goes on to say:

"The credit granting sector of private industry is being deluged with false and fraudulent applications for credit. It is not uncommon for individuals and organized groups to systematically apply for multiple credit cards, loans, etc. utilizing fictitious and false names, biographical information, and credit histories. These fraudulent applications are carefully created to fit within the credit grantors' criteria for issuance of credit - such policies which are well known to the applicants. Sophisticated wrinkles are added such as the use of telephone answering services, which have been provided a prepared script to read in case of inquiry by the credit granting agencies. The answering service tells the inquiring party 'that the applicant has been employed at a high salary for five years; that the applicant has successfully paid off a loan on a expensive automobile, etc.'

Under existing law, the credit grantor must suffer a loss before this activity can be filed as a felony. This ridiculous posture does nothing to prevent repeated attempts to obtain credit by fraudulent means. It is likewise discouraging to the credit grantors, who having discovered these activities, bring them to the attention of law enforcement and discover that this conduct is at most a misdemeanor. (Section 532a, California Penal Code)"

#### ONE STEP TOWARD A SOLUTION

Because of the tremendous growth in computer-based information services and concerns about the unauthorized access to and abuse of this information, it is necessary to adopt legislation. It has become clear that a national computer crime bill has little chance of passage. Some states, though, have passed legislation in this area, and, it is hoped that similar legislation can be passed in other states to facilitate interstate criminal prosecution and standardize penalties.

TRW's Information Services Division is prepared to support your state's activities to enact needed computer crime legislation. We recommend adopting statutes similar to those enacted in the States of California and New York (California's statute is attached).

11/1983

CALIFORNIA PENAL CODE - SUBSECTION 502

Definitions; computer system or network; intentional access to defraud or extort, or to obtain money, property or services with false or fraudulent intent, representations or promises; malicious access, alteration, deletion or damage; violations; penalty

(a) For purposes of this section:

(1) "Access" means to instruct, communicate with, store data in, or retrieve data from a computer system or computer network.

(2) "Computer system" means a machine or collection of machines, excluding pocket calculators which are not programmable and capable of being used in conjunction with external files, one or more of which contained computer programs and data, that performs functions, including, but not limited to, logic, arithmetic, data storage and retrieval, communication, and control.

(3) "Computer network" means an interconnection of two or more computer systems.

(4) "Computer program" means an ordered set of instructions or statements, and related data that, when automatically executed in actual or modified form in a computer system, causes it to perform specified functions.

(5) "Data" means a representation of information, knowledge, facts, concepts, or instructions, which are being prepared or have been prepared, in a formalized manner, and are intended for use in a computer system or computer network.

(6) "Financial instrument" includes, but is not limited to, any draft, warrant, money order, note, certificate of deposit, letter of credit, bill of exchange, credit or debit card, transaction authorization mechanism, marketable security, or any computer system representation thereof.

(7) "Property" includes, but is not limited to, financial instruments, data, computer programs, documents associated with computer systems and computer programs, or copies thereof, whether tangible or intangible, including both human and computer system readable data, and data while in transit.

(8) "Service" includes, but is not limited to, the use of the computer system, computer network, computer programs, or data prepared for computer use, or data contained within a computer system, or data contained within a computer network.