

ALASKA LEGISLATURE COMMITTEE FILES 1983-1988 86/2

3916 SHEP SB 45 - SB 51

792



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James O. Smith
Signature of Camera Operator

10/31/89
Date

S B

4 5

Senate Health, Education and Social Services Committee

Legislation Checklist

Bill number: SB 45

Sponsor: FAIKS

Date referred to committee: 1/19/85

Synopsis completed: 1/21

Fiscal note:

Further referrals:

CONTACTS:

✓ H&SS, Norma Lang 3030

✓ * Bob Ogden 561-4350

✓ Dennis DeWitt, Hospital Assoc

✓ Sen Faiks, Steve White 4523

Waiting for

fiscal note / position paper

Bob Ogden - cost to state per inspection

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/14/85

Date 3-12-85

Mr. President

The Committee on HESS considered SB 45

relating to hospital inspections and investigations by the Department of Health and Social Services.

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 SB 45
- new title
- same title and recommends Do Pass
- 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

Lester Suber
Chairman

Lo Pass
Chairman recommendation

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



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Senate Committee on Health, Education and Social Services

M E M O R A N D U M

TO: Members, Senate Committee on Health, Education and Social Services

FROM: Committee Staff

RE: Committee Meeting, March 5, 1985

DATE: March 1, 1985

On Tuesday, March 4, at 1:30 pm in the Beltz Room, the Senate Committee on Health, Education and Social Services will hear the following bills:

SB 45, Hospital inspections and investigations by the Department of Health and Social Services.

Current statute requires licensing by the Department of Health and Social Services of all hospitals (except those run by the federal government) in the state. Licenses are renewable annually if certain conditions are met. One of these conditions is an annual departmental inspection and investigation of the hospital facility.

Proposed CS SB 45 (HESS) would allow the department to accept accreditation inspections by the Joint Commission on the Accreditation of Hospitals (JCAH) in lieu of its own inspections. The Joint Commission, which is a private, non-profit organization established to improve standards of hospitals nationwide, provides inspections upon request and at the facility's expense. If satisfactory, the facility is accredited for a three year period.

The department has indicated that accreditation inspections will be accepted on a discretionary basis. In years when JCAH inspections are not performed, the department does intend to conduct state inspections.

D R A F T

1 IN THE SENATE

BY FAIKS

2 CS SENATE BILL NO. 45 (HESS)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to hospital inspections and investi-
7 gations by the Department of Health and Social Ser-
8 vices."

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

10 * Section 1. AS 18.20.080(a) is amended to read:

11 (a) The department shall make annual inspections and
12 investigations of hospital facilities. The Department may
13 accept accreditation by the Joint Commission on the
14 Accreditation of Hospitals in lieu of its own inspections.
15

16
17
18 RATIONALE: This language has been agreed to by the bill
19 sponsor, the Department of Health and Social Services,
20 and the Alaska Hospital Association. Facility inspections
21 would occur annually, as they do now, on hospitals not
22 accredited by the Joint Commission on the Accreditation of
23 Hospitals. For accredited hospitals, the Department would
24 be authorized to accept the JCAH inspection in lieu of its
25 own inspection for those years in which the accreditation
26 applies. JCAH accreditations apply for a period of 3 years.
27 Note, however, that the Department would have the discretion
28 to perform an inspection in any year, regardless of whether
29 a JCAH accreditation had been performed.

POSITION PAPER
SENATE BILL NO. 45

"An Act relating to hospital inspections and investigations by the Department of Health and Social Services."

I. Background:

The purpose of SB45 is two fold; a) to reduce the annual hospital licensing demands on limited departmental staff, and b) to reduce the level of interruption to hospital operations as a result of duplicative licensing review activities.

The Joint Commission on the Accreditation of Hospitals (JCAH) reviews each hospital in Alaska once every three years. In addition, the Alaska Department of Health & Social Services conducts a review of each hospital annually. The Department recognizes that JCAH review standards are equal to those of the state, and that substitution of the JCAH review where possible would permit better utilization of limited State staff resources.

The administrative burden on the state licensing agency has expanded greatly in the last two years with no corresponding increase in State staff. Although the department has streamlined its review procedures to accommodate this larger workload, substituting the JCAH review would complement the other improvements already made. This would not create any undue risk to the public as significant differences have seldom been noted between the JCAH and State level review findings. In addition, the Department recommends discretionary language be added to SB45 which would permit the Department to conduct a State review if there is reason to believe the JCAH review findings may not be adequate.

II. Departmental Position:

The Department supports SB45, but recommends adoption of the changes proposed by the Alaska Hospital Association in a letter dated January 24, 1985. The changes proposed by the Hospital Association are not substantive, but rather further clarify the intent of SB45.

Recommend By: Rod Betik
For: Rod Betik, Director
Division of Medical Assistance

Date: 2/28/85

Approved By: John R. Pugh
John R. Pugh, Commissioner
Department of Health & Social
Services

Date: 3/1/85

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB45
 Title: An Act relating to
hospital inspections & investigations
 Sponsor: Faiks
 Requestor: _____
 Date of Request: 1/29/85

FISCAL DETAIL

Agency Affected: DHSS
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____
Medical Assistance Administration

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	None					
TEMPORARY	required					

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Rod Betit, Director *R Betit*
 Division: Medical Assistance

Phone: 465-3355
 Date: 1/29/85

Approved by Commissioner: John R. Egan
 Agency: _____

Date: 3/1/85 *JCC*

Distribution (by Agency preparing fiscal note):

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

SP45

AMH/84

Accreditation
Manual for
Hospitals

JCAH Joint Commission
on Accreditation
of Hospitals

Foreword

In 1981, JCAH began revising the *Accreditation Manual for Hospitals* to develop less prescriptive, more goal-oriented standards that focus on essential elements of quality care. With the 1984 edition of this *Manual*, we are pleased to introduce the first of these revisions: new chapters on governing body and management and administrative services, and new standards for monitoring and evaluation in clinical support services.

The chapters on governing body and management and administrative services have been completely revised and updated. Placement in an outline format is intended to enhance readability, clarify the intent of the standards, eliminate ambiguity, and focus on those aspects of the standards that are basic to the provision of quality care; this format will be followed in all future revisions to the *AMH*. The changes to these chapters are further explicated in Appendix A.

Standards for monitoring and evaluation in clinical support services appear in the following chapters: Anesthesia Services, Dietetic Services, Emergency Services, Home Care Services, Hospital-Sponsored Ambulatory Care Services, Nursing Services, Pharmaceutical Services, Pathology and Medical Laboratory Services, Radiology Services, Rehabilitation Programs/Services, Respiratory Services, Social Work Services, and Special Care Units. In developing these standards, JCAH eliminated frequency requirements and other prescriptive language to allow hospitals greater flexibility in conducting quality assurance activities, which is in keeping with the intent of the original quality assurance standard published in 1979. These changes also are explained in Appendix A.

New standards for hospitals that provide psychiatric/substance abuse services also have been developed, appear in several chapters throughout the book, and are described in Appendix A. With the development of these standards, JCAH offers chief executive officers of hospitals that provide only psychiatric/substance abuse services the option of an accreditation survey using either the standards contained in this *Manual* or those standards contained in the *Consolidated Standards Manual for Child, Adolescent, and Adult Psychiatric, Alcoholism, and Drug Abuse Facilities*. The same option is applicable to a psychiatric/substance abuse department/service of a general hospital and will be honored for a three-year period beginning on the April 1, 1984, effective date of this *Manual*.

In fulfilling its mission to improve the quality of care and services provided in health care settings through the voluntary accreditation process, JCAH recognizes the importance of maintaining standards and survey procedures that reflect current practice and the dynamic environment of the health care industry. In conjunction with the standards revision process, JCAH has been modifying accreditation survey procedures: The implementation of a three-year accreditation cycle, the introduction of a tailored survey process, and the development of interim monitoring mechanisms are designed to enhance the consultative nature

of JCAH surveys and recognize the individual needs and unique features of facilities.

As we continue to revise the standards and modify accreditation procedures, we will continue to look to the health care professions for advice and assistance. In the past two years, during numerous field reviews and a field trial of the proposed standards, and during feasibility studies of proposed modifications in the survey process, we have appreciated the support and cooperation that you have provided.

John E. Affeldt, MD
President

Editor's Note

Throughout this *Accreditation Manual for Hospitals* reference is made to documents or standards published by other organizations. Each such reference is to a specific document at a given point in time. Subsequent editions of any materials used as a reference do not automatically become the authoritative reference of JCAH until approved as such by the Board of Commissioners.

Pronouns throughout this document have been chosen to provide ease in reading and are not meant to exclude reference to the opposite sex.

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Rights and Responsibilities of Patients

The basic rights of human beings for independence of expression, decision, and action, and concern for personal dignity and human relationships are always of great importance. During sickness, however, their presence or absence becomes a vital, deciding factor in survival and recovery. Thus it becomes a prime responsibility for hospitals to endeavor to assure that these rights are preserved for their patients.

In providing care, hospitals have the right to expect behavior on the part of patients and their relatives and friends, which, considering the nature of their illness, is reasonable and responsible.

This statement does not presume to be all-inclusive. It is intended to convey JCAH's concern about the relationship between hospitals and patients, and to emphasize the need for the observance of the rights and responsibilities of patients.

The following basic rights and responsibilities of patients are considered reasonably applicable to all hospitals.

Patient Rights

Access to Care

Individuals shall be accorded impartial access to treatment or accommodations that are available or medically indicated, regardless of race, creed, sex, national origin, or sources of payment for care.

Respect and Dignity

The patient has the right to considerate, respectful care at all times and under all circumstances, with recognition of his personal dignity.

Privacy and Confidentiality

The patient has the right, within the law, to personal and informational privacy, as manifested by the following rights:

- To refuse to talk with or see anyone not officially connected with the

hospital, including visitors, or persons officially connected with the hospital but not directly involved in his care.

- To wear appropriate personal clothing and religious or other symbolic items, as long as they do not interfere with diagnostic procedures or treatment.
- To be interviewed and examined in surroundings designed to assure reasonable audiovisual privacy. This includes the right to have a person of one's own sex present during certain parts of a physical examination, treatment, or procedure performed by a health professional of the opposite sex; and the right not to remain disrobed an, longer an is required for accomplishing the medical purpose for which the patient was asked to disrobe.
- To expect that any discussion or consultation involving his case will be conducted discreetly and that individuals not directly involved in his care will not be present without his permission.
- To have his medical record read only by individuals directly involved in his treatment or the monitoring of its quality, and by other individuals only on his written authorization or that of his legally authorized representative.
- To expect all communications and other records pertaining to his care, including the source of payment for treatment, to be treated as confidential.
- To request a transfer to another room if another patient or visitors in that room are unreasonably disturbing him by smoking or other actions.
- To be placed in protective privacy when considered necessary for personal safety.

Personal Safety

The patient has the right to expect reasonable safety insofar as the hospital practices and environment are concerned.

Identity

The patient has the right to know the identity and professional status of individuals providing service to him, and to know which physician or other practitioner is primarily responsible for his care. This includes the patient's right to know of the existence of any professional relationship among individuals who are treating him, as well as the relationship to any other health care or educational institutions involved in his care. Participation by patients in clinical training programs or in the gathering of data for research purposes should be voluntary.

Information

The patient has the right to obtain, from the practitioner responsible for coordinating his care, complete and current information concerning his diagnosis (to the degree known), treatment, and any known prognosis. This information should be communicated in terms the patient can reasonably be expected to understand. When it is not medically advisable to give such information to the patient, the information should be made available to a legally authorized individual.

Communication

The patient has the right of access to people outside the hospital by means of visitors, and by verbal and written communication.

When the patient does not speak or understand the predominant language of the community, he should have access to an interpreter. This is particularly true where language barriers are a continuing problem.

Consent

The patient has the right to reasonably informed participation in decisions involving his health care. To the degree possible, this should be based on a clear, concise explanation of his condition and of all proposed technical procedures, including the possibilities of any risk of mortality or serious side effects, problems related to recuperation, and probability of success. The patient should not be subjected to any procedure without his voluntary, competent, and understanding consent, or that of his legally authorized representative. Where medically significant alternatives for care or treatment exist, the patient shall be so informed.

The patient has the right to know who is responsible for authorizing and performing the procedures or treatment.

The patient shall be informed if the hospital proposes to engage in or perform human experimentation or other research/educational projects affecting his care or treatment, and the patient has the right to refuse to participate in any such activity.

Consultation

The patient, at his own request and expense, has the right to consult with a specialist.

Refusal of Treatment

The patient may refuse treatment to the extent permitted by law. When refusal of treatment by the patient or his legally authorized representative prevents the provision of appropriate care in accordance with professional standards, the relationship with the patient may be terminated upon reasonable notice.

Transfer and Continuity of Care

A patient may not be transferred to another facility unless he has received a complete explanation of the need for the transfer and the alternatives to such a transfer, and unless the transfer is acceptable to the other facility. The patient has the right to be informed by the practitioner responsible for his care, or his delegate, of any continuing health care requirements following discharge from the hospital.

Hospital Charges

Regardless of the source of payment for his care, the patient has the right to request and receive an itemized and detailed explanation of his total bill for services rendered in the hospital. The patient has the right to timely notice prior

to termination of his eligibility for reimbursement by any third-party payer for the cost of his care.

Hospital Rules and Regulations

The patient should be informed of the hospital rules and regulations applicable to his conduct as a patient. Patients are entitled to information about the hospital's mechanism for the initiation, review, and resolution of patient complaints.

Patient Responsibilities

Provision of Information

A patient has the responsibility to provide, to the best of his knowledge, accurate and complete information about present complaints, past illnesses, hospitalizations, medications, and other matters relating to his health. He has the responsibility to report unexpected changes in his condition to the responsible practitioner. A patient is responsible for making it known whether he clearly comprehends a contemplated course of action and what is expected of him.¹

Compliance with Instructions

A patient is responsible for following the treatment plan recommended by the practitioner primarily responsible for his care. This may include following the instructions of nurses and allied health personnel as they carry out the coordinated plan of care and implement the responsible practitioner's orders, and as they enforce the applicable hospital rules and regulations. The patient is responsible for keeping appointments and, when he is unable to do so for any reason, for notifying the responsible practitioner or the hospital.

Refusal of Treatment

The patient is responsible for his actions if he refuses treatment or does not follow the practitioner's instructions.

Hospital Charges

The patient is responsible for assuring that the financial obligations of his health care are fulfilled as promptly as possible.

Hospital Rules and Regulations

The patient is responsible for following hospital rules and regulations affecting patient care and conduct.

Respect and Consideration

The patient is responsible for being considerate of the rights of other patients and hospital personnel, and for assisting in the control of noise, smoking, and the number of visitors. The patient is responsible for being respectful of the property of other persons and of the hospital.

General Administrative Policies and Procedures

Who May Apply for Survey

To be eligible for a JCAH accreditation survey, a hospital* must meet the following requirements:

- Be located within the United States or one of its territories or possessions or, unless an exception is made by the president of JCAH (or in the absence of the president, the chairman of the Board of Commissioners), be owned or controlled by the United States or by an entity organized under the laws of the United States or one of its states, territories, or possessions.
- Have a valid, current license to operate.
- Maintain facilities, beds, and services that are available over a continuous 24-hour period, seven days a week.
- Be a hospital where the median length of stay is 30 days or less (exceptions may be made by the president of JCAH) or where the treatment provided is of such a nature that patients would not ordinarily be transferred to another facility for more intensive care. Not included are convalescent or domiciliary homes, homes for the aged, or other like establishments where only custodial care is provided.† Also excluded are student health centers and offices or clinics that primarily provide ambulatory care patient services and do not regularly admit inpatients.
- Have been in operation and actively caring for patients for at least six months before the survey so there is a record of performance that can be evaluated.
- Have a governing body, an organized medical staff,‡ and a nursing service.
- Have the primary function of diagnosis, treatment, and/or rehabilitation.

*The chief executive officer of a hospital that provides only psychiatric/substance abuse services has the option of an accreditation survey using either the standards contained in this *Manual* or the standards contained in the *Consolidated Standards Manual for Child, Adolescent, and Adult Psychiatric, Alcoholism, and Drug Abuse Facilities*. The same option is applicable to a psychiatric/substance abuse department/service of a general hospital. This option will be honored for a three-year period, beginning with the April 1, 1984, effective date of this *Manual*.

†JCAH conducts a special survey for rehabilitation hospitals and other specialty hospitals, such as chronic disease hospitals, burn centers, and orthopedic hospitals, in which the median length of stay is over or under 30 days. Such facilities are surveyed for compliance with selected standards from this *Manual* and the *Accreditation Manual for Long Term Care Facilities*.

‡See Glossary.

- Provide for the following:

Building and grounds safety	Pharmaceutical services
Dietetic services	Professional library services
Emergency services	Quality assurance program
Functional safety and sanitation	Radiology services
Infection control	Rehabilitation programs/services
Medical record services	Respiratory care services*
Nuclear medicine services*	Social work services
Pathology and medical laboratory services	Special care services*
- Have at least one of the following acute clinical services—medicine, obstetrics-gynecology,† pediatrics, or surgery;‡ child, adolescent, or adult psychiatric services; or alcoholism or drug abuse services.
- Must provide that only a member of the medical staff, either individually or in cooperation with a licensed practitioner with clinical privileges, has the authority to admit a patient to the hospital.
- Must provide that only a licensed practitioner with clinical privileges will be directly responsible for a patient's diagnosis and treatment within the area of his privileges, that each patient's general medical condition will be the responsibility of a physician member of the medical staff, and that other direct medical care to patients will be provided only by a member of the house staff‡ or by allied health personnel acting under the supervision of a licensed practitioner with clinical privileges.
- Provide registered nurse supervision at all times, as well as other nursing services necessary for continuous patient care.
- Complete and return an Application for Survey with the nonrefundable application-processing fee.
- Provide the information requested in the *Hospital Survey Profile*.
- Operate without restriction by reason of sex, race, creed, or national origin.

How To Apply for Survey

Hospitals that wish to be accredited by JCAH should begin by sending a request for an Application for Survey to the following address:

Joint Commission on Accreditation of Hospitals
Scheduling Department—Application Requests
875 North Michigan Avenue
Chicago, Illinois 60611

JCAH sends the hospital one application for completion. The application should be returned to JCAH with the nonrefundable application-processing fee. The hospital should retain a copy for its records.

Survey Fees

Survey fees are related to the cost of maintaining JCAH operations and ordinarily are determined annually.

When a hospital is scheduled for survey, JCAH sends the hospital an invoice

*Not required for hospitals that provide only psychiatric/substance abuse services.

†Must have anesthesia services as well.

‡See Glossary.

and asks the hospital to pay the fees in accordance with the terms specified in the invoice, except where prohibited by law.

Section 952, PL 96-499, the Omnibus Reconciliation Act of 1980, requires that Medicare providers include, in all their contracts for services costing \$10,000 or more in any 12-month period, a clause allowing the secretary of the US Department of Health and Human Services (DHHS), the US comptroller general, or their representatives to examine the contract and the contractor's books and records. To satisfy this statutory requirement with respect to any such hospital paying JCAH \$10,000 or more in any 12-month period and to avoid the necessity for executing a special contract with each such hospital, JCAH herein stipulates that if its charges to any such hospital amount to \$10,000 or more in any 12-month period, the contract or any agreement upon which such charges are based and any of JCAH's books, documents, and records that may be necessary to verify the extent and nature of JCAH costs will be available for four years after the survey to the secretary of DHHS, the comptroller general, or any of their duly authorized representatives. The same conditions will apply to any subcontracts JCAH has with related organizations if the payments under such contracts amount to \$10,000 or more in any 12-month period. This stipulation applies to all contracts and JCAH books and records pertinent to charges paid to JCAH on December 5, 1980, or later.

Survey Personnel, Duration of Survey, and Schedules

Accreditation surveys are conducted by JCAH surveyors. The number of days required for a survey and the composition of the survey team are based on information in the hospital's Application for Survey. The hospital is notified of the date of its survey approximately four weeks in advance. To keep survey fees to a minimum, JCAH attempts to schedule surveys systematically and efficiently.

Multiple-Category Facilities

JCAH has standards for the following four categories of service: (1) acute care general hospitals, including hospital-sponsored ambulatory health care services; (2) psychiatric and substance abuse facilities and programs;* (3) long term care facilities; and (4) ambulatory health care organizations, excluding hospital-sponsored ambulatory health care services. JCAH refers to a facility offering two or more of these categories of service as a "multiple-category facility."

The Application for Survey contains provisions for a multiple-category facility to indicate all health care services provided by its corporate body. For accreditation purposes, a corporate body is an organization that has a single governing body that is legally, organizationally, and functionally responsible for managing one or more health care facilities, programs, or services within a reasonable geographic area, usually considered to be 100 miles or less. Corporations with facilities located over large geographic areas can be excluded from this definition. JCAH realizes that due to their nature and circumstances, certain government-owned or corporate-owned facilities may have to be considered on an individual basis and be given special consideration.

JCAH tailors the survey process to the nature and needs of a multiple-category facility. A single survey is conducted by a survey team specifically

*Facilities that provide services only to child, adolescent, or adult psychiatric patients, to alcoholism or drug abuse patients, or to any combination of the aforementioned age and disability groups are not considered multiple-category facilities. Such facilities are surveyed for compliance with this *Manual* or with the *Consolidated Standards Manual for Child, Adolescent, and Adult Psychiatric, Alcoholism, and Drug Abuse Facilities*.

chosen for its expertise in the standards that will be used to survey the facility, and the facility receives a single accreditation decision and a single survey report based on JCAH's evaluation of all health care services provided by the facility's corporate body. Policies that are specific to the tailored survey process are published periodically in *JCAH Perspectives*.

JCAH also has standards for community mental health service programs, which are published in *Principles for Accreditation of Community Mental Health Service Programs*, and standards for hospice service programs, which are published in the *Hospice Standards Manual* (available December 1983). JCAH does not require multiple-category facilities that include community mental health and hospice service programs to be surveyed under these standards. However, if a multiple-category facility wishes to seek special recognition of these programs by requesting a survey under the standards for the programs, JCAH will handle the survey as part of the tailored survey process just described.

Accreditation Survey Procedures

The purpose of a JCAH accreditation survey is to assess the extent of a hospital's compliance with the applicable standards in this *Manual*. A hospital's compliance with the standards is assessed through at least one of the following means:

- Statements from authorized and responsible hospital personnel;
- Documentation of compliance provided by the hospital;
- Answers to questions concerning the implementation of a standard, or examples of its implementation, that will enable a judgment of compliance to be made; and
- On-site observations by JCAH surveyors.

Because each standard has some degree of importance, a hospital must be prepared to provide evidence of its compliance with each standard that is applicable to its operations. To be accredited, a hospital must demonstrate that it is in substantial compliance with the standards, although it need not be in full compliance with each applicable standard.

In the event that JCAH surveyors find that some aspect of hospital operations adversely affects patient health and safety, their findings may be considered for accreditation purposes even if the standards do not specifically address those operations. In considering any such findings, JCAH may obtain expert consultation.

Public Information Interviews

Although JCAH does not ask a hospital to announce its forthcoming survey through the mass media, it does ask the hospital to provide an opportunity during a full on-site survey for the presentation of information by consumers and the public as well as personnel and staff of the facility undergoing survey. Anyone who has information about a hospital's compliance with the accreditation standards may request a public information interview.

JCAH requires a hospital to post, in a public place on its premises, the official JCAH announcement of the date of survey and of the opportunity for a public information interview. Ordinarily, the public notice must be posted four weeks before the survey date; the notice must indicate that requests for a public information interview must be made in writing and that JCAH must receive them at least two working days before a hospital's accreditation survey begins. The notice must remain posted until the first day of the survey. Furthermore, if

someone asks about the survey, JCAH expects the hospital to inform the person of the survey dates and the fact that a public information interview may be requested or that such an interview is already scheduled.

The hospital should promptly send any request for a public information interview that it receives to JCAH's Hospital Accreditation Program and retain a copy for its files. JCAH acknowledges each request and sends a copy of this acknowledgment to the facility. The hospital is responsible for notifying the interviewees of the exact date, time, and place of the public information interview.

JCAH surveyors are required to report on whether JCAH policies concerning public information interviews have been carried out properly. This includes reporting the manner in which the notice was posted in the hospital.

Public information interviews usually are conducted during the morning of the first survey day and ordinarily do not exceed two hours in length. The hospital is expected to provide reasonable accommodation either within the hospital or at a location that is conveniently accessible to the hospital. Surveyors conduct the interview session and receive the information. Representatives of the hospital are expected to attend.

The interview consists only of the orderly receipt of information offered, verbally or in writing, within the prescribed time limit. All information received is fully considered for pertinence and verification; the findings are reported to JCAH central office staff with the results and recommendations of the survey. Any further participation in the survey by an outside source of information must be authorized by the hospital.

Accreditation Decision and Appeal

At the completion of the on-site survey, the surveyors hold a summation conference with one or more representatives of at least the hospital's governing body, administration, medical staff, and nursing staff. The form of the conference is of the hospital's choosing. During the conference, the surveyors present survey findings for discussion and clarification, and representatives of the hospital are given full opportunity to comment on any adverse findings noted by the surveyors.

JCAH staff evaluates the results of the survey, the recommendations of the surveyors, and any other relevant information, such as the extent of the hospital's compliance with recommendations, evidence of recent improvements, or documentation of plans to correct deficiencies. Based on its evaluation, JCAH staff recommends to the Accreditation Committee of the Board of Commissioners that the hospital either be accredited or be denied accreditation. (See Appendix B for a full discussion of accreditation and appeal procedures.)

When JCAH staff tentatively determines that it will recommend nonaccreditation to the Accreditation Committee, a representative of JCAH contacts the hospital, informs the chief executive officer of staff's intent, and discusses the areas of noncompliance upon which the recommendation would be based. When necessary, arrangements may be made for further discussions between representatives of the hospital and JCAH.

JCAH also sends the chief executive officer of the hospital a list of the areas of less than substantial compliance. If the chief executive officer maintains that sufficient documentation can be submitted to demonstrate either that the hospital was in compliance with the standards in question or that the hospital has corrected the major deficiencies identified during the on-site survey, the hospital is given 15 days to submit the documentation. JCAH staff reviews the documentation and will take one of the following actions: (1) change its recommendation and submit a recommendation to grant accreditation, along with the survey

findings and the hospital's documentation, to the Accreditation Committee for a decision; (2) conduct a resurvey of all or part of the hospital; or (3) submit its recommendation to deny accreditation, along with the survey findings and the hospital's documentation, to the Accreditation Committee for decision.

The Accreditation Committee considers the recommendation of JCAH staff and will either grant accreditation to the hospital or initially decide to deny accreditation. The hospital is notified of the decision and is provided with recommendations for improvements. Copies of these recommendations are sent to the chairman of the hospital's governing body, the chief executive officer, and the president of the medical staff.

Any decision of the Accreditation Committee to accredit a hospital is final, and the hospital's accreditation is effective as of the first day after completion of the survey.

If the Accreditation Committee initially decides that accreditation should be denied, and if the facility was not an accredited hospital at any time during the two years before the survey, the committee may direct JCAH staff to inform the hospital that instead of either accepting a nonaccreditation decision or requesting an interview, it may elect to consider the survey a consultation and education visit that does not result in a nonaccreditation decision.

Any initial decision of the Accreditation Committee that accreditation should be denied entitles the hospital to appeal the nonaccreditation decision in accordance with the procedures described in Appendix B of this *Manual*. These procedures are summarized in the following paragraphs.

Except in rare and unusual circumstances where patient life or safety may be in jeopardy, the hospital is given an opportunity to come to JCAH for an interview with representatives of JCAH after the Accreditation Committee has made an initial decision to deny accreditation. The results of the interview are reported to the Accreditation Committee for its consideration. If the Accreditation Committee decides to deny accreditation, the hospital has the right to a hearing before an Appeals Hearing Panel composed of impartial individuals selected by the president of JCAH. If the hospital fails to properly request an interview or a hearing, as described in Appendix B, any decision of the Accreditation Committee to deny accreditation becomes final.

If a hearing is held, the Appeals Hearing Panel considers the survey findings and all other available materials, including any oral and written presentations made by the hospital. The panel then makes a recommendation concerning accreditation to the Board of Commissioners.

The Board of Commissioners or a committee of the Board of Commissioners (excluding any members who may have participated in any earlier consideration by the Accreditation Committee) considers the recommendation of the Appeals Hearing Panel and decides either to grant or deny accreditation to the hospital. Any decision of the Board of Commissioners or its committee to accredit the hospital is final, and the hospital's accreditation is effective as of the first day after completion of the survey; any decision of the Board of Commissioners or its committee to deny accreditation is also final and is effective as of the date of the decision.

Duration of Accreditation

If it is found to be in substantial compliance with JCAH standards, a hospital is awarded accreditation for three years. Approximately 18 months from the date of its survey, each accredited hospital is asked to conduct an interim self-survey, using procedures and submitting reports as required by JCAH. At the request of an accredited hospital, JCAH will conduct a full accreditation survey more frequently than once every three years.

In the process of deciding to accredit a hospital, the Accreditation Committee determines whether survey findings warrant any contingencies. When a hospital is accredited subject to one or more contingencies, JCAH will monitor the hospital's efforts to improve an area of concern identified during an accreditation survey. The type of monitoring required and the time allotted for demonstrating improvement depends on the nature of the concern—particularly its effect on patient care—and the time required to satisfactorily address the concern. Hospitals that receive contingencies ordinarily are asked either to submit a written progress report or to undergo a focused on-site survey. During a focused survey, JCAH surveyors ordinarily address only those concerns identified in contingencies. Some contingencies, however, may require surveyors to address issues related to the areas of concern. The size of the survey team and the duration of the focused survey depend on the number and extent of concerns addressed in contingencies. Usually, focused surveys are not as extensive as full accreditation surveys.

Accreditation is not automatically renewable. A hospital must undergo another full accreditation survey and demonstrate substantial compliance with JCAH standards to renew accreditation. Several months before a hospital's accreditation is due to expire, JCAH will send the hospital an Application for Survey and, upon receipt of the completed application, JCAH will schedule the survey. JCAH ordinarily schedules the survey as near as possible to the hospital's survey anniversary date. However, to allow latitude in adjusting to a hospital's needs, surveys may be scheduled within a 90-day period surrounding the hospital's anniversary date. With a hospital's consent, JCAH may schedule the survey up to 90 days before accreditation is due to expire.

Following a survey, a hospital's previous accreditation status continues until a decision is made to accredit the hospital or a final decision is made to deny accreditation to the hospital.

An accredited hospital may be surveyed at any time at the discretion of JCAH. Ordinarily, no fee is charged for a survey initiated at JCAH's discretion.

A hospital that is not granted accreditation or that has its accreditation withdrawn may apply for a resurvey, but the resurvey will not be conducted until six months after the final nonaccreditation decision. This six-month waiting period may be waived by the president of JCAH if the hospital demonstrates sufficient progress in addressing recommendations to justify such a waiver.

Accreditation is not automatically transferable. If an accredited hospital changes ownership or control or undergoes a major change in its capacity or in the categories of services offered, it must notify JCAH not more than 30 days after such change. Accreditation is continued until JCAH can determine whether a resurvey is necessary. If JCAH decides to resurvey the hospital, the hospital will be asked to submit an Application for Survey and the required fee within 20 days of notification by JCAH. Failure to comply with these provisions results in loss of accreditation.

An accredited hospital also must notify JCAH not more than 30 days after a merger or consolidation or a major change in facilities or organization; for example, JCAH must be notified when a hospital relocates or undergoes a major renovation. As in the case of a change of ownership or control, JCAH may decide that the hospital has to be resurveyed.

Confidentiality

In submitting its Application for Survey, the hospital must provide, or authorize JCAH to obtain, official records and reports of private organizations and of public or publicly recognized licensing, examining, reviewing, or planning bodies.

Except as required by law, all information obtained by JCAH in the accreditation survey process, including the public information interview, and the results and recommendations of the survey are treated as confidential matters between JCAH and the surveyed hospital. The results and recommendations of the survey will be provided only to the surveyed hospital, which may release them at its discretion.

However, when a serious condition jeopardizing public safety or the safety of a patient is found in a hospital, and when this condition has been pointed out to the chief executive officer, the proper local or state authority will be notified of the problem in writing.

Except as required by law and as noted in the preceding paragraph, JCAH does not release any information obtained through the survey process that identifies a particular hospital without the written authorization of the hospital. This restriction does not prevent JCAH from publishing aggregate data obtained from accreditation surveys.

JCAH does provide the following information upon request from anyone:

- Whether JCAH has received an Application for Survey from a particular hospital;
- A list of hospitals tentatively scheduled for survey, without indication of specific survey dates;
- Upcoming survey dates for a particular hospital after the hospital has been notified of the survey dates; and
- Whether a hospital is or is not accredited.

Public Recognition

JCAH provides each accredited hospital with a certificate of accreditation. A hospital is not charged for the initial certificate or any new certificate issued to reflect a change in the hospital's name. Additional certificates can be obtained from JCAH at cost.

The certificate and all copies remain the property of JCAH and must be returned to JCAH if the hospital is issued a new certificate reflecting a change in name or if its accreditation expires or is withdrawn or denied for any cause.

fed gov will accept JAH
So do 40 other states.

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IN THE SENATE

BY FAIKS

SENATE BILL NO. 45

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to hospital inspections and investigations by the Department of Health and Social Services."

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

* Section 1. AS 18.20.080(a) is amended to read:

(a) The department shall make [ANNUAL] inspections and investigations of hospital facilities.



Official Business

Alaska State Legislature

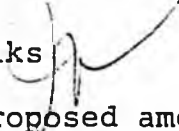
Senate
Finance Committee

Pouch V
State Capitol
Juneau, Alaska 99811

JAN FAIKS
CO-CHAIRMAN

February 13, 1995

MEMORANDUM

TO: Senator Bettye Fahrenkamp
FROM: Senator Jan Faiks 
SUBJECT: Hearings and proposed amendment to SB 45

Please schedule hearings before the Health, Education, and Social Services Committee on Senate Bill 45, an act which relates to hospital inspections and investigation by the Department of Health and Social Services.

Also, I would appreciate your Committee's considering an amendment to this bill which would add the following sentence to AS 18.20.080 (a): The department may accept accreditation by the Joint Commission on the Accreditation of Hospitals in lieu of its own inspections.

I am enclosing a memorandum which gives a brief background to this bill and to my proposed amendment. Thank you.



Official Business

Alaska State Legislature

Senate Finance Committee

JAN FAIKS
CO-CHAIRMAN

Pouch V
State Capitol
Juneau, Alaska 99811

February 13, 1985

MEMORANDUM

TO: Senator Bettye Fahrenkamp, Chairman
Health, Education and Social Services Committee

FROM: Senator Jan Faiks

SUBJECT: Senate Bill 45 - An act relating to hospital inspections and investigations by the Department of Health and Social Services.

I. Senate Bill 45

Alaska Statute 18.20.080(a) now requires the Department of Health and Social Services to make an inspection of hospital facilities on a yearly basis. By removing the word "annual" from this section, SB 45 will give the Department flexibility to inspect hospitals more often or less often than once a year.

II. Propose amendment to SB 45

The Joint Commission on Accreditation of Hospitals (JCAH) is a private organization which conducts inspections of hospital facilities that are comparable to the inspections conducted by the Department. The JCAH inspection involves an in-depth examination of the hospital's physical plant, safety and sanitation, record keeping, medical staff, medical services, and its management and administration.

Each hospital pays for its JCAH survey, and if it is found to be satisfactory, the facility is accredited for a three year period. I am enclosing a document entitled "General Administrative Policies and Procedures" which gives further information about the JCAH inspection program.

Forty states now use the JCAH findings rather than incur public expense to inspect these facilities. The proposed amendment would allow the Department of Health and Social Services to accept a JCAH inspection in lieu of conducting a similar inspection itself. The end result will be a manpower savings to the State without a loss of protection to the public.

alaska
state
hospital
association

file SB 45

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

Chairman of the Board
Edward Zeine
Cordova Community Hospital
Cordova

Chairman-Elect
Michael Herring
South Peninsula Hospital
Homer

Immediate Past Chairman
Mark Hawkins
Sitka Community Hospital
Sitka

Secretary/Treasurer
Emma Ivy
Wrangell General Hospital
Wrangell

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

Alternate Delegate to the
American Hospital Assoc.
Sister Barbara Haase
Ketchikan General Hospital
Ketchikan

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

Alternate Delegate to the
American Health Care
Association
Craig Stater
Petersburg General Hospital
Petersburg

Delegate to the Association
of Western Hospitals
Keith Campbell
Seward General Hospital
Seward

Alternate Delegate to the
Association of Western
Hospitals
Jane Sabes
Norton Sound Regional
Hospital
Norton

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

Alternate Trustee Delegate
to the American Hospital
Association
Maxine Robertson
Trustee, Ketchikan
General Hospital

Physician Member of
the Board
Morris Horning, M.D.
Anchorage

President
Dennis L. DeWitt
Juneau

January 24, 1985

Senator Jan Faiks
Alaska State Legislature
Fouch V (MS 3100)
Juneau, AK 99811

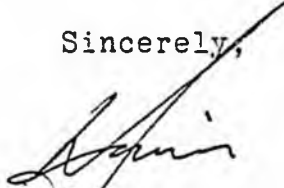
Dear Senator Faiks:

The Alaska State Hospital Association has reviewed Senate Bill No. 45 and wishes to indicate our support for its passage.

We respectfully request that it be amended to specifically permit the Department of Health and Social Services to accept the Joint Commission on the Accreditation of Hospitals survey in lieu of licensure. This would relieve any ambiguity as to the intent of the legislation. I have attached a suggested amendment for your consideration.

We are anxious to be of whatever help is necessary to assist in the passage of SB 45.

Sincerely,


Dennis L. DeWitt
President

DLD/agk

cc: Friday Mailing
Senator Fahrenkamp ✓
Commissioner Pugh

alaska
state
hospital
association

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

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Sitka

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Emma Ivy
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Al M. Camosso
Providence Hospital
Anchorage

Alternate Delegate to the
American Hospital Assoc.
Sister Barbara Haase
Ketchikan General Hospital
Ketchikan

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

Alternate Delegate to the
American Health Care
Association
Craig Siater
Petersburg General Hospital
Petersburg

Delegate to the Association
of Western Hospitals
Keith Campbell
Seward General Hospital
Seward

Alternate Delegate to the
Association of Western
Hospitals
Jane Sabes
Norton Sound Regional
Hospital
Nome

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

Alternate Trustee Delegate
to the American Hospital
Association
Maxine Robertson
Trustee, Ketchikan
General Hospital

Physician Member of
the Board
Morris Horning, M.D.
Anchorage

President
Dennis L. DeWitt
Juneau

AMENDMENT

Section 1. AS 18.20.080 (a) is amended to read:

(a) The department shall make [ANNUAL] inspections and investigations of hospital facilities. The department may accept accreditation by the Joint Commission on the Accreditation of Hospitals in lieu of its own inspections.

STATE OF ALASKA
THE LEGISLATURE

POUCHY - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HESS 3-5-85 1:37pm

TO: Bettye
FROM: Sandra

SB 45 RELATING TO HOSPITAL INSPECTIONS AND INVESTIGATIONS.

(SPONSOR FAIKS, AT REQUEST OF HOSPITAL ASSOCIATION)
WOULD ALLOW THE DEPT. OF HEALTH AND SOCIAL SERVICES TO ACCEPT
ACCREDITATION INSPECTIONS DONE BY THE JOINT ACCREDITATION COMMISSION
IN LIEU OF ANNUAL STATE LICENSE INSPECTIONS.

QUESTIONS:

BY NOT REQUIRING ANNUAL INSPECTIONS, ARE WE REDUCING THE QUALITY
OF CARE AND PROTECTION TO THE PUBLIC?

(DEPT. INDICATES THEY WILL DO INSPECTIONS EACH YEAR THAT AN
ACCREDITATION INSPECTION IS NOT PERFORMED. HOSPITAL ASSOCIATION
WANTS THE WORD "ANNUAL" DELETED, IN HOPES THAT THE DEPT.
WILL BEGIN INSPECTING LESS OFTEN. BOTH THE MEDICARE AND
MEDICAID PROGRAMS ACCEPT THE EVERY-3-YEAR INSPECTION OF
THE J.C.A.H.)

HOW DOES THE J.C.A.H. ACCREDITATION DIFFER FROM THE STATE'S INSPECTION
PROCEDURE?

(COMPARABLE. BOTH EXAMINE PHYSICAL PLANT, SAFETY AND SANITATION,
RECORD KEEPING, MEDICAL STAFF AND SERVICES, ADMINISTRATION.)

WHAT IS THE COST OF AN ACCREDITATION INSPECTION PERFORMED BY J.C.A.H.?

(\$7000-\$8000, PAID BY THE REQUESTING HOSPITAL. VOLUNTARY.)

WHO PAYS THE COST OF THE STATE LICENSE INSPECTION?

(THE STATE. AVERAGE COST IS APPROXIMATELY \$3000) - 40

HOW MANY HOSPITALS IN THE STATE ARE CURRENTLY ACCREDITED?

(6 OUT OF 18. SPECIFICALLY, PROVIDENCE, HUMANA, KETCHIKAN,
FAIRBANKS, NORTON SOUND IN NOME, SITKA)

WHAT IS THE ADVANTAGE TO THE HOSPITAL OF ACCREDITATION?

(PROFESSIONAL STATUS)

SB 45 HOSPITAL INSPECTION (FAIKS)

THE STATE LICENSES HOSPITALS. CGNDITION OF RENEWAL IS AN ANNUAL DEPARTMENTAL INSPECTION AND INVESTIGATION OF THE HOSPITAL.

H.E.S.S. CS WOULD ALLOW THE DEPT. TO ACCEPT ACCREDITATION INSPECTIONS BY THE JOINT COMMISSION ON THE ACCREDITATION OF HOSPITALS (A PRIVATE NON-PROFIT ORGANIZATION ESTABLISHED TO IMPROVE STANDARDS OF HOSPITALS NATIONWIDE) IN LIEU OF ITS OWN INSPECTIONS.

STATE INSPECTIONS WOULD OCCUR ANNUALLY ON HOSPITALS NOT ACCREDITED BY J.C.A.H.

J.C.A.H. INSPECTIONS ARE GOOD FOR 3 YEARS. AT ITS DISCRETION, THE STATE COULD ACCEPT THE INSPECTION FOR 3 YEARS, OR COULD DECIDE TO GO IN AND DO A STATE INSPECTION ANNUALLY AS WELL.

1 IN THE SENATE

BY FAIKS

2 CS SENATE BILL NO. 45 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to hospital inspections and investi-
7 gations by the Department of Health and Social Ser-
8 vices."

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

10 * Section 1. AS 18.20.080(a) is amended to read:

11 (a) The department shall make annual inspections and
12 investigations of hospital facilities. The Department may
13 accept accreditation by the Joint Commission on the
14 Accreditation of Hospitals in lieu of its own inspections.
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18 **RATIONALE:** This language has been agreed to by the bill
19 sponsor, the Department of Health and Social Services,
20 and the Alaska Hospital Association. Facility inspections
21 would occur annually, as they do now, on hospitals not
22 accredited by the Joint Commission on the Accreditation of
23 Hospitals. For accredited hospitals, the Department would
24 be authorized to accept the JCAH inspection in lieu of its
25 own inspection for those years in which the accreditation
26 applies. JCAH accreditations apply for a period of 3 years.
27 Note, however, that the Department would have the discretion
28 to perform an inspection in any year, regardless of whether
29 a JCAH accreditation had been performed.

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IN THE SENATE

BY FAIKS

SENATE BILL NO. 45

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to hospital inspections and investigations by the Department of Health and Social Services."

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

* Section 1. AS 18.20.080(a) is amended to read:

(a) The department shall make [ANNUAL] inspections and investigations of hospital facilities.

POSITION PAPER
SENATE BILL NO. 45

"An Act relating to hospital inspections and investigations by the Department of Health and Social Services."

I. Background:

The purpose of SB45 is two fold; a) to reduce the annual hospital licensing demands on limited departmental staff, and b) to reduce the level of interruption to hospital operations as a result of duplicative licensing review activities.

The Joint Commission on the Accreditation of Hospitals (JCAH) reviews each hospital in Alaska once every three years. In addition, the Alaska Department of Health & Social Services conducts a review of each hospital annually. The Department recognizes that JCAH review standards are equal to those of the state, and that substitution of the JCAH review where possible would permit better utilization of limited State staff resources.

The administrative burden on the state licensing agency has expanded greatly in the last two years with no corresponding increase in State staff. Although the department has streamlined its review procedures to accommodate this larger workload, substituting the JCAH review would complement the other improvements already made. This would not create any undue risk to the public as significant differences have seldom been noted between the JCAH and State level review findings. In addition, the Department recommends discretionary language be added to SB45 which would permit the Department to conduct a State review if there is reason to believe the JCAH review findings may not be adequate.

II. Departmental Position:

The Department supports SB45, but recommends adoption of the changes proposed by the Alaska Hospital Association in a letter dated January 24, 1985. The changes proposed by the Hospital Association are not substantive, but rather further clarify the intent of SB45.

Recommend By: *Rod Betit*
For: Rod Betit, Director
Division of Medical Assistance

Date: 2/28/85

Approved By: *John R. Pugh*
John R. Pugh, Commissioner
Department of Health & Social
Services

Date: 3/1/85

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB45
 Title: An Act relating to
hospital inspections & investigations
 Sponsor: Faiks
 Requestor: _____
 Date of Request: 1/29/85

FISCAL DETAIL

Agency Affected: DHS
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected:
Medical Assistance Administration

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 <small>None</small>						
TEMPORARY <small>Required</small>						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Rod Betit, Director *R Betit*
 Division: Medical Assistance

Phone: 465-3355
 Date: 1/29/85

Approved by Commissioner: John R. Egan
 Agency: _____

Date: 3/1/85 *JCC*

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



RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

10/31/89
Date

S B

5 1

Senate Health, Education and Social Services Committee

Legislation Checklist

Bill number: SB 51

Sponsor: Kerttula

Date referred to committee: 1/19/85

Synopsis completed: 1/21

Fiscal note:

Further referrals: Finance

CONTACTS:

- ✓ Joyce Kerttula 3771
Sigauzombardi
 - ✓ Bonnie Rappaport, FNSB 452-4761
ext 386, 382
 - ✓ Linda Anderson 586-1977
Mike Amyan, Pbx Sch District 452-4461
 - ✓ Margo Waring, AMB 3568
 - ✓ Steve Holer, DOE 2800
 - ✓ Kim (+ Tuckerman) Babcock - Devries - 4989
 - ✓ Melissa (Stugulewski) - 3810
 - ✓ Bob Sheene, Sch Bd 586-1083
 - ✓ Dan McKinnon 6-9702
 - ✓ ~~Debra~~ Debra Neidermeyer (Koponen) 3759
Jerguson
 - ✓ Keith Levy, Legal 2450
 - ✓ Wanda (Ron Larsson) 3727
- Milt Barker 2350*
- Mitch Shaw 276-0358
Matsui*

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

1/14/85

Date 4-23 85

Mr. President

The Committee on HESS considered SB 51
state aid for school construction; efd.

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 SB 51 (HESS)
- new title
- same title and recommends DO PASS
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING

DO PASS

Joe Josephson

Paul Fick

MEMBERS HAVING

OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

TO: BETTYE
FROM: SANDRA

MARCH 21, 1985

SB 51

SCHOOL CONSTRUCTION (SB 51 AND SB 159)

SEVERAL BILLS HAVE BEEN INTRODUCED (SEE ATTACHED OUTLINE). PROPOSALS INCLUDE INCREASING THE REIMBURSEMENT LEVEL FROM 50% TO 75% OR 80% OR 90%. SB 51 (KERTTULA) WOULD HAVE MONIES GO FIRST TO DISTRICTS THAT HAVE HAD A LARGE INCREASE IN STUDENTS AND HB 254 (LARSON) WOULD HAVE MONIES GO TO DISTRICTS THAT ARE DOUBLE SHIFTING STUDENTS AND THAT CONTRIBUTE AT LEAST 3 MILLS LOCALLY -- BOTH ARE TARGETED AT MAT-SU. IN ADDITION, THE STATE BOARD HAS ENDORSED A DRAFT THAT WOULD ESTABLISH A 90% GRANT PROGRAM, WITH ELIGIBILITY BASED ON SPECIFIC FACTORS (EMERGENCY REQUIREMENTS, NUMBER OF STUDENTS WITHOUT CLASSROOM SPACE, NEW PROGRAMS, CONDITION OF EXISTING FACILITIES, ECONOMIC STABILITY OF MUNICIPALITY). STATE GRANT MONIES COULD NOT BE SPENT ON HOCKEY RINKS, SAUNAS, PLANETARIUMS AND THE LIKE.

QUESTIONS:

1. WHAT IS FISCAL IMPACT OF EACH PROPOSAL? (Greater ~~the-greater~~ the level of reimbursement, but we need a good explanation from the Department of how their figures were derived.)
2. WHAT DOES OUR CURRENT REIMBURSEMENT PROGRAM COST ANNUALLY? (Approximately \$106 million this year, up from \$95 million last year.)
3. PER SB 51, WHICH COMMUNITIES QUALIFY FOR PRIORITY FUNDING FOR HAVING A GROWTH RATE IN EXCESS OF 5%? (According to DOE, Dillingham, Hydaburg, Kake, Kenai, Mat-Su, Nenana, Nome, Pelican. Fairbanks has had a 4.2% growth rate.)
4. HOW DO ACTUAL ENROLLMENT FIGURES COMPARE TO A.D.M.s? (Figures supplied by DOE show that enrollment is generally higher than official Average Daily Membership. WHY IS THIS? WHICH IS A BETTER REPRESENTATION OF CONSTRUCTION NEEDS?)
5. SHOULD WE ESTABLISH CRITERIA FOR GRANTING/REIMBURSING MONEY?
NOTE: F.N.S.B. supports a criteria-based proposal.
6. ARE THERE PROBLEMS WITH THE 50% REIMBURSEMENT LEVEL OTHER THAN A POLICY OF STATE VS. LOCAL FUNDING? (Is difficult to sell bonds when the reimbursement level is this low. But level was lowered from 90% to 50% because of abuse of funds and the thought that if the local contribution were greater monies would be spent more responsibly.)

STATE OF ALASKA-DEPARTMENT OF EDUCATION
 AVERAGE DAILY MEMBERSHIP (FINAL)
 FISCAL YEARS 1979-1984
 REGULAR MEMBERSHIP TOTALS

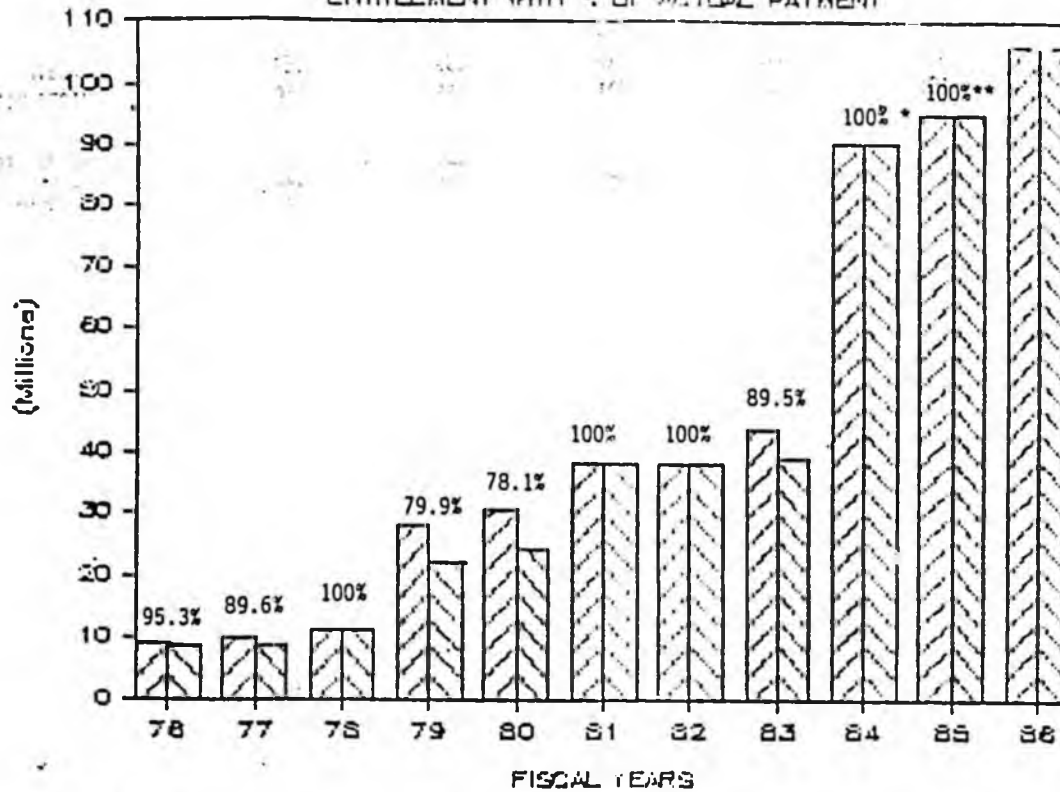
Fiscal Note SB 51
 03/15/85 (Steve Hole/Robert Davis)

SCHOOL DISTRICT	AVERAGE DAILY MEMBERSHIP FY1979	AVERAGE DAILY MEMBERSHIP FY1980	AVERAGE DAILY MEMBERSHIP FY1981	AVERAGE DAILY MEMBERSHIP FY1982	AVERAGE DAILY MEMBERSHIP FY1983	AVERAGE DAILY MEMBERSHIP FY1984	PERCENTAGE (+ or -) FY84 TO FY83
ADAK	542	569	577	594	593	592	99.8314%
ALASKA GATEWAY	439	436	471	478	473	472	99.7886%
ALEUTIAN REGION	244	118	109	114	121	123	101.6529%
ANCHORAGE	34,200	32,429	32,121	33,307	34,602	35,632	102.9767%
ANNETTE ISLAND	342	336	352	351	341	377	110.5572%
BERING STRAIT	451	441	450	583	928	1,009	108.7284%
BRISTOL BAY	215	209	214	208	212	201	94.8113%
CHATHAM	187	218	195	207	261	293	112.2605%
CHUGACH	54	54	53	75	85	88	103.5294%
COPPER RIVER	639	612	586	555	566	572	101.0601%
CORDOVA	490	462	439	413	430	395	91.8605%
CRAIG	168	141	178	171	146	137	93.8356%
DELTA GREELY	852	857	842	887	940	980	104.2553%
DILLINGHAM	397	379	377	372	375	411	109.6000%
FAIRBANKS	8,761	8,338	8,457	8,851	9,375	9,790	104.4267%
GALENA	158	165	143	135	142	146	102.8169%
HAINES	401	396	401	371	380	366	96.3158%
HOONAH	248	224	18	225	237	228	96.2025%
HYDABURG	99	85	84	88	93	100	107.5269%
IDITAROD	291	300	310	313	321	311	96.8847%
JUNEAU	4,185	4,015	3,921	3,979	4,332	4,360	100.6464%
KAKE	199	195	182	188	191	204	106.8063%
KENAI	5,615	5,784	5,988	6,289	6,744	7,225	107.1323%
KETCHIKAN	2,432	2,432	2,378	2,331	2,364	2,401	101.5651%
KING COVE	118	120	114	132	103	97	94.1748%
KLANOCK	79	82	103	97	139	135	97.1223%
KODIAK	2,071	2,090	2,027	2,026	2,128	2,116	99.4361%
KUSPUK	319	347	351	330	327	337	103.0581%
LAKE & PENINSULA	376	362	328	325	348	361	103.7356%
LOWER KUSKOKWIM	1,592	1,671	1,785	1,856	2,411	2,472	102.5301%
LOWER YUKON	891	1,017	1,134	1,190	1,384	1,362	98.4104%
MAT-SU	4,175	4,356	4,406	4,835	5,672	6,903	121.7031%
NENANA	209	216	198	202	125	115	92.0000%
NOME	754	716	708	690	731	781	106.8399%
NORTH SLOPE	1,076	1,038	1,043	1,041	1,028	1,043	101.4591%
NORTHWEST ARCTIC	1,473	1,435	1,420	1,478	1,486	1,491	100.3365%
PELICAN	37	39	40	51	48	54	112.5000%
PETERSBURG	553	547	562	556	572	591	103.3217%
PRIBILOF	169	159	164	172	167	166	99.4012%
RAILBELT	361	337	328	335	325	308	94.7692%
SAND POINT	0	129	109	106	124	107	86.2903%
SITKA	1,683	1,671	1,656	1,634	1,583	1,582	99.9368%
SKAGWAY	199	176	177	190	169	152	89.9408%
SOUTHEAST ISLAND	389	374	413	420	430	432	100.4651%
SOUTHWEST REGION	475	496	449	484	521	513	98.4645%
ST. MARY'S	100	94	91	90	107	109	101.8692%
TANANA	0	0	0	0	97	75	77.3196%
UNALASKA	140	160	195	177	171	144	84.2105%
VALDEZ	793	746	849	830	842	811	96.3183%
WRANGELL	455	479	485	485	480	453	94.3759%
YAKUTAT	159	156	144	152	155	158	101.9355%
YUKON FLATS	332	336	285	314	312	316	101.2821%
YUKON-KOYUKUK	624	591	589	567	557	577	103.5907%

TOTALS 81,211 79,135 79,179 81,850 86,794 90,174

DEBT RETIREMENT FY-76 THRU FY-86

ENTITLEMENT WITH % OF ACTUAL PAYMENT



Expenditures:

~~Entitlements~~: (Millions)

FY-76	\$	8.81
FY-77		9.05
FY-78		11.41
FY-79		22.27
FY-80		24.08
FY-81		38.38
FY-82		38.26
FY-83		39.18
FY-84		90.60 *
FY-85		95.00 **
FY-86		106.50 ***

* FY-84 figure includes encumbered funds.

** FY-85 figure is amount appropriated.

*** FY-86 figure is budget request.

State of Alaska
 Enrollment Compared to Average Daily Membership
 By District, Revised FY84

<u>District</u>	<u>Enrollment</u>	<u>ADM</u>
Adak Region	603	606.5
Alaska Gateway	487	486.2
Aleutian Region	126	123.9
Anchorage	37,422	35,851.8
Annette Island	385	382.7
Bering Strait	1,024	971.6
Bristol Bay	210	203.0
Chatham	295	280.1
Chugach	98	94.9
Copper River	585	575.1
Cordova	401	406.4
Craig	149	155.0
Delta/Greely	983	974.8
Dillingham	420	410.6
Fairbanks	10,404	9,907.7
Galena	145	142.9
Haines	370	366.4
Hoonah	226	228.7
Hydaburg	105	102.3
Iditarod	321	316.5
Juneau	4,589	4,429.3
Kenai	207	205.4
Kenai	7,572	7,221.8
Ketchikan	2,524	2,415.0
King Cove	97	101.5
Klawock	141	135.4
Kodiak Island	2,229	2,142.5
Kuspuk	337	327.4
Lake & Peninsula	354	371.4
Lower Kuskokwim	2,486	2,487.2
Lower Yukon	1,379	1,383.5
Mat-Su	7,172	6,854.2
Nenana	115	121.4
Nome	795	757.1
North Slope	1,071	1,073.7
Northwest Arctic	1,531	1,515.0
Pelican	54	54.7
Petersburg	628	600.3
Pribilof	165	165.5
Railbelt	318	316.6
St. Mary's	114	112.8
Sand Point	110	109.7
Sitka	1,674	1,590.3
Skagway	151	153.7
Southeast Island	449	448.9
Southwest Region	520	519.7
Tanana	83	81.1
Unalaska	150	151.6
Valdez	829	839.9
Wrangell	482	462.9
Yakutat	164	162.1
Yukon Flats	335	323.7
Yukon/Koyukuk	587	583.0
Central Correspondence	710	895.0

1982-83 FINAL ENROLLMENT ALASKA CITY DISTRICTS

DISTRICT	PRE- ELEM	K	1	2	3	4	5	6	7	8	9	10	11	12	ELEM	SEC	TOTAL
ANCHORAGE	115	2622	2857	2495	2645	2645	2707	2972	3309	3044	2703	2660	2467	2405	19058	16588	35646
On-Base	139	418	490	430	399	384	309	348	0	0	0	0	0	0	2917	0	2917
Contract	20	3	2	3	6	3	18	13	17	16	34	43	51	29	68	190	258
BRISTOL BAY	0	17	16	14	24	1	15	21	19	15	21	19	8	23	118	105	223
CORDOVA	0	44	28	25	33	30	43	27	47	38	31	37	28	32	230	213	443
CRAIG	0	14	12	12	8	5	12	22	11	14	14	8	8	11	85	66	151
DILLINGHAM	5	39	37	33	39	24	24	23	29	28	30	28	35	43	224	193	417
FAIRBANKS	116	779	834	725	750	678	740	817	875	839	713	724	622	530	5459	4291	9750
On-Base	26	294	293	310	276	232	221	209	124	111	76	71	68	55	2096	270	2366
GALENA	0	12	13	10	17	12	12	12	9	6	6	13	14	13	88	61	149
HAINES	3	27	28	19	24	26	41	27	32	37	26	31	28	31	195	185	380
HONNAN	8	20	16	19	13	17	16	16	17	19	14	22	22	17	142	94	236
HYDABURG	0	10	8	7	8	8	9	6	8	8	3	10	4	4	56	37	93
JUNEAU	132	370	392	354	335	319	338	352	377	358	332	299	283	324	2598	1967	4565
KAKE	0	17	24	9	12	19	8	16	14	16	16	16	18	16	105	96	201
KENAI	56	592	587	541	546	553	558	599	576	567	511	515	430	410	4168	2873	7041
KETCHIKAN	17	191	206	174	166	188	185	200	190	211	209	208	187	186	1346	1175	2521
KING COVE	0	16	5	9	4	5	12	4	12	8	9	3	6	3	55	41	96
KLAWOCK	0	12	13	8	3	11	10	15	12	16	9	7	9	11	72	63	135
KODIAK	6	189	185	185	152	170	158	180	167	147	169	160	134	108	1262	848	2110
MAT-SU	20	475	545	491	465	494	527	522	531	462	436	406	333	283	3578	2412	5990
NEENANA	1	11	14	12	15	12	6	12	6	7	10	6	6	9	83	44	127
NOME	10	60	56	63	58	72	58	64	53	65	61	54	49	34	446	311	757
NORTH SLOPE	21	91	82	74	73	68	75	82	79	60	67	85	55	58	566	404	970
PELICAN	0	5	6	4	9	5	4	3	6	2	1	0	1	1	36	11	47
PETERSBURG	0	55	61	44	48	35	50	57	40	42	48	46	41	35	432	170	602
ST. MARY'S	3	6	10	10	13	11	8	10	14	7	4	4	2	5	71	36	107
SAND POINT	0	13	15	6	12	4	7	5	5	6	14	6	9	6	62	46	108
SITKA	21	138	183	122	107	129	108	131	122	133	124	131	95	91	1194	441	1635
SKAGWAY	2	11	13	8	14	10	13	15	18	13	16	12	10	7	86	76	162
TANANA	0	10	8	6	4	5	5	10	5	6	2	13	8	11	48	45	93
UNALASKA	0	15	14	14	8	11	15	17	13	6	11	13	5	15	94	63	157
VALDEZ	1	68	53	58	52	59	58	69	76	61	38	57	53	120	418	405	823
WRANGELL	0	33	47	38	36	41	44	44	39	28	39	34	33	37	283	210	493
YAKUTAT	0	9	11	12	16	11	8	24	8	10	10	13	10	8	91	59	150
Totals	722	6689	7164	6344	6390	6307	6422	6944	6860	6406	5807	5754	5132	4978	47,830	34,089	81,919
Centralized Correspondence	0	22	17	26	24	27	22	42	42	48	68	35	21	8	270	132	402

1982-83 FINAL ENROLLMENT
REGIONAL EDUCATION ATTENDANCE AREAS

DISTRICT	PRE-ELEM	K	1	2	3	4	5	6	7	8	9	10	11	12	ELEM	SEC	TOTAL
ADAK	5	70	53	50	46	62	55	62	38	35	49	23	21	23	403	189	592
ALASKA GATEWAY	0	32	53	36	28	41	28	44	45	35	38	35	29	39	283	200	483
ALEUTIAN	0	9	7	14	9	7	4	13	13	5	18	10	8	5	68	54	122
ANNETTE	0	31	25	35	19	25	26	30	29	20	32	23	25	26	192	154	346
BERING STRAIT	11	83	87	55	80	62	83	59	70	65	74	68	63	65	521	404	925
CHATHAM	0	25	18	23	17	27	23	22	19	15	21	14	12	14	159	91	250
CHUGACH	0	12	10	4	10	5	9	14	10	8	6	3	2	0	78	15	93
COPPER RIVER	0	46	41	23	41	35	57	57	54	41	65	49	46	39	323	271	594
DELTA/GREELY	22	82	80	77	68	59	67	66	91	43	68	41	49	28	521	320	841
IDITAROD	7	24	27	27	26	36	23	15	23	23	27	21	26	19	179	139	318
KUSPUK	1	28	29	31	22	22	13	19	25	28	32	31	26	17	180	146	326
LAKE & PENINSULA	0	34	34	30	26	22	29	24	21	22	26	35	30	34	225	142	367
LOWER KUSKOKWIM	42	151	161	158	161	154	158	169	159	150	206	231	255	226	1259	1122	2381
LOWER YUKON	4	108	116	90	110	117	61	103	108	122	113	104	104	87	780	587	1367
NORTHWEST ARCTIC	0	121	130	129	104	109	120	103	109	84	120	103	142	111	822	663	1485
PRIBILOF	0	19	15	15	7	15	11	16	18	11	11	11	14	0	98	65	163
RAILBELT	0	21	21	21	24	28	24	29	23	19	28	31	24	37	169	161	330
SOUTHEAST	0	59	43	57	44	46	44	46	24	26	23	19	27	16	368	106	474
SOUTHWEST	0	40	46	32	30	41	32	38	42	38	34	43	51	50	276	241	517
YUKON FLATS	0	30	37	28	31	24	16	21	19	20	21	23	19	23	203	109	312
YUKON KOYUKUK	2	47	61	47	39	51	36	45	42	46	34	46	24	43	368	195	563
Totals	94	1072	1094	982	942	982	939	995	982	856	1046	964	997	904	7475	5374	12,849

ENROLLMENTS, AVERAGE DAILY ATTENDANCE (ADA), AND
AVERAGE DAILY MEMBERSHIP (ADM)

ALASKA 1981-1982

CITY/BOROUGH	ENROLLMENT	ADA	ADM
ANCHORAGE	37,508	35,608.24	37,298.90
BRISTOL BAY	215	200.06	210.45
CORDOVA	407	389.10	414.29
CRAIG	198	152.75*	173.35
DILLINGHAM	380	346.27*	372.18
FAIRBANKS	11,449	10,444.73*	11,277.01
GALENA	140	124.79	131.88
HAINES	378	368.24	388.10
HOONAH	226	214.08	227.64
HYDABURG	92	85.05	88.91
JUNEAU	4,267	4,010.45*	4,273.64
KAKE	211	178.84	193.42
KENAI	6,528	6,047.69*	6,419.41
KETCHIKAN	2,455	2,208.53*	2,351.48
KING COVE	137	105.99	135.22
KLAWOCK	95	90.50	94.91
KODIAK	2,144	1,985.18*	2,130.59
MATANUSKA-SUSITNA	5,055	4,480.12	4,811.05
NENANA	198	194.18	214.52
NOME	716	685.71	728.45
NORTH SLOPE	1,053	932.66*	1,060.77
PELICAN	48	42.70	47.37
PETERSBURG	589	556.39	585.12
SAND POINT	118	124.45	141.55
SITKA	1,742	1,688.12	1,765.09
SKAGWAY	191	179.48	189.28
SAINT MARY'S	113	96.64	104.82
UNALASKA	187	182.14	190.97
VALDEZ	849	814.63	847.61
WRANGELL	508	465.87	490.21
YAKUTAT	154	136.43	154.20
CITY TOTALS	78,351	73,140.01	77,512.39
CENTRALIZED CORRESPOND.	688	**N/A	721.13
GRAND TOTAL (CITIES)	79,039	73,140.01	78,233.52

* Does not include ADA for correspondence students

** Not Available

ENROLLMENTS, AVERAGE DAILY ATTENDANCE (ADA), AND
AVERAGE DAILY MEMBERSHIP (ADM)

ALASKA 1981-1982

146.72

REAA'S	ENROLLMENT	ADA	ADM
ADAK	609	599.39*	611.48
ALASKA GATEWAY	492	419.77	473.52
ALEUTIAN ISLANDS	118	104.36	111.79
ANNETTE REGION	353	324.53	347.66
BERING STRAIT	609	527.90*	582.36
CHATHAM	220	194.82*	211.81
CHUGACH	75	61.57	68.02
COPPER RIVER	577	472.69*	568.88
DELTA/GREELY	914	807.44*	915.28
IDITAROD	319	279.17*	311.56
KUSPUK	333	299.04	326.92
LAKE AND PENINSULA	329	283.39	318.79
LOWER KUSKOKWIM	1,889	1,749.62	1,866.91
LOWER YUKON	1,193	1,127.17	1,187.68
NORTHWEST ARCTIC	1,530	1,373.39*	1,499.31
PRIBILOFS	175	165.77*	174.18
RAILBELT	351	320.40*	352.99
SOUTHEAST ISLAND	337	318.10	336.28
SOUTHWEST REGION	490	446.12	478.32
YUKON FLATS	316	268.77*	300.36
YUKON/KOYUKUK	590	461.49*	570.60
TOTAL REAA'S	11,819	10,604.90	11,614.70
TOTAL CITIES (Including correspondence)	79,039	73,140.01	78,233.52
GRAND TOTAL	90,858	83,744.91	89,848.22

Anchorage

ASD MEMORANDUM #1 (85-86) APPROVED AS AMENDED: July 15, 1985

BOND ITEMS

1. Chugiak High Addition	05-86-100	\$ 6,134,000
2. Sand Lake Elementary Addition	05-86-101	1,450,000
3. Huffman Elementary Addition	05-86-102	1,100,000
4. Site Acquisition (Phase II)	05-86-103	12,000,000
5. Heating Systems Renovations	05-86-104	8,000,000 ✓
6. Roofs Replacements	05-86-105	6,000,000 ✓
7. Northwood Elementary Addition	05-86-106	5,500,000
8. Elementary and Secondary Schools Renovation/Life Safety (Phase I)	05-86-107	9,816,000

SUBTOTAL--BOND ISSUE A: \$ 50,000,000

9. Chugiak High Attendance Area - New Elementary School	05-86-108	\$ 12,000,000
10. Planning/Design New Junior High School(s)	05-86-109	1,500,000
11. Energy Management (Phase III)	05-86-110	3,500,000 ✓
12. Bayshore Elementary Addition	05-86-111	4,000,000
13. Campbell Elementary Addition	05-86-112	5,500,000
14. Elementary and Secondary Schools Renovation/Life Safety (Phase II)	05-86-113	7,500,000 ✓
15. SAVE II/SEARCH Facility (New)	05-86-114	6,000,000
16. Student Nutrition Center	05-86-115	7,500,000
17. Birchwood Elementary Addition	05-86-116	2,500,000

SUBTOTAL--BOND ISSUE B \$ 50,000,000

TOTAL BOND ISSUE (A & B) \$100,000,000

completed project

~~unfinished projects~~
~~leg funded~~
~~Gov veto~~

political reality
precisely why regs. coming to leg.

need input from people w/ expertise
- change orders

prepared by DOE 5-10-85

DEBT RETIREMENT
FY86 50% REIMBURSEMENT

SCHOOL DISTRICT	FY86 PAYMENT BY MUNICIPALITY	REIMB. AT 50%	REIMB. AT 60%	REIMB. AT 75%	REIMB. AT 80%	REIMB. AT 90%
WRANGELL 1983 SERIES C	\$118,592.50	\$59,296.25	\$71,155.50	\$88,944.38	\$94,874.00	\$106,733.25
WRANGELL 1984 POOL/GYM COMPLEX	\$870,282.50	\$435,141.25	\$522,169.50	\$652,711.88	\$696,226.00	\$783,254.25
KENAI 1984 SCHOOL BONDS	\$693,279.40	\$346,639.70	\$415,967.64	\$519,959.55	\$554,623.52	\$623,951.46
MAT-SU 1985 (EST.)	\$2,200,000.00	\$1,100,000.00	\$1,320,000.00	\$1,650,000.00	\$1,760,000.00	\$1,980,000.00
TOTALS	\$3,882,154.40	\$1,941,077.20	\$2,329,292.64	\$2,911,615.80	\$3,105,723.52	\$3,493,538.96
FY86 IMPACT			\$388,215.44	\$970,538.60	\$1,164,646.32	\$1,552,861.76

Original sponsor: Kerttula

Final

1 IN THE SENATE

BY THE CONFERENCE COMMITTEE

2 CONFERENCE CS FOR SENATE BILL NO. 51

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for school construc-
7 tion; and providing for an effective date."

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

9 * Section 1. AS 14.11.100(a)(5) is amended to read:

10 (5) subject to (h), [AND] (i), and (j) of this section, 80
11 [50] percent of

12 (A) payments made by the municipality during the
13 fiscal year for the retirement of principal and interest on
14 outstanding bonds, notes or other indebtedness authorized by the
15 qualified voters of the municipality after June 30, 1983, to pay
16 costs of school construction, additions to schools, and major
17 rehabilitation projects that exceed \$25,000 and are approved
18 under AS 14.07.020(11); and

19 (B) cash payments made after June 30, 1983, by the
20 municipality during the fiscal year two years earlier to pay
21 costs of school construction, additions to schools, and major
22 rehabilitation projects that exceed \$25,000 and are approved
23 under AS 14.07.020(11).

24 * Sec 2. AS 14.11.100(h) is amended to read:

25 (h) An allocation under (a)(4) or (5) of this section for school
26 construction begun after July 1, 1982, shall be reduced by the amount
27 of money used for the construction of residential space, hockey rinks,
28 planetariums, saunas, and other facilities for single purpose sporting
29 or recreational uses that are not suitable for other activities and by

1 the money used for construction that exceeds the amount needed for
2 construction of a facility of efficient design as determined by the
3 department. An allocation under (a)(4) or (5) of this section may not
4 be reduced by the amount of money used for construction of a small
5 swimming pool, tank, or water storage facility used for water sports.
6 However, an allocation shall be reduced by the difference between the
7 amount of money used to construct a swimming pool that exceeds the
8 standards adopted by the department [IS COMPETITION SIZE OR LARGER]
9 and the amount of money that would have been used to construct a small
10 swimming pool, tank, or water storage facility, as determined by the
11 commissioner.

* Sec. 3. AS 14.11.100(i) is amended to read:

(i) For the purposes of (a)(4) and (5) of this section

(1) an indebtedness for bonds is incurred after the bonds
are sold;

(2) reimbursement for a cash payment may only be made after
the payment is made to a vendor; and

(3) payments may not be made for costs that are incurred
under a contract after the contract has been released.

* Sec. 4. AS 14.11.100(j) is amended to read:

(j) The state may not allocate money to a municipality for a
school construction project under (a)(5) of this section unless the
municipality complies with the requirements of (1) - (4) of this
subsection and the project is approved by the commissioner before the
local vote on the bond issue for the project. In approving a project
under this subsection, the commissioner shall require

(1) the municipality to include on the ballot for the bond
issue the estimated total cost of each project including estimated
annual operation and maintenance costs and the estimated amounts that

will be paid by the state and by the municipality;

(2) that the bonds may not be refunded unless the annual debt service on the refunding issue is not greater than the annual debt service on the original issue;

(3) that the bonds must be repaid in approximately equal annual principal payments or approximate equal debt service payments over a period of at least 10 years;

(4) the municipality to demonstrate need for the project by establishing that the school district has

(A) projected long-term student enrollment that indicates the district has inadequate facilities to meet present or projected enrollment; or

(B) facilities that require repair or replacement in order to meet health and safety laws or regulations or building codes [; FACTORS SUCH AS INCREASED ENROLLMENT IN THE SCHOOL DISTRICT, THE HEALTH AND SAFETY OF THE STUDENTS, AND THE FACTORS LISTED IN AS 14.11.010(c)].

* Sec. 5. AS 14.11.100 is amended by adding a new subsection to read:

(k) An amount equal to the interest earned on the investment of the proceeds of bonds issued for a school construction project shall be used by the municipality to

- (1) pay the costs of the project;
- (2) pay accrued interest on the bond issue;
- (3) redeem all or part of the bonds; or
- (4) pay the costs of issuing the bonds.

* Sec. 6. AS 14.11 is amended by adding a new section to read:

Sec. 14.11.102. EVALUATION OF PROJECTS. The department shall evaluate projects for which retirement of school construction debt is requested by school districts in accordance with the procedures set

out in AS 14.11.010. A request for an allocation of funds under AS 14.11.100 must be submitted to the department by the school district no later than October 15 of the fiscal year before the fiscal year for which the request is made.

* Sec. 7. AS 14.11.135 is amended to read:

Sec. 14.11.135. DEFINITIONS. In this chapter [AS 14.11.100 - 14.11.135], unless the context requires otherwise,

(1) "approved school construction project" means the plan for a new school or an addition to or major rehabilitation of an existing school to the extent to which approved by the commissioner in accordance with AS 14.07.020(11);

(2) "commissioner" means the commissioner of education;

(3) "costs of school construction" means the cost of acquiring, constructing, enlarging, repairing, remodeling, equipping or furnishing of public elementary and secondary school buildings and includes the sum total of all costs of financing and carrying out the project; these include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment as may be necessary in connection with the project; an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositories, financial advisors, and paying agents for the bonds issued as the issuer considers necessary;

1 (4) "department" means the Department of Education.

2 * Sec. 8. AS 14.11 is amended by adding a new section to read:

3 Sec. 14.11.140. REGULATIONS. The department shall adopt regu-
4 lations to carry out the purposes of this chapter.

5 * Sec. 9. LEGISLATIVE REVIEW. Proposed permanent regulations under
6 AS 14.11.140 as enacted in sec. 5 of this Act shall be submitted to the
7 legislature no later than the 10th day of the Second Session of the Four-
8 teenth Alaska State Legislature. Notwithstanding AS 44.62, permanent
9 regulations adopted under AS 14.11.140 take effect the 90th day of the
10 Second Session of the Fourteenth Alaska State Legislature, unless a law is
11 enacted disapproving the regulations.

12 * Sec. 10. (a) The amendments to AS 14.11.100(j) provided for in
13 sec. 4 of this Act apply only to school construction projects approved by
14 the commissioner of education after the effective date of this Act.

15 (b) The requirement of AS 14.11.102, added by sec. 6 of this Act,
16 that requests for an allocation of funds under AS 14.11.100 be submitted by
17 October 15 of the fiscal year before the fiscal year for which the request
18 is made, does not apply to requests for fiscal year 1987.

19 * Sec. 11. This Act takes effect July 1, 1985.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES

POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3534
(907) 465-3235

Senate Committee on Health, Education and Social Services

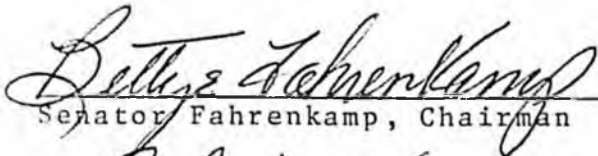
May 11, 1985

Dear Mr. President and Mr. Speaker:

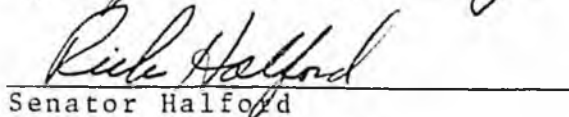
The Conference Committee considering Committee Substitute for Senate Bill No. 51 (Fin) and House Committee Substitute for Committee Substitute for Senate Bill No. 51 (Fin) (state aid for school construction; efd) respectfully requests limited powers of free conference on the following specific point:

page 3, line 12, delete

"or program needs"



Senator Fahrenkamp, Chairman



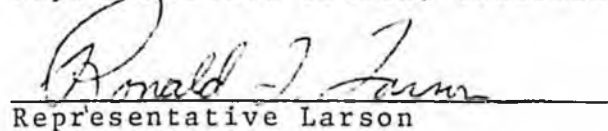
Senator Halford



Senator Kerstula



Representative Cotten, Chairman



Representative Larson



Representative Rieger

The Associated Press

Melting snow in mountains near Valdez has uncovered an Air Force RC-135 trainer aircraft that crashed more than two months ago with three aboard, the Air Force said Wednesday.

An Air Force pilot spotted what appeared to be the plane's wing during a routine mission over the area on Monday, said Staff Sgt. Lauren Sobkoviak, Air Force spokesman at Elmendorf Air Force Base in Anchorage.

Reconnaissance planes dispatched Tuesday to the area confirmed that the wreckage is that of the downed RC-135.

Sobkoviak said the plane is perched near

the crest of a steep, snow-covered mountain ridge, about 2½ miles inland from the coastal town of Valdez.

He said the Air Force intends to wait for more snow to melt before venturing in to the crash site.

"We're going to be flying some more reconnaissance flights over the area, checking out snow conditions. The wreckage is in a very dangerous area right now. When it looks safe, we're going to go up and see what we can recover," he said.

Those aboard the crashed plane were identified as pilot Maj. Michael L. Manning, 37, of

Cambridge, Ill.; co-pilot Maj. John R. Davis, 37, of Minden, La.; and navigator, Capt. Jonathan Seckman, 30, of Quincy, Ill. All were stationed at Eielson Air Force Base in Fairbanks.

The trainer airplane, a jet similar in size to a Boeing 707, disappeared from radar tracking screens Feb. 25 as the crew practiced approaches to the Valdez airport in heavy snowfall. Military and volunteer search efforts were hampered by continued stormy weather, and the search was suspended March 12, Sobkoviak said.

"The wreckage was found where officials at

Kenai assembly OK's \$635,000 for school design

By RONNIE CHAPPELL
Daily News reporter

SOLDOTNA — After debating the need to eliminate frills from the borough's school construction program, the Kenai Peninsula Borough Assembly Tuesday appropriated \$635,000 for the design of two \$29 million high schools.

As now planned, one of the schools will contain a 500-seat auditorium while the other

will include an indoor swimming pool.

Several assembly members, among them Kenn Stephens of Soldotna, unsuccessfully argued for the deletion of those "extravagant facilities" from the projects.

Together, the pool and auditorium will increase the combined cost of the two proposed high schools by more than \$7 million.

Assemblywoman Karen

McGahan of North Kenai offered a motion limiting the cost of each school to \$25 million. She withdrew the motion, however, in favor of a plan offered by Paul Dale of Soldotna under which the size and cost of each school would hinge on the amount of state aid available.

The state agrees to fund 80 percent of the cost of the schools — including pool and auditorium — there's a strong

possibility the entire package could reach the fall ballot. If the state refuses to fund the pool and auditorium, they can be deleted later, Dale said.

Originally, school district officials estimated it would cost \$23 million to build each 90,000-square-foot school. Since then, however, the schools have been enlarged — with state approval — to 118,000 square feet.

ALASKA PACIFIC UNIVERSITY

Summer "Make The Best Of It!"

Summer is the time to make the best of it. And the best of summer is Alaska Pacific University's Summer Semester. You can take courses that will

- Enhance your career
- Expand your knowledge
- Stretch your horizons

New classes will begin nearly every week throughout the summer — starting NOW! Registrations are in Grant Hall. For a schedule of classes, contact the Registrar, Alaska Pacific University, Anchorage, AK.

NOTICE OF ROAD CONSTRUCTION

Construction of Dimond Boulevard, between Victor and Hartzell Roads is now in progress. Initial work will be along the south side of Dimond between the New Seward Highway and "C" Street, and on the north side of the road between Minnesota Drive and Arctic Boulevard. In conjunction with this work, gravel trucks will be hauling on the New and Old Seward Highways, King Street and Dimond Boulevard. We urge motorists to be alert for heavy equipment adjacent to the road and aware of any instructions of flagmen.

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION
AND
PUBLIC SAFETY

WE UNDERSTAND THE IN-
CONVENIENCE OF THIS ROAD
WORK AND APPRECIATE

THE NEW

- Designed to be compact cars &
- Lightweight
- Fiberglass
- Aerodynamic Design

Scam

See them now at:

429 Industrial

EXECUTIVE CHARTER SERVICE: A CHARTER AND COMMUTER AIRLINE BASED IN BETHEL. (19)

IN OPERATION SINCE 1975, EXECUTIVE CHARTER HAS SERVED 23 COMMUNITIES IN THE YUKON-KUSKOKWIM BASINS. RYAN AIR BOUGHT THE AIRLINE'S 14 SINGLE-ENGINE AIRPLANES, ONE TWIN-ENGINE AIRPLANE, HANGARS AND SUPPORT FACILITIES, ACCORDING TO A WRITTEN STATEMENT RELEASED BY RYAN AIR. THE PURCHASE PRICE WAS NOT DISCLOSED.

EXECUTIVE CHARTER'S SERVICE WILL MERGE WITH RYAN AIR'S FLIGHT SCHEDULE IN WESTERN ALASKA, THE STATEMENT SAID. THE PURCHASE, TO BE COMPLETED IN EARLY JUNE, WILL EXPAND THE 26-YEAR-OLD RYAN OPERATION TO 160 FULL-TIME AND CONTRACT EMPLOYEES, 37 AIRPLANES AND 35 PILOTS.

RYAN NOW HAS SCHEDULED FLIGHTS TO ANCHORAGE, ANIAK, ST. MARY'S, MCGRATH, GALENA, ILIAMNA AND UNALAKLEET.

BUYING THE BETHEL-BASED AIRLINE "PROVIDES A LOGICAL AND A VERY IMPORTANT LINK IN OUR OVERALL PLAN TO OFFER UNIFIED SERVICE THROUGHOUT WESTERN ALASKA," SAID RYAN AIR PRESIDENT WILFRED RYAN.

HE SAID RYAN AIR, FOR THE FIRST TIME, WILL BE ABLE TO CONNECT WESTERN ALASKA POINTS DIRECTLY RATHER THAN ROUTING FLIGHTS THROUGH ANCHORAGE.

Margo

ENROLLMENT INCREASES SEEN FOR KENAI

KENAI (AP) - ENROLLMENT AT KENAI PENINSULA BOROUGH SCHOOLS IS EXPECTED TO INCREASE BY 20 PERCENT OVER THE NEXT FOUR YEARS, DISTRICT OFFICIALS SAY.

"IT'S A STRAIGHT LINE PROJECTION THAT REFLECTS A PATTERN DEVELOPED OVER THE PAST FOUR YEARS," SAYS SUPERINTENDENT FRED POMEROY. "IN THE PAST WE'VE BEEN PRETTY DARN ACCURATE. THIS YEAR WE CAME WITHIN HALF A PERCENT."

THE DISTRICT'S ENROLLMENT NOW IS SLIGHTLY MORE THAN 8,000 AND IF THE GROWTH CONTINUES AS EXPECTED, THE TOTAL WILL TOP 10,000 BY THE END OF THE DECADE.

ENROLLMENT IS EXPECTED TO GROW FASTEST IN HOMER, NIKISKI, KENAI AND SOLDOTNA.

"WE'RE ALSO STARTING TO GET SOME MOVEMENT IN SEWARD," POMEROY SAYS. "PEOPLE APPEAR TO BE MOVING INTO THE AREA IN ANTICIPATION OF THE PRISON INDUSTRY. THIS YEAR WE HAD 50 KIDS APPEAR OUT OF NOWHERE."

THE STATE WANTS TO BUILD A MAXIMUM-SECURITY PRISON NEAR SEWARD, BUT THE LEGISLATURE HASN'T APPROPRIATED ENOUGH MONEY YET.

THE ADDITIONAL STUDENTS WILL REQUIRE EIGHT NEW SCHOOLS AND SEVERAL ADDITIONS, POMEROY SAYS. IN OCTOBER, VOTERS WILL BE ASKED TO APPROVE A \$76 MILLION BOND ISSUE THAT INCLUDES MONEY FOR THE CONSTRUCTION OF A NEW HIGH SCHOOL SOUTH OF SOLDOTNA, A NEW ELEMENTARY SCHOOL IN KENAI, A NEW SCHOOL IN HOPE, AND A GRADE SCHOOL AND HIGH SCHOOL IN NIKISKI.

BELLINGHAM, WASH. (AP) - JOHN KENNETH FEELE, FREE ON \$1 MILLION PROPERTY BONDS, WILL WIN DISMISSAL OF CHARGES THAT HE KILLED EIGHT

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

75%

Revision Date: _____

REQUEST

Bill/Resolution No.: CCS SB-51
Title: ...school construction...

FISCAL DETAIL

Agency Affected: Education
Program Category Affected: _____

Sponsor: Kerttula
Requestor: Conference Committee
Date of Request: 5/10/85

BRU, Program or Subprogram(s) Affected:
Debt Retirement

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		970.6	1,006.0	1,056.0	1,106.0	
800 MISCELLANEOUS						
TOTAL OPERATING		970.6	1,006.0	1,056.0	1,106.0	
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)


GENERAL FUND		970.6	1,006.0	1,056.0	1,106.0	
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

FY-86 bond payments by municipalities subject to the 50% reimbursement of AS 14.11.100 (a)(5) are estimated to be \$3,882,154. The difference between 50% and the 75% which result from the proposed amendment to 14.11.100 (a)(5) is 970.6. Costs associated with future debt are indeterminate.

Prepared By: Steve Hole  Phone: 465-2800
Division: Commissioner's Office Date: 5/10/85

Approved by Commissioner: Harold Ravnolds, Jr. Date: 5/10/85
Agency: Education

Distribution (by Agency preparing fiscal note):

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

80%

Revision Date: _____

REQUEST

Bill/Resolution No.: CCS SB-51
 Title: ...state aid...school
construction
 Sponsor: Kerttula
 Requestor: Conference Committee
 Date of Request: 5/10/85

FISCAL DETAIL

Agency Affected: Education
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected:
Debt Retirement

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS		1,164.6	1,200.0	1,250.0	1,300.0	
800 MISCELLANEOUS						
TOTAL OPERATING		1,164.6	1,200.0	1,250.0	1,300.0	

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		1,164.6	1,200.0	1,250.0	1,300.0	
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

FY-86 bond payments by municipalities subject to the 50% reimbursement of AS 14.11.100 (a)(5) are estimated to be \$3,882,154. The difference between 50% and the 80% which result from the proposed amendment to 14.11.100 (a) (5) is 1,164.6. Costs associated with future debt are indeterminate.

Prepared By: Steve Hole Phone: 465-2800
 Division: Commissioner's Office Date: 5/10/85

Approved by Commissioner: Harold Reynolds, Jr. Date: 5/10/85
 Agency: Education

Distribution (by Agency preparing fiscal note):

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

7/1/84

Sec. 14.08.111. Duties. A regional school board shall:

- (1) provide, during the school term of each year, an educational program for each school age child who is a resident of the district;
- (2) develop a philosophy of education, principles and goals for its schools;
- (3) employ a chief school administrator and approve the employment of the professional administrators, teachers and noncertificated personnel necessary to operate its schools;
- (4) establish the salaries to be paid its employees;
- (5) designate the employees authorized to direct disbursements from the school funds of the board;
- (6) submit the reports prescribed for all school districts;
- (7) provide for an annual audit in accordance with AS 14.14.050;
- (8) provide custodial services and routine maintenance of school buildings and facilities;
- (9) establish procedures for the review and selection of all textbooks and instructional materials before they are introduced into the school curriculum; the review includes a review for violations of AS 14.18.060; and
- (10) provide prospective employees with information relating to the availability and cost of housing in rural areas to which they might be assigned, and, when possible, assist them in locating housing; however, nothing in this paragraph requires a regional school board to provide teacher housing, whether owned, leased or rented or otherwise provided by the regional educational attendance area, nor does it require the board to engage in a subsidy program of any kind with respect to teacher housing. (§ 2 ch 124 SLA 1975; am § 2 ch 17 SLA 1981; am § 2 ch 105 SLA 1983)

Effect of amendments. — The 1983 amendment added paragraph (10).

Sec. 14.08.151. Land and buildings. (a) Except as provided in (b) of this section, the ownership of land and buildings used in relation to regional educational attendance area schools shall remain vested in the state, and use permits shall be given to the regional school boards.

(b) A regional school board may, by resolution, request, and the commissioner of the department having responsibility shall convey, title to land and buildings used in relation to regional educational attendance area schools. If the state holds less than fee title to the land, the commissioner of the department having responsibility shall convey the entire interest of the state in the land to the regional school board. (§ 2 ch 124 SLA 1975; am §§ 2, 3 ch 147 SLA 1978; am § 46 ch 6 SLA 1984)

need criteria is applied for grants - How is DOE implementing?

"apply to Dept by Oct 15 of previous fiscal yr"

Sandra

Effect of amendments. — The 1984 amendment, effective February 14, 1984, deleted "and AS 14.08.161(g)" following "section" in subsection (a).

NOTES TO DECISIONS

State property only partially used by regional school district. — Subsection (b) of this section is inapplicable to state property which is only partially used by a regional school district, and superior court erred in requiring partial conveyance of building complex to regional school district. State v. Bering Strait Regional Educ Attendance Area School Dist., Sup. Ct. Op. No. 2625 (File No. 6381), 658 P.2d 784 (1983).

Chapter 11. Construction, Rehabilitation, and Improvement of Schools and Education-Related Facilities.

Section	Section
10. Recommendations and evaluations of projects	110. Eligibility
100. State aid for retirement of school construction debt	115. State aid
105. Public school facilities construction advance account	120. Application for aid
	125. Conditions of state aid
	130. Construction and implementation
	135. Definitions

Opinions of attorney general. — Appropriations to retire municipal general obligation school bond indebtedness under this chapter are "required" and qualify as an exception to the spending limit of § 16, art. IX, of the state constitution. 1983 Op. Att'y Gen. No. 01.

Sec. 14.11.010. Recommendations and evaluations of projects. (a) The assembly or council of a municipality that is a school district or a regional school board may submit a request to the department for a school or education-related facility construction, rehabilitation, or improvement project together with a report evaluating the condition of school or education-related facilities in the municipality or regional educational attendance area and a determination of the need for the project.

(b) With regard to projects requested under (a) of this section the department shall

(1) rank each project in the order of priority that serves the best interests of the state;

(2) prepare an estimate of the amount of money needed to finance each project approved by the department and recommend to the governor appropriations for projects to be included in the budget submitted to the legislature;

(3) provide the governor with a copy of the report of the assembly, council, or regional school board that requested each project approved by the department;

(4) provide to the legislature within the first 10 days of each regular session a summary of the projects requested by each assembly, council, or regional school board.

(c) In establishing priorities among requested projects the department shall evaluate at least the following factors:

(1) priorities assigned by the assembly, council, or school board to the projects requested;

(2) emergency requirements;

(3) the number of students without classroom space;

(4) new local elementary or secondary programs;

(5) existing regional, community, and school facilities and the condition of the facilities;

(6) the economic and social stability of the municipality or region.

(d) The provisions of this section do not affect a municipality's eligibility for reimbursement under AS 14.11.100. (§ 3 ch 92 SLA 1982)

Editor's notes. — This section is set out above to correct a minor error in the title pamphlet.

Sec. 14.11.100. State aid for retirement of school construction debt. (a) During each fiscal year, the state shall allocate to a municipality that is a school district, the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes or other indebtedness incurred before July 1, 1977 to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes or other indebtedness incurred after June 30, 1977 and before July 1, 1978 to pay costs of school construction;

(B) cash payments made after June 30, 1976 and before July 1, 1978 by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes or other indebtedness incurred after June 30, 1978 and before January 1, 1982 to pay costs of school construction projects approved under AS 14.07.020(11);

(B) cash payments made after June 30, 1978 and before July 1, 1982 by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(11);

(4) subject to (h) and (i) of this section up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds,

notes or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(11); and

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are submitted to the Department of Education for approval under AS 14.07.020(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) \$6,600,000 if the annual growth rate of average daily membership of the municipality is more than 7 percent but less than 12 percent, or (ii) \$20,000,000 if the annual a growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this paragraph on total project costs that exceed the amounts set out in (i) and (ii) of this paragraph are subject to (a)(5)(A) of this section.

(5) subject to (h) and (i) of this section, 90 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes or other indebtedness authorized by the qualified voters of the municipality after June 30, 1983 to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(11); and

(B) cash payments made after June 30, 1983 by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed \$25,000 and are approved under AS 14.07.020(11).

(b) The commissioner shall administer the program of reimbursement authorized under this section and shall provide by regulation for the filing of applications for reimbursement, the form of proof of costs for which application for reimbursement is made, and other regulations necessary to administer the program. The commissioner shall exclude from the total school construction cost of the local district all state and federal funds included in these costs except funds provided under this section and AS 43.50.140. In approving applications for reimbursement, the commissioner shall

(1) offset against the amount of reimbursement authorized the amount of any funds distributed to the borough or city in the second preceding fiscal year from the school fund provided for in AS 43.50.140;

(2) [Repealed, § 10 ch 92 SLA 1982.]

(c) The school construction account is established. Funds to carry out the provisions of this section may be appropriated annually by the legislature to the account. If amounts in the account are insufficient for the purpose of providing the share to which a borough or city is entitled under this section, those funds that are available shall be distributed pro rata among the eligible local governments.

only entitled if approved.

(d) Money in the school construction account which, at the end of the fiscal year for which the money is appropriated, exceeds the amount required for the allocations authorized in this section reverts to the general fund.

(e) The commissioner shall annually provide a report to the legislature on allocations of state aid made under this section, including but not limited to, the amount of state aid paid on a per capita and per student basis and the resultant effect on the rate of levy of taxes by the municipality for educational purposes.

(f) [Repealed, § 17 ch 147 SLA 1978.]

(g) [Repealed, § 47 ch 6 SLA 1984.] or (a)(5)



(h) An allocation under (a)(4) of this section for school construction begun after July 1, 1982, shall be reduced by the amount of money used for the construction of residential space, hockey rinks, planetariums, saunas, and other facilities for single purpose sporting or recreational uses that are not suitable for other activities. An allocation under (a)(4) of this section may not be reduced by the amount of money used for construction of a small swimming pool, tank, or water storage facility used for water sports. However, an allocation shall be reduced by the difference between the amount of money used to construct a swimming pool that is competition size or larger and the amount of money that would have been used to construct a small swimming pool, tank, or water storage facility, as determined by the commissioner.

or (a)(5)

(i) For the purposes of (a)(4) of this section

(1) an indebtedness for bonds is incurred after the bonds are sold;

(2) reimbursement for a cash payment may only be made after the payment is made to a vendor; and

(3) payments may not be made for costs that are incurred under a contract after the contract has been released.

(j) The state may not allocate money to a municipality for a school construction project under (a)(5) of this section unless the project is approved by the commissioner before the local vote on the bond issue for the project. In approving a project under this subsection, the commissioner shall require

Commissioner approve before local bond vote

(1) the municipality to include on the ballot for the bond issue the estimated total cost of each project and the estimated amounts that will be paid by the state and by the municipality;

(2) that the bonds may not be refunded unless the annual debt service on the refunding issue is not greater than the annual debt service on the original issue;

(3) that the bonds must be repaid in approximately equal annual principal payments or approximate equal debt service payments over a period of at least 10 years;

(4) the municipality to demonstrate need for the project by factors such as increased enrollment in the school district, the health and safety of the students, and the factors listed in AS 14.11.010(c). (§ 1 ch 249 SLA 1970; am § 1 ch 93 SLA 1971; am § 2 ch 137 SLA 1972; am § 1 ch 28 SLA 1973; am § 47 ch 127 SLA 1974; am §§ 1 — 3 ch 120 SLA 1977; am §§ 12, 17 ch 147 SLA 1978; am § 25 ch 168 SLA 1978; am §§ 8 — 10 ch 92 SLA 1982; am §§ 1 — 3 ch 82 SLA 1983; am § 47 ch 6 SLA 1984)

Revisor's notes. — Enacted as AS 43.18.100. Renumbered in 1983.

Cross references. — For present provisions of former subsection (g) of this section, see AS 14.11.135(3).

Effect of amendments. — The 1982 amendment, substituted "a municipality that" for "an organized borough or a city which" in the introductory language of subsection (a), substituted "the municipality" for "the borough or city" in paragraphs (1), (2)(A) and (B), and (3)(A) and (B), substituted "90 percent" for "80 percent" in the introductory language of paragraphs (2) and (3), inserted "and before January 1, 1982" in paragraph (3)(A) and (B), and added paragraph (4). The amendment also repealed paragraph (2) of subsection (b), which read "required the borough or city to provide, with its application, a certified copy of the notice to

taxpayers required by AS 43.18.030," and added subsections (h) and (i).

The 1983 amendment, effective July 20, 1983, in paragraph (a)(4), inserted "up to" in the introductory language, inserted "and authorized by the qualified voters of the municipality before July 1, 1983" in (A), inserted "and before July 1, 1983" in (B), added "and" to the end of (B), and added (C). The amendment also added paragraph (a)(5) and subsection (j).

The 1984 amendment, effective February 14, 1984, repealed former subsection (g), which defined "commissioner" and "cost of school construction."

Legislative history reports. — For report on ch. 28, SLA 1973 (HCSSB 114), see 1973 Senate Journal, p. 312. For report on ch. 127, SLA 1974 (SCSHB 817 am S), see 1974 House Journal, p. 657.

Sec. 14.11.105. Public school facilities construction advance account. The public school facilities construction advance account is established. The account consists of appropriations for distribution under AS 14.11.105 — 14.11.135 to boroughs and cities which are school districts to assist in paying the costs of public school facilities projects approved under AS 14.07.020(11) for which construction is commenced after June 30, 1978 and for which no bonding, notes, or other indebtedness was incurred before July 1, 1978. (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.105. Renumbered in 1983.

Sec. 14.11.110. Eligibility. Eligibility of a proposed construction project for funding assistance under AS 14.11.105 — 14.11.135 shall be determined by the department based on standards and criteria established by regulation. The standards and criteria to be considered in determining eligibility include the following:

*Never been used - was put in at time reimbursement was enacted to accommodate districts with bonding capacity now covered under AS 14.11.010
94.15 part of both the grant & reimbursement programs*

priorities assigned by assembly...

- (1) emergency requirements;
- (2) number of unhoused students;
- (3) new elementary or secondary programs;
- (4) existing community and school facilities and their condition; and
- (5) economic and social stability of the community. (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.110. Renumbered in 1983.

Sec. 14.11.115. State aid. (a) The amount of state aid payable in advance under AS 14.11.105 — 14.11.135 is the amount by which the cost of construction of the approved school construction project would cause the debt-to-valuation ratio of the municipality to exceed 12 per cent.

(b) A payment under (a) of this section is limited to an amount which, when combined with estimated payments to the school district for the retirement of the principal and interest on bonds, notes or other indebtedness or reimbursement of cash payments for a school construction project for which payment is made under AS 14.11.100(a)(1) or (2) or for an approved school construction project for which payment is made under AS 14.11.100(a)(3), does not exceed 80 per cent of the cost of the school construction project.

(c) For purposes of this section,

(1) "debt" means the principal amount of the direct and general obligation indebtedness of the municipality for which all taxable property is subject to taxation to pay the bond, note or other evidence of the debt, determined and reported in accordance with AS 14.17.140(c);

(2) "valuation" means the full and true value of the real and personal property of the municipality determined in accordance with AS 14.17.140(a). (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.115. Renumbered in 1983.

Sec. 14.11.120. Application for aid. (a) The commissioner shall prescribe the necessary forms and procedures to be used in applying for construction cost assistance under AS 14.11.105 — 14.11.135.

(b) A borough or city which is a school district seeking construction cost aid shall apply to the department by October 15 of the prior fiscal year.

(c) Based on the commissioner's review of applications and determination of project eligibility, the commissioner shall recommend to the governor an appropriation of funds for state aid for those projects under AS 14.11.105 — 14.11.135. (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.120. Renumbered in 1983.

Sec. 14.11.125. Conditions of state aid. (a) Funds distributed to a borough or city which is a school district during a school year under AS 14.11.105 — 14.11.135 shall be received, held, and expended by the district in accordance with the applicable provisions of law and of regulations adopted by the department. Funds provided under AS 14.11.105 — 14.11.135, but which are not required for the project for which they were granted or which are in excess of that borough's or city which is a district's entitlement for aid under AS 14.11.115 shall be returned to the department and deposited in the general fund.

(b) Each borough or city which is a school district shall maintain financial records of the receipt and disbursement of state funds received under AS 14.11.105 — 14.11.135 and money provided toward local effort. The records shall be in the form prescribed by the department and are subject to audit by it at any time.

(c) Upon completion of the construction project, the chief school administrator of the district shall report the total cost of the project and means of financing it to the commissioner.

(d) Boroughs and cities that are school districts shall secure and maintain in full force and effect adequate property loss insurance for the replacement cost of all facilities constructed after July 1, 1978 and for which state funds are available under AS 14.11.100 — 14.11.135. (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.125. Renumbered in 1983.

Sec. 14.11.130. Construction and implementation. (a) AS 14.11.105 — 14.11.135 may not be construed so as to create a debt to the state.

(b) Funds to carry out the provisions of AS 14.11.105 — 14.11.135 may be appropriated annually by the legislature into the public school facilities construction advance account. If amounts in the account are insufficient to meet the allocations authorized by the commissioner under AS 14.11.105 — 14.11.135, such funds as are available shall be distributed pro rata among each borough and city which is a school district based upon its computed entitlement. (§ 13 ch 147 SLA 1978)

Revisor's notes. — Enacted as AS 43.18.130. Renumbered in 1983.

Opinions of attorney general. — Appropriations to retire municipal general obligation school bond indebtedness under

this chapter are "required" and qualify as an exception to the spending limit of § 16, art. IX, of the state constitution. 1983 Op. Att'y Gen. No. 01.

Sec. 14.11.135. Definitions. In AS 14.11.100 — 14.11.135, unless the context requires otherwise,

(1) "approved school construction project" means the plan for a new school or an addition to or major rehabilitation of an existing school to the extent to which approved by the commissioner in accordance with AS 14.07.020(11);

(2) "commissioner" means the commissioner of education;

(3) "costs of school construction" means the cost of acquiring, constructing, enlarging, repairing, remodeling, equipping or furnishing of public elementary and secondary school buildings and includes the sum total of all costs of financing and carrying out the project; these include, but are not limited to, the costs of all necessary studies, surveys, plans and specifications, architectural, engineering or other special services, acquisition of real property, site preparation and development, purchase, construction, reconstruction and improvement of real property and the acquisition of machinery and equipment as may be necessary in connection with the project; an allocable portion of the administrative and operating expenses of the grantee; the cost of financing the project, including interest on bonds issued to finance the project; and the cost of other items, including any indemnity and surety bonds and premiums on insurance, legal fees, fees and expenses of trustees, depositaries, financial advisors, and paying agents for the bonds issued as the issuer considers necessary;

(4) "department" means the Department of Education. (§ 13 ch 147 SLA 1978; am § 48 ch 6 SLA 1984)

Reviser's notes. — Enacted as AS 43.18.135. Renumbered in 1983.

Effect of amendments. — The 1984 amendment, effective February 14, 1984,

inserted present paragraph (3) and redesignated former paragraph (3) as present paragraph (4).

Chapter 14. Local Administration of Schools.

Article

1. Operation of Districts (§ 14.14.090)

Article 1. Operation of Districts.

Section

90. Additional duties

Sec. 14.14.090. Additional duties. In addition to other duties, a school board shall

(1) determine and disburse the total amount to be made available for compensation of all school employees and administrative officers;

(2) provide for, during the school term of each year, an educational program for each school age child who is a resident of the district;

(3) withhold the salary for the last month of service of a teacher or administrator until the teacher or administrator has submitted all summaries, statistics, and reports which the school board may require by bylaws;

(4) transmit, when required by the assembly or council but not more often than once a month, a summary report and statement of money expended;

(5) keep the minutes of meetings and a record of all proceedings of the school board in a pertinent form;

(6) keep the records and files of the school board open to inspection by the public at the principal administrative office of the district during reasonable business hours;

(7) establish procedures for the review and selection of all textbooks and instructional materials before they are introduced into the school curriculum; the review includes a review for violations of AS 14.18.060;

(8) provide prospective employees with information relating to the availability and cost of housing in rural areas to which they might be assigned, and, when possible, assist them in locating housing; however, nothing in this paragraph requires a school district to provide teacher housing, whether district owned, leased, rented or through other means, nor does it require a school board to engage in a subsidy program of any kind regarding teacher housing. (§ 1 ch 98 SLA 1966; am § 3 ch 17 SLA 1981; am § 3 ch 105 SLA 1983)

Effect of amendments. — The amendment added paragraph (8).

Chapter 17. Public School Foundation Program.

Article

2. Preparation of Public School Foundation Budget (§§ 14.17.080, 14.17.140)
4. General Provisions (§ 14.17.225)

Article 1. State Aid to Local School Districts.

Sec. 14.17.021. Basic state aid.

Editor's notes. — The operation of AS 14.17.021(a) is suspended from July 1, 1983 through June 30, 1984 by § 5, ch. 82, SLA 1983. See §§ 4-10, ch. 82, SLA 1983, Temporary and Special Acts, for provisions operative during the period of suspension.

Sec. 14.17.022. Funds for centralized correspondence study.

Editor's notes. — The operation of AS 14.17.022 is suspended from July 1, 1983 through June 30, 1984 by § 5, ch. 32, SLA 1983. See §§ 4-10, ch. 82, SLA 1983, Temporary and Special Acts, for provisions operative during the period of suspension.

Sec. 14.17.023. Supplemental equalization aid.

Editor's notes. — The operation of AS 14.17.023 is suspended from July 1, 1983 through June 30, 1984 by § 5, ch. 82, SLA 1983. See §§ 4-10, ch. 82, SLA 1983, Temporary and Special Acts, for provisions operative during the period of suspension.

prepared by Sen HESS

DIFFERENCES IN HOUSE VERSION OF SB 51: School Construction

SEC. 1 Allows reimbursement of cash payments, as under current law. Senate bill removed this as an option. Generally runs a couple million dollars a year; Dept. has no objection to House version and it does provide an option for municipalities. However, it does mean more state money going out.

Provides for 80% reimbursement (Senate version is 75%, which is the Governor's recommendation).

SEC. 2 Specifies that state money can't be used for the portion of a project that exceeds Department space standards. Senate version essentially prohibits construction of anything that exceeds space standards. Issue here is the operation and maintenance costs that a larger facility incurs.

Swimming pool language is unchanged from existing law -- "competition size or larger". Senate version prohibits construction of anything that exceeds the space standards.

SEC. 4 Doesn't require that estimated operation and maintenance costs go on the ballot; Senate version does.

To demonstrate need and be eligible for state funding, the repair must be to meet health and safety standards. Senate version doesn't define the degree of repair.

Doesn't include as eligibility criteria the requirement to agree to a facility of an appropriate size. (Section 2, however, does limit state reimbursement to the portion of a project that is within space guidelines.)

SEC. 5 Interest may be used for costs of construction only. Senate version allows it to be applied to costs of bond issuance as well.

SEC. 6 Provides for an evaluation of projects, but no prioritization. Senate version requires that all requests for debt retirement be submitted to the Department by October 15, and that projects be prioritized based on weighted factors and submitted to the legislature.

SEC. 8 Requires that the districts notify the Department by October 15 of the amount of state reimbursement due them for the following fiscal year, but waives this deadline for FY 86 to accommodate those districts who may not yet be geared up for this new requirement.

SEC. 9 Effective date 7/1/86; Senate version is 1985. House version has no fiscal note this year; Senate version \$900,000.

Senate version repeals the "advance account" and requires legislative review of regulations. House version does neither of these things.

distributed by Kerttula

COMPARISON OF SCHOOL DEBT RETIREMENT BILLS
HB 191 and SB 51

- | HB 191 | SB 51 |
|--|--|
| 1. Raises debt reimbursement to 80%. | 1. Raises debt reimbursement to 75%. |
| 2. Does not make payments retro to 1983. | 2. Same. |
| 3. 14.11.100(h)-amended to reduce the amount of allocation for debt reimbursement by the amount used for construction of an inefficient design beyond what is approved by the department. (A district <u>could</u> build a school of any design and still be eligible for some reimbursement). | 3. 14.11.100(h)-does not add the House language but is amended to reduce an allocation by the construction cost difference between an approved swimming pool size and a larger one. |
| 4. 14.11.100(j)-amended to add new requirements a municipality must meet before the state may allocate money for reimbursement. A muni must demonstrate the need for a new facility or repair by long-term enrollment numbers or by having to meet health and safety standards. | 4. 14.11.100(j)-adds to the House requirements: operating and maintenance costs must be on the bond issue ballot and the municipality must agree to an appropriately sized facility as determined by the state board of education. (This means an unapproved facility will not be eligible for reimbursement). |
| 5. An amount equal to the interest earned on the investment of the bond proceeds shall be used by the municipality to pay the costs of construction of the project. | 5. Lists what interest must be used for: costs of the project, paying accrued interest on the bond issue, redeeming all or part of the bond or to pay the costs of issuing the bond. |
| 6. Requires school districts to submit their requests for funds under this program before October 15th of the fiscal year before the fiscal year for which the request is made. Does not apply to requests for fiscal year 1987. | 6. Same October 15th deadline, does not exempt fiscal year 1987. Sets out a priority list the department is to follow for allocation of funds. |
| 7. No legislative review or requirements for regulations. | 7. Requires the department to adopt regulations to carry out this chapter and requires a legislative review of the regulations in the second session of the 14th legislature. |
| 8. Effective date is July 1, 1986. | 8. Effective date is July 1, 1985. |

Levy
5/1/85 ✓

Original sponsor: Kerttula

1
2 IN THE SENATE

BY THE FINANCE COMMITTEE

3 CS FOR SENATE BILL NO. 51 (Finance)

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 FOURTEENTH LEGISLATURE - FIRST SESSION

6 A BILL

7 For an Act entitled: "An Act relating to state aid for school construc-
8 tion; and providing for an effective date."

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

10 * Section 1. AS 14.11.100(a)(5) is amended to read:

11 (5) subject to (h) and (i) of this section, 80 [50] percent
12 of

13 (A) payments made by the municipality during the
14 fiscal year for the retirement of principal and interest on
15 outstanding bonds, notes or other indebtedness authorized by the
16 qualified voters of the municipality after June 30, 1983, to pay
17 costs of school construction, additions to schools, and major
18 rehabilitation projects that exceed \$25,000 and are approved
19 under AS 14.07.020(11); and

20 (B) cash payments made after June 30, 1983, by the
21 municipality during the fiscal year two years earlier to pay
22 costs of school construction, additions to schools, and major
23 rehabilitation projects that exceed \$25,000 and are approved
24 under AS 14.07.020(11).

25 * Sec. 2. This Act takes effect July 1, 1985.

ISB 147 → P. Fischer

~~Jan 8:30 Thurs A.M.~~

delete grants
leave in muni. criteria 75% →

net max reimbursement based
on 85 dollars

Fbx 70-80 million

Kenai 70-80

Mat Su 70-80

$\$200 + \text{interest} = \300

10 yr payback - so $\$30 \text{ million/yr}$

50% 15 million add 0 yr
80% 24 million " yr

$-\$9 \text{ million net}$

900 \square reg classroom = $\$150 \square$ - varies around state
no land, design, equipment. $\square = \text{construction cost}$

Jim Tozier - elem, Indonly, K-12 have diff space guidelines
↓
100 sq ft/student
Min size school
1300
Greater than many states cause
our kids spend more time indoors.

Require debt projects to meet space guidelines -
(No control over grants.) Otherwise locals pay
for anything in excess of space guidelines.
Often poor building
sites, so makes cost
of construction higher.

200
200
2

Alaska State Legislature

Senator Paul A. Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269 H



State Senate

While in Juneau
Pouch V
Juneau, Alaska 99811
(907) 465-3791

STAFF ANALYSIS: Senate Bill 159 (An Act relating to state aid for school construction)

PURPOSE: Increase percentage of state reimbursement for school construction financed through bonds from 50% to 75%.

RATIONALE: The state legislature is required to "maintain a system of public schools" by Article VII of the Alaska Constitution. This provision of our Constitution has been held by the state supreme court to be unqualified. No other unit of government shares responsibility or authority. *Macauley v. Hildebrand*, Sup. Ct. Op. No. 741 (File No. 1550), 491 P.2d 120 (1971). Funding school construction costs at 100% in some areas of the state while funding other area needs at a lower level fails to meet this constitutional requirement. Passage of SB 159 will reduce the degree of inequitable treatment.

EFFECT OF THE BILL: 1. Increase from 50% to 75% the amount of possible state reimbursement for municipal debt for school construction, additions to schools and major rehabilitation projects which exceed \$25,000 previously approved by the state department of education and voters after June 30, 1983.

2. Likewise increase the state share of cash payments, after a two year time lag, made by municipalities for state approved school construction from half to three quarters of the total over \$25,000.

HISTORY: Several years ago, the legislature developed a state aid for school construction program to reduce the inequities between REAA districts where the state paid 100% and municipal school districts where local taxpayers were paying the entire cost. The original program provided for a 50% reimbursement on a two year time delay. The amount was later changed to 80%. Later the percentage of reimbursement for debt issued before July 1, 1977 was increased to 100%. The last legislature raised the percentage of reimbursement from 80% to 90% for debt issued from July 1, 1978 through June 30, 1983. The same legislature reduced the percentage for debt and payment to 50% for obligations incurred after June 30, 1983. Presently state may pay 100% on pre 7/1/77 debts, 90% on pre 7/1/83 debts and only 50% on newer debt.

ASSOCIATION OF ALASKA SCHOOL BOARDS

326 Fourth St., Suite 510 • Juneau, Alaska 99801 • (907) 586-1083

March 20, 1985

Senator Bettye M. Fahrenkamp, Chairman
Senate HESS Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fahrenkamp:

Please accept my apologies for being unable to attend the Senate HESS Committee hearing when it takes up S.B. 51, 159, 192 and 217. I will be in Anchorage on that day on other education business.

I would like to provide written testimony on these bills in the following manner.

Regarding S.B. 51 and 159

I am not sure that any one process is going to solve the needs of school construction in the next several years. S.B. 51 speaks to a grant process that uses bonding as a source of revenue. In light of the fact that the state bonding capacity is diminished, it does not appear that this notion will be the immediate solution to the need for new schools. AASB does, however, support S.B. 51 in that it appears to be a sound approach to prioritizing school construction needs. Possibly in the future when state bonding capacity is again realistic, this proposal could be used for dealing with the question at hand.

S.B. 159 deals with raising the state responsibility for the redemption of locally sold bonds for school construction. In 1983 the legislature reduced the state's contribution in this regard from 90% to 50% because of a rapidly rising state liability that appeared to be unchecked. This is demonstrated by the fact that the FY 86 state budget would call for \$405,000,000.00 for repayment of bonded indebtedness to municipalities. ~~Going back to a higher rate of state responsibility does not solve the fact that municipalities have an unlimited ability to bond and consequently obligate a debt for the state. There are no restrictions on the municipality in this regard other than the basic bonding capacity of the municipality.~~

Raising the state participation, however, may be a part of the answer to school construction even though the process is fraught with problems. I would encourage the committee to look at the process but explore some means of placing a cap on the ~~total obligation incurred in any one year. I would also suggest some combinations, namely the use of a state grant program that prioritizes projects, the use of local bonding capacity...~~ but also requiring that even these projects be forced into some sort of prioritizing, and the enhancing of the bonding incentive by raising the state participation on bond redemption.

Senator Bettye M. Fahrenkamp, Chairman
Senate HESS Committee
March 20, 1985
Page two

My emphasis is on the need for a state prioritizing system that puts our first dollar on the most needed project. There simply isn't enough money around to start all the projects that are in the offing. Recent testimony indicates that in the four largest communities of the state the following needs have been established in the area of school construction:

Anchorage	\$87 million	Kenai	\$70 million
Fairbanks	\$46 million	Mat-Su	\$70 million

From this data, it would appear that a statewide prioritizing system is necessary if state funds are to be used, and a combination of sources of revenue are going to be necessary if these projects are to be started this year as testimony indicates is the intent.

Regarding S.B. 192, Sick Leave Bank, I have the following comments:

The language appears to have as its intent the providing of access to a larger number of days for new employees. The practical point of this issue is that older employees have access to considerable amount of sick leave time.

Because school boards look at this issue from both a teacher morale point of view and a business sense point of view, I would recommend that two additional points be considered here:

1. If the door is to be opened to additional time at the option of the board, then there should be somehow an assurance that this option will remain at the discretion of the board and not subject to negotiations out of the hands of the board.
2. Because an employee must use up all accrued sick leave before participation in the bank, there should be a provision whereby new employees using the sick leave bank should be required to pay back the first 24 days of bank use as the days are earned.....or something like that.

Regarding S.B. 217

This bill is necessary and has our support. It spells out the status of a group of employees that currently are undefined. As background, there was a court suit aimed at keeping these people in the teacher bargaining unit even though they had opted not to be there by virtue of A.S. 14.20.560(f). The question in the suit and consequently here is the definition of administrative personnel. S.B. 217

Senator Bettye M. Fahrenkamp, Chairman
Senate HESS Committee
March 20, 1985
Page three

specifically permits teachers with administrative responsibilities the option of remaining with the teacher bargaining unit or opting by secret ballot to bargain with the administrator group. AASB supports this option.

Thank you for allowing me the opportunity to provide our views on these issues.

Respectfully,

A handwritten signature in black ink that reads "ROBERT C. GREENE". The signature is written in a cursive style with a long horizontal line extending to the right.

Robert C. Greene
Executive Director

RCG/sam

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 22, 1985

SUBJECT: Comparison of CSHB 191 (HESS)
with CSSB 51 (HESS)

TO: Senator Bettye Fahrenkamp
Chair, Senate HESS Committee

FROM: Keith B. Levy *KBL*
Legislative Counsel

You have requested a comparison of CSHB 191(HESS) with the latest draft of CSSB 51 (HESS), dated April 17, 1985. Both bills relate to grants and the retirement of debt for school construction. However, there are a number of substantive differences between the two bills.

Both bills set up a school construction grant account consisting of appropriations from the general fund for grants to municipal school districts and REAAs (AS 14.11.005). However, the Senate bill differs in that it provides that the account may also include funds appropriated from the proceeds of general obligation bonds (AS 14.11.005(b)). The Senate bill also requires the districts to repay 10 percent of the grant within 10 years, or to donate to the project 10 percent of the project cost.

Both bills require the school districts to request grant funds no later than October 15 of the year before the year for which the grant is requested (AS 14.11.010(a)).

Both bills require the Department of Education to rank requested school construction projects in the order of priority. This provision applies to debt retirement requests as well as grant requests (AS 14.11.102). However the Senate bill sets out a list of priorities the department must follow, in the order of decreasing importance. These include health and safety, unhoused students, cost savings, and upgrades (AS 14.11.010(b)), and are not contained in the House bill. Both bills also contain a number of factors the

department is required to evaluate, but not in any specified order of importance. These factors are in existing law (AS 14.11.100(c)) and include local priorities, emergency requirements, unhoused students, condition of local facilities, new programs, and stability of the local area. **The House bill adds to these factors the school district's local contribution to education.**

Both bills contain identical provisions allowing grants to be made if certain conditions are met and placing limitations on those grants (AS 14.11.015(a) and (b)). The **Senate bill** also contains provisions not found in the House bill **requiring a local vote on the receipt of grant funds before they may be accepted and providing that interest earned on the grant must be used for the project or returned to the state** (AS 14.11.015(c) and (d)).

The **House bill** increases the rate at which the state will reimburse school districts for school construction debt for projects authorized by the voters after June 30, 1983, and cash payments made after that date, from **50 percent to 90 percent**. This provision is **made retroactive**, applying to debt payments made two years before the year in which reimbursement is requested (AS 14.11.100(a)(5)). Accordingly, under the House bill, all debt payments for any project approved after June 30, 1983, would be reimbursed at the rate of 90 percent.

The Senate bill differs in that the rate of debt retirement for projects authorized by the voters between June 30, 1983, and June 30, 1985, and cash payments made between those dates, would be 75 percent. This provision would only apply to payments made beginning July 1, 1986. For projects authorized after June 30, 1985, the rate of debt retirement would also be 75 percent, but there would be no reimbursement for cash payments made after that date (AS 14.11.100(a)(6)).

Both bills contain substantively identical provisions adding to the criteria a project must meet before it is approved by the Commissioner of Education (AS 14.11.100(j)). These new criteria only apply to projects approved after June 30, 1985.

Both bills contain a provision restricting the use of interest earned on the investment of the proceeds of bonds issued for a school construction project. The Senate bill provides

that the interest may be used only for costs of the project, interest accrued on the bond issue, redemption of the bonds, or the costs of issuing the bonds. The House bill requires the school district to use an amount equal to the interest earned to pay the "costs of construction" of the project. This provision is not substantially different from the Senate version, however, because AS 14.11.135 provides that costs of school construction include "all costs of financing and carrying out the project." The costs listed in the Senate bill would be included under this definition.

The House bill contains a section, not found in the Senate bill, which provides that if a district receives a grant for a school construction project, a portion of the debt for the project equal to the amount of the grant will be retired at the rate of 50 percent instead of 90 percent (AS 14.11.103).

Both bills contain an identical section providing that if a municipality accepts a grant for school construction under the existing municipal grant provisions (AS 37.05.315) the municipality must comply with the restrictions on grants contained in the bill (AS 14.11.015).

The House bill contains a provision exempting debt retirement requests for fiscal years 1986 and 1987 from the October 15 filing requirement (sec. 13(b)). This provision is not found in the Senate bill.

Finally, both bills repeal the existing provisions of AS 14.11 relating to the public school facilities construction advance account (sec. 14 of the House bill; sec. 18 of the Senate bill).

KBL:ojb
J14/013

Senate HESS Committee
April 17, 1985

Superseded

Summary of Draft CS SB 51 (HESS)

Existing Law

Grants

Reimbursement

REAA's and municipalities
(14.11.015).

Districts with bonding
capacity

Same

Repay 10% within 10 years or
contribute like amount in real
property, site preparation, or
capital improvements
(14.11.005)

75% reimbursed over 10 years
(14.11.100(a))

No repayment of grant
required; 50%
reimbursement over 10
years.

Must apply to the Department
for funds by October 15 of the
previous year (14.11.010(a))

Same (14.11.102)

Current regulations (4
AAC 31.060) require
reimbursement claims be
made by September 15; no
such date for grant
requests.

Must demonstrate need -
projected long term student
enrollment that indicates the
school district has inadequate
facilities to meet needs, or
existing facilities that
require repair or replacement
(14.11.015(a)(2))

Same (14.11.100(j)(4))

Demonstration of need not
required.

Must agree to facility of
appropriate size and
configuration (14.11.015(a)(1))

Same (14.11.100(j)(5))

Guidelines on square
footage allocations are
provided in current
regulations (4 AAC
31.020)