

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672

5639 HOUSE HEALTH, EDUCATION & SOCIAL SERVICES 43

1 (B) cash payments made after June 30, 1983, by the  
2 municipality during the fiscal year two years earlier to pay  
3 costs of school construction, additions to schools, and major  
4 rehabilitation projects that exceed \$25,000 and are approved by  
5 the department before July 1, 1990, under AS 14.07.020(11).

6 \* Sec. 8. AS 14.11.100(c) is amended to read:

7 (c) The school construction account is established. Funds to  
8 carry out the provisions of this section shall be included within the  
9 general appropriation bill submitted to the legislature under AS 37.-  
10 07.020 and may be appropriated annually by the legislature to the  
11 account. If amounts in the account are insufficient for the purpose  
12 of providing the share to which a borough or city is entitled under  
13 this section, those funds that are available shall be distributed pro  
14 rata among the eligible local governments except that the legislature  
15 may direct that additional debt service on refunding bonds that ex-  
16 ceeds the total debt service on the refunded bonds be disregarded in  
17 whole or in part.

18 \* Sec. 9. AS 14.11.102 is amended to read:

19 Sec. 14.11.102. ALLOCATION REQUESTS. [EVALUATION OF PROJECTS.  
20 THE DEPARTMENT SHALL EVALUATE PROJECTS FOR WHICH RETIREMENT OF SCHOOL  
21 CONSTRUCTION DEBT IS REQUESTED BY SCHOOL DISTRICTS IN ACCORDANCE WITH  
22 THE PROCEDURES SET OUT IN AS 14.11.010.] A request for an allocation  
23 of funds under AS 14.11.100 must be submitted to the department by the  
24 school district not [NO] later than October 15 of the fiscal year  
25 before the fiscal year for which the request is made.

26 \* Sec. 10. AS 14.11 is amended by adding a new section to read:

27 Sec. 14.11.127. ALLOCATION OF APPROPRIATIONS FOR SCHOOL CON-  
28 STRUCTION. (a) If the amount appropriated to the department for  
29 school construction in a fiscal year is less than the amount necessary

1 to fund full entitlements for school construction debt retirement  
 2 under AS 14.11.100 and the amount necessary to fully fund all projects  
 3 required to avert imminent danger or correct life-threatening situa-  
 4 tions that have been approved by the board under AS 14.11.015, then  
 5 the amount appropriated for that fiscal year shall be allocated,  
 6 unless otherwise provided by law, between the school construction  
 7 grant account under AS 14.11.005 and the school construction account  
 8 under AS 14.11.100(c) in the following proportions:

Fiscal year	School Construction Grant Account	School Construction Account
1990	.11	.89
1991	.13	.87
1992	.15	.85
1993	.21	.79
1994	.29	.71
1995	.36	.64
1996	.46	.54
1997	.58	.42
1998	.60	.40
1999 and subsequent fiscal years	.62	.38

22 (b) If the amount appropriated to the department for school  
 23 construction debt retirement exceeds the amount necessary to pay full  
 24 entitlements under AS 14.11.100(c), the excess amount of the appro-  
 25 priation may be deposited, unless otherwise provided by law, in the  
 26 school construction grant account under AS 14.11.005.

27 \* Sec. 11. AS 14.11.130 is repealed and reenacted to read:

28 Sec. 14.11.130. CONSTRUCTION OF CHAPTER. This chapter may not  
 29 be construed to prevent a district from using other revenue to include

1 additional or expanded facilities as part of approved school construc-  
2 tion projects.

3 \* Sec. 12. AS 14.11.135(3) is amended to read:

4 (3) "costs of school construction" means the cost of ac-  
5 quiring, constructing, enlarging, repairing, remodeling, equipping or  
6 furnishing of public elementary and secondary school buildings and  
7 includes the sum total of all costs of financing and carrying out the  
8 project; these include, but are not limited to, the costs of all  
9 necessary studies, surveys, plans and specifications, architectural,  
10 engineering or other special services, acquisition of real property,  
11 site preparation and development, purchase, construction, reconstruc-  
12 tion and improvement of real property and the acquisition of machinery  
13 and equipment as may be necessary in connection with the project [; AN  
14 ALLOCABLE PORTION OF THE ADMINISTRATIVE AND OPERATING EXPENSES OF THE  
15 GRANTEE; THE COST OF FINANCING THE PROJECT, INCLUDING INTEREST ON  
16 BONDS ISSUED TO FINANCE THE PROJECT; AND THE COST OF OTHER ITEMS,  
17 INCLUDING ANY INDEMNITY AND SURETY BONDS AND PREMIUMS ON INSURANCE,  
18 LEGAL FEES, FEES AND EXPENSES OF TRUSTEES, DEPOSITARIES, FINANCIAL  
19 ADVISORS, AND PAYING AGENTS FOR THE BONDS ISSUED AS THE ISSUER CONSID-  
20 ERS NECESSARY];

21 \* Sec. 13. AS 14.11.135 is amended by adding a new paragraph to read:

22 (5) "district" means the districts described in AS 14.12.-  
23 010.

24 \* Sec. 14. AS 46.11.900(8) is amended to read:

25 (8) "state financial assistance" means a loan, grant,  
26 guarantee, insurance, payment, rebate, subsidy, or other form of state  
27 assistance other than aid under AS 05.35.010 - 05.35.070, AS 14.11.  
28 [AS 14.11.100 - 14.11.135,] and AS 29.60, including the purchase by a  
29 state agency of a loan to finance the construction of a new

1 residential, commercial, or industrial building;

2 \* Sec. 15. AS 14.11.010, 14.11.105, 14.11.110, 14.11.115, 14.11.120,  
3 and 14.11.125 are repealed.

4 \* Sec. 16. This Act takes effect July 1, 1989.  
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HB

47

# HOUSE COMMITTEE REPORT

(7)

Date Referred: January 9, 1989

FURTHER REFERRALS: LABOR & COMMERCE  
FINANCE

Date of Committee Action: 4/1/90

The HEALTH, EDUCATION & SOCIAL SERVICES Committee recommends that:

HOUSE BILL NO. 47 [CATASTROPHIC ILLNESS INSURANCE]  
"An Act relating to catastrophic illness insurance; and providing for an effective date."

[ ] be replaced with \_\_\_\_\_ [ ] the same title  
[ ] a new title

[ ] have attached amendment(s)

- [ ] do pass
- [ ] do not pass
- [X] no recommendation
- [ ] individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- [ ] fiscal impact
- [ ] zero fiscal note
- [X] zero with analysis

APPROVES PREVIOUS:

- [ ] fiscal note(s) published: \_\_\_\_\_
- [ ] zero fiscal notes(s) published: \_\_\_\_\_

SIGNING DO PASS:

Peter Jones  
\_\_\_\_\_  
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\_\_\_\_\_  
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\_\_\_\_\_

SIGNING OTHER THAN DO PASS:  
(Do Not Pass, No Recommendation, Amend)

W. Furnace no rec.  
W. Krenberg no rec.  
Scott no rec.  
Mark no rec.

P. J. Ellis  
Chairman's signature

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: \_\_\_\_\_  
 Title: Relating to BRU: \_\_\_\_\_  
           Catastrophic Illness  
 Sponsor: Rep. Koponen Components: \_\_\_\_\_  
 Requestor: (H) HESS

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0	0	0	0	0	0
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Division of Insurance will present a fiscal note upon  
hearing HB 47 in the House Labor & Commerce Committee

Prepared by: Jim Nordlund *Jim Nordlund* Phone: 465-3759  
 Division: House HESS Committee Date: 4/5/90

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

Distribution (by preparer):  
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SPONSOR STATEMENT

HB47

HB 47 is identical to SSHB 410 which I introduced in the 15th Legislature to act as a working draft for a solution for uninsured and underinsured Alaskans. We all know of relatives, friends, or friends of friends who have found themselves in the unfortunate position of desperately needing medical care and not being able to pay for it. An estimated 7-10% of Alaskans are uninsured. Alaskans are like most other Americans - most of those who are uninsured are employed. 40% of the uninsured are children.

There are several concepts behind HB 47 which distinguish it from some other current bills dealing with the issue of access to health care. HB 47 includes a single pool concept, which would allow for good planning and shared risk. It has a deductible (of \$5,000). It is capped on a per person, lifetime basis. It would be funded by utilizing a portion of income of the Permanent Fund and would provide a nontaxable benefit to Permanent Fund recipients. I believe it would also reduce the hold harmless paid by the State to the federal government for Alaska welfare recipients and as a universal access program should lower the cost of workers' compensation.

*Entrepreneurialism ran rampant and forgot sound management principles.*

# The Failed Revolution in Health Care — The Role of Management

by Regina E. Herzlinger

The American health care industry is sick. Its huge fraction of our GNP—one out of every eight dollars—is double that of Japan and at least 50% higher than that of other developed countries. Because it is growing at rates 50% higher than the GNP, the industry's cost hampers control of our disastrous trade deficit.

Even so, despite the sums they spend on health care, many Americans cannot get the services they need or want. Plagued by the ubiquitous ailments that reduce their productivity, like backaches, sore feet, and digestive difficulties, Americans find services to be fragmented, impersonal, inconveniently located, and offered at unsuitable times. Then there is the quality of the care itself, which is notoriously erratic. Although our health care system excels in heroic procedures that save lives, more common procedures are less expertly provided. For example, most experts concede that only a fraction of the 700,000 hysterectomies performed every year can be medically justified.

*Regina E. Herzlinger, holder of the Nancy R. McPherson chair at the Harvard Business School, is a member of the control faculty who also teaches a course in health care management. This is her sixth HBR article on this subject, beginning with "Can We Control Health Care Costs?" (March-April 1978).*

In response to demand and to the perceived inadequacies of the system, new organizations sprang up in the 1970s to deliver more efficient service, new organizations to upgrade the quality and accessibility of care, and new organizations to exploit the extraor-

Entrepreneurs saw a big opportunity in the health care industry.

dinary advances of molecular biology and computer science. They were the forebears of a revolution that in the 1980s was supposed to transform the health care

New organizations were not like the hospitals, medical suppliers, and the care providers of an earlier era that grew slowly and cautiously to become fixtures on the landscape. Often launched by entrepreneurs, these were upstarts—HMOs, nursing home chains, health-related businesses—that looked to the financial markets for nourishment. And the financial community fell in love with their prospects and tapped the spigots that let billions of dollars flow. One securities analyst giddily predicted that virtu-

ally all Americans would eventually be enrolled in new health care organizations. After U.S. Healthcare's initial public offering in 1983, the price soared to 7.4 times earnings.

The entrepreneurs were well rewarded. The fabled Abe Gosman, a skilled real estate developer and banker, began Mediplex, a nursing home chain, in 1983, took it public in 1984, and sold the company to Avon for \$300 million in 1986, netting more than \$100 million. Like him, the entrepreneurs who entered the industry were challenged by the prospect of transforming the sluggish giant—filled with business-as-usual administrators and detail men—into a sleek machine delivering efficient, convenient, and technologically advanced services and products. They recognized the importance of the cause, health care, they thought, is nobler than Pringle's.

Abetting the revolution were two powerful sectors: government and large private employers, allied in this case by their alarm over skyrocketing costs. By 1985, the health care costs of the average big company were growing so fast that they would equal its net income by 1993.<sup>1</sup> Uncle Sam quailed at the prospect of paying to maintain the well-being of a surprisingly resilient and fast-growing elderly population. A shot of good, old-fashioned competition—as just the medicine the government wanted. That, of course, was business's natural inclination as well.

Business and government used their enormous purchasing power—paying for more than 80% of health care bills—to push and prod the system to respond. When the federal government started limiting its hospital payments to a fixed price for the service rendered (through so-called diagnosis-related groups, or DRGs) in the early 1980s and the private sector initiated a host of audit techniques to review health care providers, the stage was set for the revolution.

But the revolution failed. Despite the ability of the entrepreneurs, the enthusiasm of its powerful backers, the billions of dollars spent to fuel its engines, the nobility of the cause, and the clarity of the mandate, it failed. Despite the vaunted efficiencies to be created by new services and competition, costs proved intractable. Services remained inconvenient and variable in quality. The scientific breakthroughs that pioneers have created have yet to be reaped as effective medical technologies.

What went wrong? I claim that the failure was almost entirely that of management, not of strategy, that the creators of these new organizations were so blinded by the vision of the dazzling new world they hoped to forge that they neglected the details of management that would breathe life into their vision. My purpose in this article is to reorient the revolution to

a second stage that will be guided by those who believe that in management, as in architecture, God is in the details.

## The Altered Scene

The revolution grew out of profound changes in technology, in population characteristics, and in social expectations of what health care should be.

We are most familiar with the technological changes. Laser and microsurgery, pharmacological miracles, ultrasonics, magnetic resonance imagers (MRIs), and other computer diagnostics, transplants, and artificial joints and organs—all these innovations increasingly enable health care providers to do what was once unimaginable.

And the promise is breathtaking. Genetic engineering itself not only will offer better, more specific, and safer therapies for sick people but also may permit actual prevention of disease by correcting genetic defects that cause it. The increasing cost-effectiveness and user-friendliness of computers promise instruments that vastly expand our ability to diagnose, monitor, cure, and account for the cost of disease. These instruments may eventually replace one or another of the five senses; hearing has already been restored in some completely deaf people through electromechanical ear implants.

In the last decade or so, entrepreneurial "techie" have created hundreds of companies, ranging from the biotech miniatures that surround most major medical schools to the giants that make big, computerized diagnostic equipment like MRIs and CAT scanners, to the aggressive ventures marketing clinical and management information systems.

The aging of the population is the most important demographic phenomenon; it has prompted the rise of a whole subindustry of geriatric care. Also significant is the altered status of women, the largest consumers of health care and the prime agents for their families' purchases. Their rising income, declining free time, and growing dissatisfaction with traditional health care have shaped enterprises aimed solely at them, including birthing centers and no-appointment-needed neighborhood emergency care providers.

The new status of women also affected the supply of services. The trend toward a corporate practice of medicine, with physicians working under the direction of a manager who was to help them establish more efficient, standardized service, was facilitated by the growth in the number of female MDs from virtually none in 1969 to nearly 25% of the total by

decades later. Many of them and their spouses (particularly the ones with young children) were willing to trade the independence and high income of the fee-for-service doctor for the more limited responsibilities of a salaried employee.

But the dependably subservient army of women health workers—nurses, technicians, aides, and dieticians—increasingly found more rewarding and more lucrative opportunities elsewhere. By 1986, for the first time, the number of female college freshmen interested in becoming doctors exceeded those interested in nursing.

Meanwhile, Americans' expectations of the care delivery system were changing; people were increasingly charging it with keeping them healthy instead of just treating their diseases. Better educated and more self-sufficient than their forebears, they considered themselves the best instruments for health maintenance, and acted accordingly. The remarkable drop in the incidence of cardiovascular disease, for example, was greatly levered by individuals who reduced their cholesterol intake, stopped smoking, and pursued fitness regimens. To serve them, fitness clubs, weight-reduction emporiums, and other health-promoting enterprises sprang up.

An overriding concern during this time of upheaval was the cost of health care. Even doctors overwhelmingly rated costs as their number one worry about the system. Groups formed to "manage" care spread quickly. The most popular were HMOs (health maintenance organizations), which combined insurance with care delivery functions—thus offering an incentive to limit the cost of care to the price of the insurance—and PPOs (preferred provider organizations), in which the "preferred" physicians and hospitals discounted their fees.

Many hospitals integrated vertically to supply comprehensive services, ranging from health insurance to community-based outpatient care, and integrated horizontally into chains to obtain economies of scale. Nursing homes, medical equipment suppliers and manufacturers, distributors, and pharmaceutical companies also sought to integrate for the sake of scale and product-line efficiencies.

Health care quality became a universal concern. Doctors, insurance companies, the federal government, and consumer groups

questioned the necessity for some procedures and called attention to the great variability in utilization pattern—across the medical profession and around the country. Organizations to monitor the quality of care emerged, as did national health care chains that promised to furnish consistent and appropriate levels of service. As knowledge of the ills of the system grew, attention began to shift toward measures to rebuild and reinvigorate. They added up to a promise of more responsive, less expensive care, committed to maintaining health as well as healing the sick.

## What Went Wrong?

The promise has given way to discouragement and stagnation. Costs have not only continued to climb at staggering rates—50% higher than the CPI in 1988—but also have become so unpredictable that insurance companies cannot price their packages correctly. They lost about \$7 billion in 1987 alone.<sup>1</sup> In a survey I conducted last year of all publicly listed companies, 70% of the CEOs complained about the rise in health care costs and nearly 50% felt they could not control them.

Evidence of continued serious quality problems abounds. When half the surveyed doctors do not know the American Cancer Society's guidelines for cancer checkup, how good is the advice they give their patients?<sup>2</sup> Coronary angiography, widely used to detect coronary circulatory problems, was shown to



be inappropriate in 17% of cases studied.' There is considerable doubt about the need for the astonishingly high number of Caesarean birth procedures performed (nearly one million in 1987). In a poignant description of a hospital's treatment of his infant granddaughter, one physician asked, "Is Brutality Now Our Standard of Care?"<sup>15</sup>

To be sure, this decade has seen important surgical innovations that permit many patients to shorten their hospital stays or to avoid them altogether. And there have been impressive gains in heroic procedures like transplantation of hearts and other organs. Moreover, of course, many care providers continue to give dedicated, excellent service.

But the new organizations have almost universally failed to meet their promise. A glance at the stock market tables says a lot: Hospital Corporation of America (HCA), a high of \$57 in 1983, priced at \$43 at this writing; U.S. Healthcare, an HMO, high of \$23 in 1986, now at \$6; Manor Care, a nursing home chain, high of \$26 in 1986, now at \$14; Cetus, a biotech company, high of \$42 in 1983, now at \$11. Many of the biotechnology concerns are financially precarious. Most of the HMOs and hospital and nursing home chains have posted losses or seen severe curtailment of their earnings growth. Many companies that invested in health care enterprises in the early 1980s are sorry they did. Avon Products, for one, just wrote off hundreds of millions in losses.

**Entrepreneurs were obsessed with growth and single-mindedly focused on marketing.**

The usual reason for failure: the entrepreneur's obsession with financing and fixation on marketing. Although a fledgling enterprise understandably must attend to securing its capital and its place in the market, the health care entrepreneurs gave too little thought to how the organization should be run.

Just like any other business, such organizations require, for example, excellent accounting systems for tracking costs. Technologically innovative companies need organizational frameworks that enhance the research function and control systems that balance the technologists' creative activity with the company's financial resources. Moreover, every new enterprise needs to be guided by a philosophy about centralization of power that reflects appropriately the circumstances of the business and its growth potential. When a company is run well, earnings growth should take care of itself.

But financing fixes to "create" growth were a standard part of the scene, especially among hospital chains. They usually involved restructuring of sources of capital and optimistic accounting to generate high returns on invested capital. The chains' practice was to buy hospitals, revalue the assets, and borrow up to 80% of the purchase price. The resulting leverage lifted return on equity into the stratosphere—enabling, for example, one company to achieve a 24% ROE in 1985, though its return on sales amounted to a more modest 10%.

When hospital utilization dropped, new financing fixes emerged and Wall Street continued to fund them. Some chains formed ESOPs that "bought" their lower performance hospitals, with junk bonds as the vehicle. In one stroke, they got rid of a drag on earnings and posted a gain on the sale! Later, when the market seemed to turn sour on their newly fixed earnings, they turned to yet another approach and sought to go private.

The nation's 6,000 nonprofit hospitals, beset by the same empty-bed problem, also used financial fixes extensively. Many restructured into holding companies with for-profit and nonprofit subsidiaries. The lower costs produced by their tax exemptions enabled the nonprofits to underprice the tax-paying businesses with which they increasingly competed.

Certain entrepreneurs could not resist the temptation to indulge in creative accounting to impress their bankers. Many HMOs held constant their "reserves for contingent liabilities for claims incurred but not yet filed," while revenues climbed dramatically. In other words, they understated expenses. The nonprofit holding companies usually provided financial statements only for their money-losing hospitals, to maintain their tax exemptions and to keep donations coming, while obscuring any favorable results of their for-profit units.

Some entrepreneurs were particularly clever as financiers. The head of Health Stop, the nation's largest chain of ambulatory care centers, got much of his financing from hospitals that paid \$250,000 to \$1 million each for the right to put their names on the centers' doors. Although the hospitals were sure that the centers would create new patient bases for them, the credibility of a hospital's name on the door probably created a patient flow for the Health Stops they would not otherwise have had.

Where was Wall Street while these financial machinations were going on? The financial community restricted its criticism to the attire of these new entrepreneurs, snickering at their "la la" look and open shirts.

The biotechnology companies are also preoccupied with financing; but for them it reflects the

unfortunate realities of the U.S. capital markets. Although their research has been very productive, the hundreds of millions of dollars needed to bring a drug to market through clinical trials to determine efficacy and safety are beyond the resources of nearly all biotech companies—at least since October 19, 1987. So the entrepreneurs are forced to give away much of their technology through contingent licensing and joint-venture agreements with established pharmaceuticals. Will their techie creativity survive these bear hugs?

The marketing efforts of health service entrepreneurs often held out a promise that the actual delivery of the service could not meet. For example, the widely touted “women’s programs,” created in response to women’s complaints about inadequate services, are usually no more than a referral source to traditional care providers. One hospital’s ignorance led it to trumpet its PMS (premenstrual stress) program as dealing with women’s *postmenstrual stress syndrome*.

### Instead of sound cost-accounting systems, the new managers looked for financing fixes.

For hospitals, buildings and building additions are an important part of marketing: they signal solidity and promise modernity and new services. So, while thousands of hospital beds lie empty, hospital construction proceeds at a swift rate, with \$2 billion in investment in 1986.

Technology-based companies sometimes fall into a trap of confusing market glamour for product fit (another responsibility of management). There is the case of the talented former Digital Equipment engineers who started Computers in Medicine to sell an integrated clinical and management information system to the fast-growing doctors’ group-practice market. It was a technological marvel, complete with touch-screen and voice-recognition capabilities to appeal to the computer-leery doctor. The engineers positioned the system as the Mercedes of its class, a beautiful \$100,000 machine.

But Mercedes-driving doctors turned out to be very hard-nosed when buying computers. Technology held no magic for them, especially when offered by a company with no history. They wanted service assurances that the company could not provide. Computers in Medicine failed.

Like this advanced information system, the much-touted expert systems have made little headway

with medical practitioners. The brilliant MDs designing these systems have trouble empathizing with the mass of physicians who are uncomfortable with computers or unwilling to abdicate their decision making to a machine. User-friendly expert systems that support doctors’ decision making, instead of supplanting it, have yet to be designed.

The biotechnology companies have also had difficulty selling advanced concepts to their conservative, wary clientele. A case in point is the largest of them, Genentech, which, after surmounting many regulatory hurdles, finally brought its long-awaited clot-dissolving drug, t-PA, to market. But 1988 sales fell far short of expectations because the company did not foresee the difficulty of convincing doctors of the efficacy or cost-effectiveness of the innovative cardiological therapy that t-PA represents.

Similar marketing misperceptions have also bogged down health promotion companies. No question there’s a market out there: 50 million Americans smoke, 23 million are drug abusers, 18 million are problem drinkers, and 10% of adults are so obese that they jeopardize their lives. But health is customarily promoted by true believers who cannot empathize with the destructive life-styles of those who most need their services. So in aerobics classes you see athletes with 20-inch waists or necks working out, while the potbellied, hard-breathing smokers who most need the exercise are elsewhere because the instructor has not tailored the program to their needs and abilities.

### Missed Opportunities

While the entrepreneurs were busy devising financing and marketing schemes, they missed opportunities to improve the quality and efficiency of health care in four key areas: administration of operations, management of human resources, management control systems, and the formation of a management philosophy.

*Operational Administration.* The health care system too often delivers service in inconvenient settings, in ways that are inconsistent if they are subject to the individual preferences of physicians, and in ways that demonstrate too little regard for patients or clients.

Everybody has heard a horror story about a hospital stay that reflects the depersonalization felt there. (Professional staff, for instance, may refer to patients not by their names but by their illness or the procedure used, like “the cabbage in 312” — a cabbage being a coronary artery bypass graft.)

The entrepreneurs who started Nutritional Management offered help to morbidly obese people who weigh two or three times their ideal weight and have high risk of illness and premature death. Their protocol of fasting, tailored exercise plans, and behavior modification regimens held great promise. The key to the program was the support given these seriously ill and depressed individuals in transforming eating and exercise habits so they could maintain weight loss. But the support included only 20 minutes a week with their counselors and 10 minutes a month with their physicians. Not surprisingly, the company folded.

The women's program at the Charles River Hospital in Massachusetts, in contrast, represents sensible operational administration. Instead of simply relying on traditional therapy, the psychiatric hospital studied its clients' needs. It identified the importance of close personal relationships in women's perceptions and structured a program consistent with that view, in the therapy sessions and also in the world they would reenter following their hospital stays. After discovering that some patient problems, like sexual abuse, were so repugnant that the staff avoided dealing with them, Charles River also offered therapy to staff members.<sup>5</sup>

Many emergency health care centers exhibit a wide gap between concept and actual operation.

**What distinguished one psychiatric hospital's program for women was its study of the clientele's needs before starting the therapy service.**

Created to supply no-appointment, no-wait service to working parents and people with medical emergencies, they have become instead as slow in service as any hospital emergency room. Patients often have to wait an hour or more. Many centers have failed to give their doctors (who are salaried) clinical guidance or managerial training, or to motivate them. Consequently, the centers have suffered from high physician turnover rates, frustrating their avowed aims of continuity of service, friendly atmosphere, and physician involvement.

Compare this situation with Health Stop's policy. It rewards doctors directly for building volume and delivering the efficient, patient-centered service that makes people want to return when they next need treatment. Each center is now divided into two entities: one, Health Stop, for the delivery of care, which

is owned by the physicians; the other, Wellesley Medical Management, for administrative services like accounting, maintenance, and billing, which is owned by management. The doctors' equity stake influences them to look at their place of employment differently. They learn, for example, to schedule employees' work in a cost-effective way and to look for ways to shorten patients' visit time. Yet they become mindful of the benefits of having a satisfied clientele; a clue is the fact that they often telephone patients to inquire about their progress.

*Human Resources.* In many segments of the health care industry, those employees who are at the most critical point in fulfilling the purpose of the organization—that is, in close and frequent contact with the "customer"—are often given the lowest pay and the lowest status. In nursing homes they are the aides, denigrated by their very job title. Mismanagement of this worker group has undermined the delivery of new services to the elderly. Few are the organizations, for-profit or nonprofit, that have ignored stereotypes of income or career paths and have carved out satisfactory roles for nursing home aides and workers of similar status.

The shortage of nurses is a case study of human resource mismanagement in the health care industry. Although nurses are the backbone of hospital service, their career prospects are limited. Their salary scale is compacted to a \$24,000 range between the base salary of a staff nurse and that of the director of nursing services (depending on the section of the country), peaking at an average of \$39,000 for the director of critical care nursing—a small increment for a 20- to 40-year career.<sup>7</sup> Only 6% of supervisory nurses got incentive payments in 1986.<sup>8</sup>

Moreover, their work has become increasingly difficult: while hospital patients became "sicker and left quicker," institutions' support staff numbers shrank and left the nurses with more paperwork and tasks not directly connected with caring for patients. More important, the role of hospital nurses has become rather unclear as they have specialized—are they allies or competitors of the doctors? Lingering sexism compounds this problem, as some doctors cannot deal with the financial demands and independence shown by the once subservient nursing profession, 97% of which is female.

A program at Boston's Brigham and Women's Hospital is a notable attempt to manage this problem. In an effort to establish a distinct professional identity and to reinforce nurses' self-esteem, the hospital encourages them to spend a great deal of time articulating what they do. To enhance patients' and nurses' satisfaction, patients are assigned "primary nurses" who are responsible for all their hospital care and for

all subsequent visits. The hospital looks for ways to foster physicians' respect for the nursing staff. In one seemingly trivial change (but significant to all concerned), nurses are entering their observations directly in the patient's medical record, next to the doctor's note, rather than in the back of the record, as in the past.

Nurses are also encouraged to explore various career options, like research. The results have been rewarding. When a nurse group's study of premature infants' care, for example, found that the practice of tying their limbs to the four corners of the bed (so they wouldn't dislodge their support tubes) stunted their growth, Brigham and Women's nurses designed a womb-like environment in which the preemie's fetal position stimulated rapid growth. The hospital provides intense career counseling, supported by heavy doses of training and internal public relations. These measures have eased the impact of the nursing shortage in the hospital and have helped the hospital's nurses grow professionally.

**Control Systems.** Managerial control systems to track costs and establish the organizational basis for operations are a critical component of any for-profit or nonprofit entity. These systems consist of a structure, which divides the organization into the units responsible for carrying out the work, and an accounting system that continuously evaluates their performance.

Many health care organizations lack either aspect of a managerial control system. Some HMOs even lack accounting systems. One fast-growing HMO had no CFO or controller during a period when it was entering into fixed-price contracts to deliver its services. Not surprisingly, it later suffered heavy losses. It is no secret that healthy young adults dominate the rosters of HMOs. As these members age, however, the absence of a firm fix on costs imposed by a good managerial control system may prove fatal; clever marketing cannot substitute for it.

Some entrepreneurial companies providing patient-centered health care have remained traditionally organized—that is, by the doctors' specialties, not the patients' needs. This structure is akin to organizing an auto manufacturer by its suppliers of wheels, batteries, and steel rather than by the components of the car—engine, chassis, and so on. Although the traditional organization gives the physicians a peer group, it also sets up a barrier for the many patients with cross-specialty needs, like those with back problems or chronic pain, and undermines assignment of responsibility for an outcome—because no one person is accountable.

This functional structure makes it difficult to identify the costs of a service and the relationship



Physician	1985	1986	1987
B	22	10	7
C			
D	12	10	8
E			
F	9	10	9
G			
H	12	10	5
I			
J	11	11	12

Source: Mediquip Systems, Inc.

between cost and price. Because the dispensing of a service usually cuts a loss many functions, cost accounting and billing become horrendously complicated. The absence of accurate cost-accounting data forced the federal government to derive its DRG system through econometric analysis.

The Cleveland Clinic Foundation has one of the few institutions with enough cost-accounting and control competence to permit it to quote fixed prices for 17 procedures, including all physician and hospital costs. Virtually no other hospital can quote a fully bundled price. The clinic's concentration in certain medical specialties such as cardiology simplifies its cost accounting. While a few other hospitals are also specialized, like Shouldice Surgery near Toronto that treats only hernias (and tracks work requiring correction to the surgeon involved), most are multifunctional and so cannot derive the economies and other managerial benefits of concentration.

Having good cost-accounting data can cut costs. For example, Cardinal Distribution, a successful regional wholesaler located in Ohio, developed a PC-based inventory control system for its client pharmacies. The system tripled inventory turnover and reduced the necessary number of employees for purchasing and billing.

Having good clinical data can significantly improve patient care. The table shows the results when a hospital installed a quality monitoring system. Over a two-year period, the incidence of illness, after treatment for heart failure and shock, in the patients of the ten staff physicians declined generally, and in several instances dropped sharply.

Control difficulties can plague biotechnology companies that are organized according to scientists'

specialties, like molecular biology, rather than by product line or disease category. This structure inhibits product development. Sometimes it appears to exist mainly to help a fledgling company dazzle potential investors with seductive but cryptic displays of scientific wonders. Many of these startups lack the cost-accounting ability to control their cash "burn rate," so they can fail if the equity market collapses.

**Management Philosophy:** Some health care entrepreneurs, especially those in service delivery, are sheepish about their business status—perhaps because of the academic doctors' frequent attacks on the "medical-industrial complex." Typical is the attitude of Keith Brodie, a psychiatrist who is president of Duke University. In a lecture he lambasted "the bete noire of rampant entrepreneurialism" in health care.<sup>1</sup> Such scorn leads to denigration of a business focus and a sensible managerial viewpoint.

Some health care executives proudly declare that they embrace a philosophy: they are decentralized. But their espousal may represent an easy out of the tough job of managing (or a bow to pop management), not a thoughtful response to the organization's needs. Often they lack the management control systems that make decentralization work. One large hospital chain I studied operated on a decentralized basis, but its "model" information system could not identify the key group of doctors who admitted more than 40% of its patients.

Tight centralization, however, was the philosophy of David Jones, who built Humana to the point where at one time the company earned nearly as much from its 80 hospitals as its largest rival, HCA, did from its 350. Humana boasted excellent management control systems. Jones, a CPA, pored over minutely detailed reports and created probing internal competitive devices such as a monthly ranking of all hospitals according to profit margins, receivables turnover ratios, and bad debt rates. When utilization fell, the chain used its information system to help it design new insurance products whose price was based on the low marginal cost of a day in a Humana hospital.

It would be gratifying to be able to report that Humana had reaped its just rewards. But it lost nearly a quarter of a billion dollars from its insurance products. The centralization philosophy left too little room for development of managers capable of running the new business, and Humana's top managers could not respond appropriately to the needs of the fast-growing, dispersed markets they had entered. Maxicare, an HMO, ran into the same problem. Its carefully crafted centralized management system could not keep up with the company's growth, and Maxicare too had no bench of management stars to

## Ideas for Future Health Care Entrepreneurs

Category	New Technologies	New Consumers
Cost	Assemble and assemble services (e.g., foot and hand monitoring)	Widespread health care (stationary, lower back pain management, hypertension control, care for sick children, elder care)
Efficiency	Use unmonitored devices to monitor health (e.g., for hypertension control)	Focused facilities (foot care, back pain, breast care, headaches)
Quality	Use unmonitored devices to monitor health (e.g., for hypertension control)	Adopt a "granola" approach
Access	Use unmonitored devices to monitor health (e.g., for hypertension control)	Pharmaceuticals from the home (e.g., for hypertension control)
Marketing	Use unmonitored devices to monitor health (e.g., for hypertension control)	Home health care TV shopping network

Author's note: I have compiled this table with the help of many generous colleagues, businesspeople, venture capitalists, and students.

offset the systems' limitations. Maxicare is teetering on the brink of bankruptcy.

Regional cost variances in health care compounded these companies' difficulties. Per capita expenses in New England, for instance, exceed those of the Mountain states by 40% for hospital service and 50% for nursing home care.<sup>2</sup> Operating a closely centralized organization in such an environment, particularly during a time of fast growth, is difficult. Recognizing this truth, Humana eventually scaled back to the few regions in which it owned hospitals and to a level at which its centralized systems could comfortably operate. The company has posted big earnings gains in the last two years.

Author's note: I am grateful to Jane Newman for her assistance in the preparation of this article.

A few health care companies have benefited from decentralization. Bristol-Myers' notably graceful acquisition of many companies over the years was made possible by a management philosophy that enabled each new unit to maintain those features central to its success. So, in 1986, when Bristol-Myers spent \$300 million to buy Genetic Systems, a biotech company, Wall Street did not view the investment as particularly risky, despite the ostensible handicap that the company's only assets, its scientists, were not owned.

Bristol's philosophy recognizes that its many businesses, spanning hair care products to cancer drugs to Bufferin, require quite different management styles. This is a notion that even much smaller health care concerns have not recognized. The consequences have not always been advantageous to the business, as the case of Beverly Hospital shows.

To distinguish itself from other small community hospitals north of Boston, Beverly Hospital decided to diversify. A part of this successful program was a birthing center that featured a supportive environment for mothers delivering naturally, without medication. Running the center was a team of nurse-midwives whose clinical training and shared counterculture values made them ideal supervisors of this alternative birthing site.

But the hospital's administration did not see eye to eye with the nurse-midwives. Management's insistence on a hierarchy, despite the nurses' view of themselves as equal partners in a flat organization, sparked an irreconcilable conflict. Finally, the senior nurse-midwife in charge (also a founder) resigned, "protesting the encroachment of hospital standards" on midwives' services.<sup>11</sup>

## The Second Stage

The American health care system still offers great opportunity for innovation—possibly as much today as in the recent past. As one starting point for future adventurous health care entrepreneurs, the second table lists some suggestions. Blossoming innovation

that improves productivity and cuts costs is timely, for the cost of caring for the rising number of the elderly and catastrophically ill is expected to shoot up to as much as 15% to 20% of GNP.

The next wave of entrepreneurial enterprises may learn from the painful experiences of their predecessors. If so, they will be more focused and more businesslike in managing their organizations. Like Humana, they will exert strong financial controls. Like Health Stop, they will share power and rewards with employees. Like Brigham and Women's Hospital, they will recognize the importance of employees' professional and personal development.

The new generation of entrepreneurial managers, one hopes, will resist the seductive temptation to buoy earnings temporarily with financing and marketing schemes and instead will aim for substance, carefully building a sound structure. In the second wave of the health care revolution, the rewards will come to those who structure operations that can deliver what the marketing message promises, to those who create comprehensive control systems, and to those who put into effect managerial philosophies that reflect organizational purposes.

### References

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Mary Van Nimwegen

H. HESS 4-4-90

H. HESS 3-30-90

HB

52

# HOUSE COMMITTEE REPORT

(7)

Date Referred: January 9, 1989

FURTHER REFERRALS: JUDICIARY

Date of Committee Action: 3/31/89

The HEALTH, EDUCATION & SOCIAL SERVICES Committee recommends that:

HOUSE BILL NO. 52 (TEACHERS/ADMINISTRATORS CRIMINAL RECORDS)  
"An Act relating to access to criminal records by the Department of Education; and providing for an effective date."

be replaced with CSHB 52 (HESS)  the same title  
 have attached amendment(s)  a new title

do pass  
 do not pass  
 no recommendation  
 individual recommendations  
 additional referral to the Finance Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(S):

fiscal impact  
 zero fiscal note  
 zero with analysis

APPROVES PREVIOUS:

fiscal note(s) published: \_\_\_\_\_  
 zero fiscal notes(s) published: \_\_\_\_\_

SIGNING DO PASS:

SIGNING OTHER THAN DO PASS:  
(Do Not Pass, No Recommendation, Amend)

[Signature]  
[Signature]  
Mark Bauer  
J. Ellis  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
J. Ellis  
Chairman's signature

A M E N D M E N T

OFFERED IN THE HOUSE

BY ZAWACKI

TO: HB 52

Page 1, lines 21 - 25:

Delete all material and insert:

"(f) The Department of Education shall request a person receive records under (a) of this section for a person seeking certification as a teacher or administrator."

During the original drafting of this legislation, there was a misinterpretation between the Sponsor of the bill and the drafter. Section 2, f(2) "shall request records on behalf of a school district" was not intended by the Sponsor to be in the original draft.

Therefore, the Sponsor will be respectfully requesting permission of the House HESS Committee to offer an amendment to the bill. This proposed amendment would simply remove the previously stated provision.

The above mentioned provision which would require that the Department of Education request records on behalf of a school district imposes unnecessary duties and financial burdens on DOE, and may introduce additional potential for delay or mishandling of a request, without any obvious benefit. Since school districts considering the employment of a person are already "interested persons" under AS 12.62.035(e), and could therefore request records directly if they so desired.

This explanation may sound difficult on paper, but it is rather easy to explain. If you have any questions or would like further clarification, please contact Portia in my office at 2719.

Thank you for your time and consideration.



# Alaska State Legislature House of Representatives

P.O. BOX 783  
GIRDWOOD, ALASKA 99587  
(907) 783-2905

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-2693/2719

REPRESENTATIVE  
JIM ZAWACKI  
DISTRICT 7

MEMBER  
COMMUNITY & REGIONAL  
AFFAIRS COMMITTEE  
LEGISLATIVE BUDGET &  
AUDIT COMMITTEE  
FINANCE SUBCOMMITTEE

## M E M O R A N D U M

TO: Representative Johnny Ellis, Chairman  
Health, Education and Social Services  
House of Representatives

FROM: Jim Zawacki  
Representative  
House of Representatives

DATE: February 17, 1989

RE: HB52

-----

I have reintroduced legislation addressing the problem of access to criminal records by the Department of Education for individuals being considered for certification as teachers or administrators.

The bill is HB52, "An Act relating to access to criminal records by the Department of Education; and providing for an effective date."

HB52 is currently scheduled for a hearing in the House HESS Committee next Wednesday, February 22, 1989 at 8:30am. I thank you for scheduling HB52 so promptly.

The original intent of HB52 was to qualify the Department of Education as an "interested person" and to allow DCE, as an interested person, to request and receive records related to convictions involving contributing to the delinquency of a minor and sex crimes.

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: Access to criminal records by  
the Department of Education  
Sponsor: Zawacki  
Requestor: House HESS

Agency Affected: Education  
BRU: Education Finance & Support  
Services  
Components: District Support

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		14.6	14.6	14.6	14.6	14.6
TRAVEL						
CONTRACTUAL		4.0	4.0	3.0	3.0	3.0
SUPPLIES		5	5	5	5	5
EQUIPMENT		4.5				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		23.6	19.1	18.1	18.1	18.1

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

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

**FUNDING: (Thousands of Dollars)**

GENERAL FUND /PR		23.6	19.1	18.1	18.1	18.1
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME		1	1	1	1	1
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

Costs include 1 part time clerktypist, postage and phone costs, general office supplies, and minimal computer programming costs to upgrade system to integrate background check data into existing teacher certification data base. In the first year, purchase of one word processing terminal and file cabinet storage capacity is necessary.

Prepared by: Hakala Phone: 465-2800  
Division: Commissioner's Office Date: March 31, 1989

Approved by Commissioner: William G. Demmert Date: March 31, 1989-  
Agency: Education

**Distribution (by preparer):**

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

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8B	Barg. Unit GGU	
Time Status PT	Staff Months 6.0	Location Juneau		Election District	
Type of Expenditure		Justification			
		<p>The part time clerical position will handle administrative functions associated with implementation of HB 52, insuring that background checks are properly completed by each initial applicant for teacher certification in Alaska.</p>			
Amount					
1	2				3
Salary	9.8				
Benefits	4.8				
Premium Pay					
Other					
Total Personal Services					14.6
Travel					
Contractual					
Commodities					
Equipment					
Other					
Total Cost					
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004				
I-A Receipts	1006				
CIP Receipts	1061				
Other	GF/PR		14.6		

**Request For  
New Position**

Agency Education  
 BRU Education Finance & Support Service  
 Component District Support

Page 2 of 2  
 Revised Date

**FY 90**

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_  
Title: An Act Relating to Access to  
Criminal Records by Dept. of Education  
Sponsor: Zawacki  
Requestor: HESS

Agency Affected: Public Safety  
BRU: DPS Administration  
Component: Administrative  
Services

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	5.3	31.8	31.8	31.8	31.8	31.8
TRAVEL						
CONTRACTUAL		1.8	.3	.3	.3	.3
SUPPLIES						
EQUIPMENT		7.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		40.6	32.1	32.1	32.1	32.1

CAPITAL		0	0	0	0	0
---------	--	---	---	---	---	---

REVENUE		0	0	0	0	0
---------	--	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND		40.6	32.1	32.1	32.1	32.1
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

HB 52 will substantially impact the Records and Identification Section which operates the Alaska Automated Fingerprint Identification System (AAFIS). Because of the complexity of the research which is required to process criminal history record checks under AS 12.62.035, the services of a full-time Clerk IV will be required to handle the estimated 4,500 requests from the Department of Education annually. (Attachments including New Position Request)

Prepared by: M.J. Clemens  
Division: Administrative Services

Phone: 465-4336

Date: 2/21/89

Approved by Commissioner: Arthur English  
Agency: Department of Public Safety

Date: 2/21/89

HB 52 FISCAL NOTE  
(Analysis, continued)

The Department of Education has estimated that they will submit 4000-4500 certification and recertification criminal history record checks annually. These records checks are in addition to those under this statute requested by other interested persons, such as the employers of day care providers. The provision of a criminal history record to a law enforcement or criminal justice agency is a relatively quick and simple process. Requests for records under 12.62.035 are much more time consuming and complicated to process.

The processing of a request for information under 12.62.035 begins with the interested party (or agency) sending a letter to Records and Identification detailing how they fall under the statute and requesting that records checks be performed on its employees. This letter is retained on file. Completed fingerprint cards showing the interested party as the contributor may then be submitted for processing.

The fingerprint cards submitted are searched in AAFIS for the existence of a fingerprint record. If a fingerprint record is identified, the APSIN record for the person identified through AAFIS is then checked for the existence of a criminal history. Because of the requirement in 12.62.035 that fingerprints submitted under this statute may not be retained beyond six months, it is necessary to process them separately from other applicant cards. The second fingerprint card, accompanied by a money order for the \$14 fee, is submitted by mail to the FBI Identification Division to check for an out of state criminal history.

If a criminal history record verified by fingerprints exists in Alaska, it must be reviewed to determine if the offense is reportable under 12.62.035(e)(1)(e)(3), and if a conviction resulted. If both of these conditions are met, the interested party and the applicant are notified of the charge and disposition by mail. Unfortunately, about 25% of arrest records in Alaska do not have disposition information. In these cases, the court records must be researched to determine the outcome of the case. This can be a very time consuming process.

If the FBI fingerprint check results in the return of a rap sheet, it must be carefully examined. First the reported offenses must be examined to see if any might be reportable under 12.62.035. If so, each must be checked for disposition information. A large proportion of the arrests shown on FBI rap sheets do not indicate a disposition. In this case the records division of the contributing state must be contacted by mail for disposition information. Because of the dramatically differing sexual assault statutes in the different states, it is frequently necessary to contact the arresting police agency in the other state to determine if the factual circumstances of the violation would have been a reportable offense had it occurred in Alaska.

HB 52 FISCAL NOTE  
(Analysis, continued - Page 3)

Because of NLETS and NCIC regulations prohibiting the use of those systems for employment and licensing purposes, all of the contacts with outside agencies must be conducted by mail. If a conviction is identified which is reportable under 12.62.035, both the interested party and the applicant are notified of the findings by mail. The fingerprint cards are returned to the contributor.

During the time that 12.62.035 has been in effect, less than 1% of the criminal history records checks processed have resulted in convictions being reported to the interested party. However, about 11% of the records examined pursuant to requests under 12.62.035 have been found to have serious violations not reportable under this statute. These have included convictions for attempted homicide, assault, and drug sales.

The duties of segregating and tracking record requests under this statute; managing the required correspondence; researching disposition information; and determining the applicability of out-of-state convictions will require the addition of one full time clerk position.

AAFIS and APSIN operator times to perform criminal history record checks under 12.62.035 are summarized in the table.

Function	# Cards	Seconds	Hours
Search AAFIS	4500	540	550
APSIN Search	4500	96	120
AK Dispo. Research	70	4800	93
Sort and Mail	9000	14	35
Research FBI rclds	495	9060	1246
Sort other FBI	4005	64	71
Total Processing Time			2115 hours/year

Notes:

11% of the 4500 cards checked by the FBI will have serious out of state violations requiring research. A survey done of present 12.62.035 checks indicates the average time to research out of state records is 151 minutes.

Position Title Clerk IV		No. of Positions 1	Range/Step 9A	Barg. Unit G
Time Status PFT	Staff Months 12	Location Anchorage		Election District 7
Justification				
Type of Expenditure		Amount		
1	2	3		
Salary*	20.8	////////////////////		
Benefits*	11.0	////////////////////		
Premium Pay (Included in Above)	////////////////////	////////////////////		
Other	////////////////////	////////////////////		
Total Personal Services	////////////////////	31.8		
Travel				
Contractual	line hook up - \$1.5	1.8		
Commodities				
Equipment	Micro \$6.2 chair \$.8	7.0		
Other				
Total Cost		40.6		
Funding Source for Total Cost				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004	40.6		
Program Receipts/GF	1005			
I-A Receipts	1007			
CIP Receipts	1061			
Other				
* Personal Services Salary and Benefits Costs are from PACS Scenario #2.				

Processing criminal history record checks under AS 12.02.035 involves actions by a Clerk II, AAFIS Operator I, Clerk IV, and AAFIS Operator II.

The additional workload connected with HB52 will require the equivalent of a full-time position as outlined on the workload calculations attached.

Initial furniture and equipment costs would not be needed in future years.

Due to the immediate effective date of the bill, assuming it becomes law about May 1, two months of personal services would be needed to pay unbudgeted overtime to existing staff who would have to handle requests prior to classification, recruitment selection and training of a new position.

REQUEST FOR  
NEW POSITION

AGENCY Department of Public Safety  
 BRU DPS Administration  
 COMPONENT Administrative Services

Page 3 of  
 Revised Date

FY 90

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Department of Law  
 Title: "An Act relating to access to criminal records by the Department of Education..." BRU: Prosecution  
 Sponsor: Repr. Zawacki Components: Criminal Justice Litigation  
 Requestor: Repr. Zawacki

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Please see the attached analysis.

Prepared by: Richard I. Pegues / Director Phone: 465-3672  
 Division: Administrative Services Division Date: February 1, 1989  
 Approved by Commissioner: Richard I. Pegues / FOR / Grace Berg Schaible, Atty. Gen. Date: February 1, 1989  
 Agency: Department of Law

Distribution (by preparer):

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

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 52

This bill amends AS 12.65.035 to provide that the Department of Education shall request and receive criminal records for a person seeking certification as a teacher or administrator. The bill further provides that the Department of Education shall request such records on behalf of school districts, which employ persons serving in positions having a supervisory or disciplinary power over a minor. The safekeeping and administration of criminal records are handled by the Department of Public Safety. Consequently, this bill will not have a fiscal impact on the Department of Law. The bill could, however, have a fiscal impact on the Department of Education for administering requests from school districts for criminal history records. Existing statute permits school districts to request this information directly from the Department of Public Safety, without the second level of administration proposed in the bill.

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: Access to Criminal Records by  
the Department of Education  
 Sponsor: Zawacki  
 Requestor: Zawacki

Agency Affected: Education  
 BRU: Education Finance and Support  
Services  
 Components: District Support, Teacher  
Certification Unit

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		31.5	31.5	31.5	31.5	31.5
TRAVEL						
CONTRACTUAL		3.0	3.0	3.0	3.0	3.0
SUPPLIES		1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>35.5</b>	<b>35.5</b>	<b>35.5</b>	<b>35.5</b>	<b>35.5</b>
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND		35.5	35.5	35.5	35.5	35.5
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

To implement program, one Clerk IV and associated costs are necessary. Position will handle public inquiries, processing and tracking of records in the certification process and on behalf of school districts.

Prepared by: Mary Hakala  
 Division: Commissioner's Office

Phone: 465-2800  
 Date: 2/2/89

Approved by Commissioner: William G. Dennert  
 Agency: Education

Date: 2/2/89

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

LETTERS OF SUPPORT

for

HB52

March 29, 1989

1. NEA-Alaska
2. Yukon/Koyukuk School District, Nenana, Ak.
3. Chatham School District, Angoon, Ak.
4. Mr. Pius F. Imgalrea, Chevak, Ak.
5. Anchorage School District, Anchorage, Ak.
6. Fairbanks North Star Borough Schools, Fairbanks, Ak.
7. Matanuska-Susitna Borough School District
8. Alaska Gateway School District, Tok, Ak.
9. Alaska PTA
10. Copper River School District, Glennallen, Ak.
11. Mr. Alex Tatum, Chevak, Ak.
12. Ms. Lillian Pingayak, Chevak, Ak.
13. Kodiak Baptist Mission, Kodiak, Ak.
14. Kenai Peninsula School District
15. Governor's Interim Commission on Children and Youth
16. Yupit School District, Akiachak, Ak.
17. Justice for Children, Juneau, Ak.
18. Louise Howerter, Juneau, Ak.
19. Pat Marlin, Juneau, Ak.
20. Sue Miller, Juneau, Ak.
21. Lower Yukon School District, Mountain Village, Ak.
22. Chugach School Board, Chenega Bay, Ak.

23. Hydaburg City School, Hydaburg, Ak.
24. Seward Chamber of Commerce, Seward, Ak.
25. Skagway City Schools, Skagway, Ak.
26. North Slope Borough School District
27. Cordova Chamber of Commerce, Cordova, Ak.
28. Talkeetna Chamber of Commerce, Talkeetna, Ak.
29. Big Lake Chamber of Commerce, Big Lake, Ak.



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

## ANCHORAGE REGIONAL OFFICE

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

## JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302  
JUNEAU, ALASKA 99801  
(907) 586-3000

## FAIRBANKS REGIONAL OFFICE

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

February 20, 1989

**To:** Representative Johnny Ellis, Chair  
Members, House HESS Committee

**Re:** House Bill No. 52; "An Act relating to access  
to criminal records by the Department of  
Education; and providing for an effective date."

NEA-Alaska supports the concept that the Department of Education should function as the "interested person" per AS 12.62.035 (a) on behalf of all school districts.

Such a change would standardize the varying procedures which are in place in different districts and should serve to make the entire process more efficient.

This could easily be done as part of the original request by prospective applicants for Alaska teacher certification.

If this is the intent of HB 52, then NEA-Alaska supports it and encourages your favorable consideration.

We do have some concern as to the purpose of the deletion on line 12 of HB 52 and would like to receive further clarification re same.

Thank you for your consideration of our position.

Respectfully submitted,

Bob Manners  
Executive Secretary

cc: Representative Jim Zawacki

# ASSOCIATION OF ALASKA SCHOOL BOARDS

316 W. 11th St. • Juneau, Alaska 99801-1510 • (907) 586-1083

## POSITION PAPER

### HB 52

### Access to Criminal Records

The Association of Alaska School Boards **supports** passage of HB 52, "An Act relating to access to criminal records by the Department of Education; and providing for an effective date."

AS 12.62.035, titled "Request for Criminal Justice Information," provides that any organization in the State of Alaska that employs personnel who have supervisory or disciplinary authority over minors may require criminal justice information for any person that holds or applies for a position.

Such information is intended to identify any person that may have been convicted of contributing to the delinquency of a minor or any sex crimes in order to protect our youth from potential abuse from such persons.

The Association of Alaska School Boards supports the position that a criminal investigation becomes a requirement for certification of teaching in the State of Alaska. AASB also encourages the same investigation for re-certification if there has been a break in service.



# KENAI PENINSULA BOROUGH SCHOOL DISTRICT

148 North Binkley Street

• Soldotna, AK 99669

• Phone 907/262-5846

February 2, 1989

Representative Jim Zawacki  
Alaska House of Representatives  
Box V  
Juneau, AK 99811-3101

Dear Jim:

Thank you for your recent correspondence regarding HB 52. We certainly endorse the basic concepts embodied in your bill. It is our belief that the examination process belongs with the Department of Education at the time that a teacher certificate is issued.

The legislature should be aware that there would no doubt be an additional cost to the Department of Education for the necessary staff to accomplish the background checks that would be required. It is not practical for individual districts to undertake this process due to costs and considerable duplication of effort.

I trust that this information is helpful.

Sincerely,



Fred Pomeroy  
Superintendent

bj

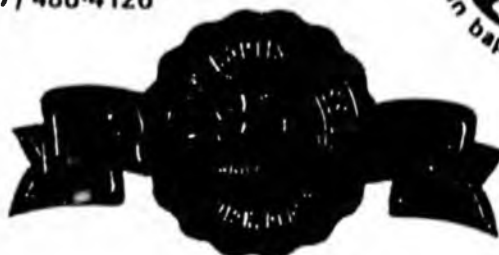
cc: Senator Paul Fischer  
Senator Jalmar Kerttula  
Senator Mike Szymanski  
Representative Bette Cato  
Representative Mike Navarre  
Representative C.E. Swackhammer  
Representative Kay Wallis

# Kodiak Baptist Mission

1944 Rezanof Drive East

Kodiak, Alaska 99615

(907) 486-4126



February 2, 1989

Representative Jim Zawacki  
Alaska State Legislature  
House of Representatives  
Pouch V  
Juneau, AK 99811

Dear Representative Zawacki:

All of the youth in the care of the Kodiak Baptist Mission attend public school. We are concerned about their health and safety while in the educational environment, therefore, we support HB52.

Sincerely,

Jeannie Volker  
Executive Director

JV/jp



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU  
INTERIM COMMISSION ON CHILDREN AND YOUTH

February 1, 1989

Honorable Jim Zawacki  
Alaska State House  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative Zawacki:

I apologize for the delay in responding to your January 25th letter requesting a position statement on HB52. The Commission was meeting in Anchorage at the time your request was received.

Although the Commission has had in effect for two years a policy of not taking positions on individual pieces of legislation, we have and do comment, in a conceptual framework, on items of special interest.

As you may know, the Commission addressed the issue of access to criminal records in its report. The recommendation spoke to the need for a "statewide system that provides employers with the criminal history of all personnel working directly with or supervising children."

Based on this recommendation, the Commission supports access to criminal records provided that the information is comprehensive enough to be useful, is made available in a timely manner, and is accessible to all employers.

Please feel free to contact the Commission office if there's anything further we can provide.

Sincerely,

A handwritten signature in cursive script that reads "Carla".

Carla Timpone  
Program Coordinator

CT:km

cc: Patty Meritt, Chair, GICCY  
Caren Robinson, Special Assistant, Governor's Office  
Shari Kochman, Legislative Aide, Governor's Office

Alaska's rates of child sexual and physical abuse are shocking, as noted above. Because the state does not keep records of assaults and murders by age of victim, we do not know how many of these incidents resulted in criminal charges and convictions. Anchorage alone had 618 child sexual abuse cases in 1986, a rate of 1,042 per 100,000 minor inhabitants, or 6.6 times the national rate of 158 per 100,000. Most professionals in child sexual abuse estimate that the hidden rate of child sexual abuse between five and 10 times greater than the reported rate.

Increased education and public awareness have led to increased reporting and expectations for protection of children and prosecution of offenders. Most reports, even those that are substantiated, do not result in the offender being prosecuted or treatment being made available to the victim. The resulting lack of confidence in the system means that children are victimized twice. They believe no one can or will rescue them or hold their abuser accountable.

---

*Most professionals in child sexual abuse estimate that the hidden rate of child sexual abuse between five and 10 times greater than the reported rate.*

---

The Governor should charge this or a new Commission with an in-depth analysis of how the existing child protection system can be improved. To assist that analysis, law enforcement officials should keep data on reported incidents of assault and abuse, and the court system and the Alaska Judicial Council should keep statistics on sentencing of individuals found guilty of child sexual assault and physical abuse.



## Background Checks:

1

Our children are potentially at risk of abuse because pre-employment investigations for prior history of abuse are not required. Several obstacles prevent reducing this risk including the following:

- Abusers often have no formal conviction record.
- Criminal background checks are currently authorized but not required.
- Child caregivers are frequently hired on short notice and work briefly before moving to a better paying job.
- Agencies that investigate criminal histories and licensing actions have insufficient personnel.
- Convicted offenders of sexual assault may now have their record cleared through a suspended imposition of sentence regardless of whether they spend any time in jail.
- No system keeps track of reports of abuse on the same alleged abuser or allows disclosure to appropriate persons.

A statewide system that provides employers with the criminal history of all personnel working directly with or supervising children should be developed. This system should provide the information in a timely way at little cost to employee or employer. To assure that all sexual assault convictions remain on the record, criminal sentencing laws should be amended to prohibit suspended imposition of sentences for individuals convicted of sexual assault. Additionally, the child protection laws should allow for appropriate disclosure of instances of abuse by a person who works directly with or supervises children to authorized persons or agencies that employ people or use volunteers who work with children. Due process requires that the alleged abuser be given the opportunity to have a fair hearing before a determination that the report of abuse is founded is disclosed.

# **CORRECTION**

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HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

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## PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE ZAWACKI

NAME: BRADLEY RAPIEL  
 TITLE: SUPERINTENDENT, YUPIIT SCHOOL DISTRICT  
 ADDRESS: BOX 100  
 CITY: AKIACHAK ZIP: 99551  
 PHONE: 825-4427  
 BILL NO: HB 52  
 SUBJECT: TEACHERS/ADMINISTRATORS CRIMINAL RECORDS  
 MESSAGE: THE YUPIIT SCHOOL DISTRICT BOARD OF EDUCATION HAS PASSED A RESOLUTION  
 IN SUPPORT OF HB 52. WE ENCOURAGE YOU AND SUPPORT YOU IN JIM ZAWACKI'S EFFORTS  
 TO HAVE HB 52 PASSED.

POMID: 03113420  
 DATE: 02/02/89  
 TIME: 11:34:20  
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVE SENATOR  
 HOFFMAN BINKLEY

## PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE ZAWACKI

NAME: MARY ANN JONES  
 TITLE:  
 ADDRESS: P.O. BOX 403  
 CITY: KING SALMON, ALASKA ZIP: 99613  
 PHONE: 246-3092  
 BILL NO: SB 17  
 SUBJECT: CAPITAL PUNISHMENT  
 MESSAGE: I WOULD LIKE TO VOTE YES FOR IT AND ALSO LIKE TO HAVE YOUR  
 RESPONSE ON HOW YOU ARE GOING TO VOTE. THANK YOU.

POMID: 03113811  
 DATE: 02/02/89  
 TIME: 11:38:11  
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAHRENKAM
FOSTER	FURNACE	FAIKS
GOLL	GRUENBERG	FISCHER
GRUSSENDORF	HANLEY	FRANK
HOFFMAN	HUDSON	HALFORD
JACKO	KOPHEN	JONES
LARSON	LEMAN	KELLY
MACLEAN	MARTIN	KERTTULA
MENARD	MILLER	PEARCE
NAVARRE	PETT JOHN	POUCHOT
PHILLIPS	RIEGER	RODNY
SHARP	SHULTZ	STURBULEWSKI
SPOHMOLZ	SWACHHAMMER	SZYMANSKI
TAYLOR	ULMER	UEHLING
HALLIS		ZHAROFF

Alex Tatum  
150 Riverway  
Chevak, Alaska 99563  
February 3, 1989

Representative Jim Zawacki  
Alaska State Legislature  
Pouch V.  
Juneau, Alaska 99811

re: House Bill 52

Dear Jim;

This letter is to express full support of House Bill 52 dealing with employees of school districts having an undisclosed history of criminal sexual activity. However, I feel that this bill should be carried a step farther. People who serve on school boards should also have to be checked out in the same manner as teachers or other employees.

In our community of Chevak, we are involved in an unusual situation involving a school board member. This person was fired from a nearby school district for having sexual relations with several of his female students over a period of time - while employed as a certified teacher. After being fired from his position he, and his spouse, moved back to Chevak. The spouse was subsequently hired by this district as a certified teacher. The male spouse ran for the school board and seem to have won the election by a narrow (3 votes) margin.

Unlike larger communities such as Anchorage or Fairbanks etc.- there was no PUBLIC knowledge of the persons record. In fact, most of us didn't know that the person was running for the school board until the day of the election. Unlike larger communities there was no campaigning or even a posting of who was running for the school board.

Now we are faced with the potential of having a person on our school board with a history of repeated sexual misconduct with students under his control. From what the Department of Education says there is nothing that we can do about it. It is also our understanding that the Department of Law says the same thing.

Considering this fact, I feel that the bill under consideration should be amended to include school board officials also. In a small community such as ours a school board official has a great deal of contact with students - including working as a chaperon on field trips at times.

Please consider amending the legislation to include covering school board members as part of the bill.

Sincerely,



Alex Tatum

# *Copper River School District*



Superintendent's Office  
Box 108  
Glennallen, Alaska 99588  
(907) 822-3234

February 6, 1989

Representative James E. Zawacki  
P.O. Box V (MS 3100)  
Juneau, AK 99811

Dear Jim:

Thank you for sponsoring such a greatly needed bill. It seems that HB52 will patch us some holes and allow us to keep people with a history of criminal sexual activity out of our schools.

Perhaps you should be aware that many of us (administrators) fear for our careers when we report a potential problem. This situation magnifies itself when the individual is a member of the NEA. Speaking from personal experience, my professional career is on the line because I investigated a teacher whom I suspected as being potentially dangerous to the children of this District.

The bottom line of this problem is the NEA's enforcement arm, the PTPC. I was told by the PTPC Executive Director that all NEA generated complaints against me would be dropped if I allow the PTPC to place a reprimand in my personnel file for notifying the members of my elected board of education of the contents of a court order I received garnishing the wages of one of my teachers for failure to pay child support. In my professional opinion, failure to pay child support should be viewed as child abuse, or at least child neglect.

Lillian Pingayak  
P.O. Box 5403  
Chevak, AK 99563

February 3, 1989

Representative Jim Zawacki  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Zawacki:

As per our conversation on 2-1-89, I am following up with a letter. As I mentioned, I firmly support House Bill No. 52 which, I understand, is pending a hearing.

I feel that the present educational system should play a role in preventing people with past crimes related to sexual activities from working in school environments. Keeping the State of Alaska in mind as a state with a reported high number of sexual crimes, there should be some measures made to prevent people with records of criminal sexual activities working in our schools.

I know that many schools practice a lot of safety measures involving school children such as preventing physical injuries around school properties and in school activities. In all instances, the vitally unseen safety of children can easily be overlooked and that is the safety from sexual harassment or other sexually related incidents. I believe it is time that our school system start taking steps to protect school children from unseen harm from employees who may be freely taking advantage of the unprotected.

In addition to my support for HB52, I would like to bring to your attention a situation our community is facing at this time. We have a community member--a former certified teacher--who was employed by LKSD. During the time he was employed, it was found that he was engaged in sexual misconduct involving one of his female students. Due to that he was fired and since then has moved to our village. His wife currently is employed by our district.

During the last elections he ran for the Kashunamiut Board of Education and because of family support and the little knowledge of his past from community members, he won by a marginal vote. At this time there is discontent among the villagers who feel that this individual should not be seated in the board because of his past activities while he worked as a teacher.



Mentasta  
Tetlin  
Tok

Northway  
Dot Lake  
Eagle  
Tanacross

## SCHOOL DISTRICT REAA 16

P.O. Box 226, Tok, Alaska 99780

Representative Jim Zawacki 907-883-5151

District 7

P. O. Box V

Juneau, Alaska 99811

February 6, 1989

Dear Representative Zawacki,

Your efforts in preventing persons from becoming school employees who have previous criminal sexual activity is certainly something that will be helpful. Alaska Gateway requires the fingerprinting check.

When I met you in Juneau the other day, I made the comment that I had initiated the action within the Professional Teaching Practices Commission which requires Alaska to participate in the interstate exchange of information about educators whose certificates have been revoked. The State Offices did not want the responsibility of communicating to all of the other States that we had revoked the certificate for a teacher or a administrator. You may, at some point, want to add that requirement to statute as well.

We certainly want to do everything we can to prevent child abuse, in any manner, at the hands of the State employee. I can also assure you that there is more child abuse that goes on in the hands of the family and friends in this school district, everyday, than there is at the hands of all school district employees in the State in years. If we really want to make a difference in child abuse, sexual and other wise, there needs to be some action taken in regard to the responsibility of bringing a human life into the world. Children, who are the product of recreational activity or adolescent need, instead of a loving adult relationship or children who have parents or family who abuse them and neglect them in favor of alcohol, drugs or other pleasures, and on and on, are a far more significant problem.

The biggest problem, of course, is the recidivism of sex offenders whether or not they are convicted. We do very little, at present, to prevent recurrence of the crime. Why is it we have a repeat rate of over 90% while Denmark's is exactly the opposite?

**"Where Teachers Are The Gateway To Learning"**

Dot Lake  
907-882-2663

Eagle  
907-547-2210

Mentasta  
907-291-2317

Northway  
907-778-6301

Tok  
907-883-5161

Tetlin

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# *Copper River School District*



Superintendent's Office  
Box 108  
Glennallen, Alaska 99588  
(907) 822-3234

February 6, 1989

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P.O. Box V (MS 3100)  
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Rep. James E. Zawacki

February 6, 1989

Page 2

I salute and support your efforts to establish HB52 as a means to protect the children of Alaska from criminals masquerading as teachers.

With great appreciation for your courage on this issue, I am,

Professionally yours,

A handwritten signature in cursive script, appearing to read "Leland L. Dishman".

Leland L. Dishman  
Superintendent

Lillian Pingayak  
P.O. Box 5403  
Chevak, AK 99563

February 3, 1989

Representative Jim Zawacki  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

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In addition to my support for HB52, I would like to bring to your attention a situation our community is facing at this time. We have a community member--a former certified teacher--who was employed by LKSD. During the time he was employed, it was found that he was engaged in sexual misconduct involving one of his female students. Due to that he was fired and since then has moved to our village. His wife currently is employed by our district.

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Representative Jim Zawacki  
Alaska State Legislature

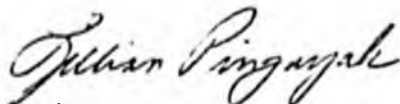
February 3, 1989

To my understanding there were no further developments after he was fired because the student he was involved with turned of age. As of this date I have not heard about his certificate being revoked other than simply being fired.

I strongly believe that any board of education is vitally important to the school(s) they serve. In addition they serve as role models and examples to the employees they hire and therefore should abide by the same rules that employees follow in order to serve the school(s). I feel that school boards should be included in the bill or something similar should be drawn up for them because they are important in our educational system. The same measures should be given to board members since they reflect the teachers they hire and the schools they serve.

Again, I am in total support of House Bill No. 52 and I wish you much success in Legislation this year.

Respectfully,



Lillian Pingayak  
Concerned Citizen

cc Al Adams  
Richard Foster



## SCHOOL DISTRICT REAA 16

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Mentasta  
907-291-2317

Northway  
907-778-6301

Tok  
907-883-5161

Tetlin

Since we are one of the five, please consider us supporters. I hope that you will do some other things with offenders to keep them in a position where they can not repeat the crime, in ways other than this expensive denial system.

Thank you for being willing to put up with our Representative Richard Shultz.

Sincerely,



Spike Bergensen

SJ/lm

cc: Senator Jack Coghill  
Representative Richard Shultz



P.O. Box 142095  
Anchorage, AK 99514-2095  
907-337-9345

February 6, 1989

Dear Representative Zawacki:

The Alaska PTA supports passage of House Bill 52, relating to access to criminal records by the Department of Education for new teacher and administrator applicants. One of the Objects of the PTA is "To secure adequate laws for the care and protection of children and youth." HB 52 is such a law.

Our school system is built upon the trust of children and parents in teachers and administrators. It is important that children be protected in school from people with a history of criminal sexual activity. Many districts do not have adequate procedures or manpower to check that teacher and administrator applicants do not have such a record.

Although necessary, being fingerprinted and checked is distasteful to many applicants. Authorizing the Department of Education to do this once for applicants is preferable to having it done multiple times if an applicant is applying to more than one district or is changing districts within the state.

We urge you and your fellow legislators to act quickly to pass House Bill 52 for the protection of all Alaskan children.

Sincerely yours,

*Ann McCoy*

Ann McCoy  
President, Alaska PTA

*Carol HM Everett*

Carol Everett  
Legislative V.P.



## Matanuska-Susitna Borough School District

128 WEST EVERGREEN - P.O. BOX 1688 - PALMER, ALASKA 99646-1688 - (907) 745-4822

Bruce P. DeMond, Superintendent

### R E S O L U T I O N

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH SCHOOL BOARD REQUESTING THAT THE ALASKA STATE LEGISLATURE PROVIDE LEGISLATION QUALIFYING THE STATE DEPARTMENT OF EDUCATION AS AN "INTERESTED PARTY" ENTITLED TO FINGERPRINT NEW EMPLOYEE APPLICANTS, FOR THE PURPOSE OF DISCLOSING A HISTORY OF CRIMINAL SEXUAL ACTIVITY.

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WHEREAS, the Matanuska-Susitna Borough School Board is entrusted with the safety and well being of students of the Matanuska-Susitna Borough School District; and,

WHEREAS, schools should be a safe, healthy environment for students and staff to work and learn in; and

WHEREAS, the problem of criminal sexual activity by our society involving children is rising.

NOW, THEREFORE BE IT RESOLVED, that the Matanuska-Susitna Borough School Board requests that the Alaska State Legislature provide legislation for mandatory fingerprinting of new employee applicants for the purpose of disclosing a history of criminal sexual activity, in order to promote general health, welfare, and safety of the children of the Matanuska-Susitna Borough School District and the State of Alaska.

ADOPTED THIS 6th DAY OF FEBRUARY, 1989

MATANUSKA-SUSITNA BOROUGH SCHOOL BOARD

TELECOPY DOCUMENT COVER PAGE

TO: Representative Jim Zawacki

OFFICE: Legislative Office

TELECOPIER NUMBER: 279-8731

FROM: Bruce D. DeMond  
at

MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT  
125 W EVERGREEN  
P O BOX 1888  
PALMER AK 99845-1688  
Telecopy: (907) 745-1084  
Verification: (907) 746-4822

DOCUMENT TITLE: Resolution HB52

FILE NAME: Mat-Su School Board

NUMBER OF PAGES BEING SENT 1 + cover  
OPERATOR'S NAME RJ Ellis  
DATE 2/9/89 TIME: 3:40

Mr. Pius F. Imgalrea  
P. O. Box 5448  
Chevak, Ak. 99563

02 Feb. 89

Jim ZAWACKI, Rep. District 7

Pouch V

Juneau, ALASKA 99811

RE: Letter of Support HB 52

Dear Jim,

Anyway, this you are aware of the children sexual abuse by teachers or any person employed in school districts.

As reading your addition in HB 52 AS 12.62.035 sec. 2, a new subsection (F) (1) shall request & receive records under (a) of this section for a person seeking certification as a teacher or administrator;

Now as a board member my concern is should a person (any public person) seek & get elected as a district board member even had involved in convictions involving contributing to the delinquency of the minor or any sexual crimes?

Would it be appropriate to have amendment  
addition in Sec. 2 (i) a adding a person  
seeking Board seat, or school employment.

We can't afford employment when the person  
was engage in sexual within the minor  
or convicted in any crime and have the person  
room around our school, or be the Policy  
Decision maker. I'll feel safe, as well  
as our children not having the person.  
Your input or reply will be greatly be  
appreciated in this amendment addition  
suggestion.

Enjoy the New Year

Sincerely,

Orin F. Angles

T E S T I M O N Y

TO: House Hess Committee  
House of Representatives  
Alaska State Legislature

FROM: Sue Miller  
P.O. Box 211248  
Juneau, Ak. 99821  
(907)-789-0479

RE: HB52

DATE: February 22, 1989

-----  
I would like to testify in favor of HB52.

As a teacher of 25 years, I noted that some people who wished to harm children found easy access through our educational system.

At this time, to be qualified to be a substitute teacher, one needs only to be 18 years of age and possess a High School Diploma or a GED.

In the past several years, with the breakdown of society, Juneau has experienced at least one case per year of people who wish to harm children congregating in our schools: one school board member (sex crime), one bus driver (sex crime), and one substitute teacher (dealing drugs).

In the past several months, I was part of a task force to appeal to the Juneau School System to proceed with a standardized background check of criminal records of all employees dealing with children.

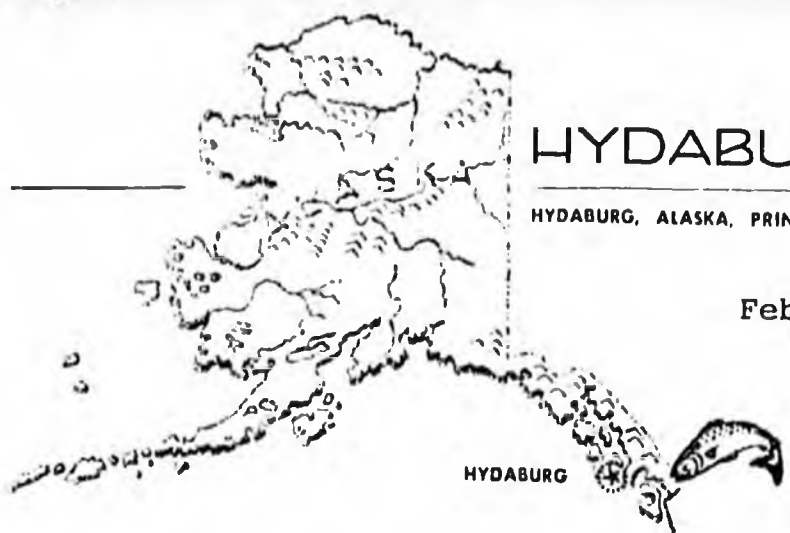
This year, a young man convicted of drug dealing in Juneau awaiting sentencing was hired by the Juneau School District as a substitute teacher for the 8th grade.

The task force requested that the School Board and Mr. Johnson, Superintendent have a standard procedure for criminal background checks for all people dealing with children.

In light of continuing difficulties and dangerous situations threatening our children, not only in Juneau, but throughout the state of Alaska, I strongly support HB52.

We, with experience in the educational system, feel the authority and procedures granted to DOE in HB52 are way overdue.

Thank You.



# HYDABURG CITY SCHOOL

HYDABURG, ALASKA, PRINCE OF WALES ISLAND 99722

February 22, 1989

Representative Jim Zwacki  
Court, Room 609  
Alaska House of Representatives  
P.O. Box V  
Juneau, Ak. 99811

Dear Representative Zwacki:

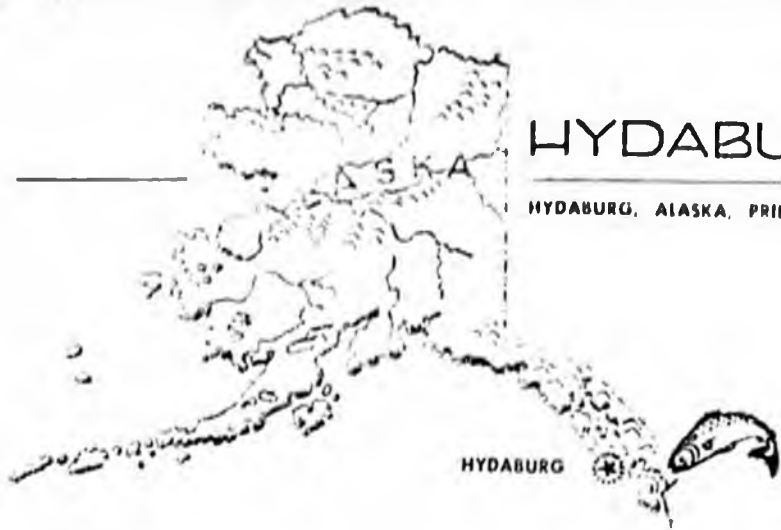
Please find enclosed a resolution passed by the Hydaburg City School District, Board of Education. This resolution pledges support for HB-52 which you have sponsored. We feel that this legislation addresses a very real issue in the state and we will do everything in our power to promote its passage.

We appreciate your efforts and please feel free to contact us if there is anything which we can do to help.

Sincerely,

*Larry L. Schroeder*  
Larry L. Schroeder  
Superintendent

LLS:de



# HYDABURG CITY SCHOOL

HYDABURG, ALASKA, PRINCE OF WALES ISLAND 99922

January 31, 1989

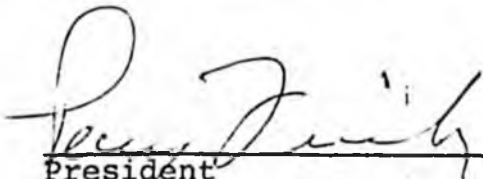
Resolution #88/89-3

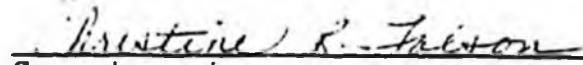
WHEREAS, Education institutions have an obligation to provide a safe environment for all students; and,

WHEREAS, The guarantee of moral and professional personnel is a basic requirement for this environment;

THEREBY BE IT RESOLVED; That the Hydaburg City School District supports the passage of House Bill 52 which gives the Department of Education access to criminal records of any person applying for Certification in our state.

Attested to by:

  
\_\_\_\_\_  
President  
Board of Education

  
\_\_\_\_\_  
Secretary to  
Board of Education

Adopted on this day: 21<sup>st</sup> of February 1989



# LOWER YUKON SCHOOL DISTRICT

P.O. Box 32089 • Mt. Village, Alaska 99632 • (907) 591-2411

JAMES H. RIEDLINGER  
Superintendent

February 20, 1989

The Honorable Jim Zawacki  
Alaska State Legislature  
House of Representatives  
Pouch V  
Juneau, Alaska 99811

Sir:

On August 13, 1986, our Board of Education adopted a policy whereby teachers and administrators offered a Professional Services Contract would be obligated to fingerprinting so that appropriate authorities would provide our office with the results of an investigation for any conviction involving the educator's contribution to the delinquency of a minor and/or any criminal sexual activity. Since the adoption of the policy, we had an educator back out of a contract offer due primarily to the fingerprint requirement and an apparent record as defined in House Bill 52 which you introduced into the House of Representatives.

Due to our experience and success with the fingerprinting of newly hired educators, I fully support House Bill 52 which would facilitate our students to remain in safe school setting environments and be protected from the possibility of encountering someone who has a history of criminal sexual activity.

Sincerely,

James H. Riedlinger  
Superintendent of Schools

JR/oo

cc: Richard Foster  
F. Kay Wallis  
Al Adams  
Johne Binkley

February 2, 1989  
Angoon, Alaska  
99820

CHATHAM SCHOOL DISTRICT  
Board of Education  
Resolution #89-100


A resolution supporting H.B. 52 which will qualify the State Department of Education as an "interested party" entitling them to use a system for fingerprinting new teachers and administrative applicants.


WHEREAS, The Chatham School District finds it necessary to hire certified personnel to serve the educational needs of the districts each school year; and

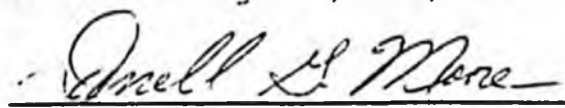
WHEREAS, The State of Alaska has experienced a high number of allegations involving contributing to the delinquency of a minor and sex crimes; and

WHEREAS, The Professional Teaching Practices Commission has revoked or suspended a number of certified teachers who have falsified their records;

BE IT RESOLVED That the Chatham School District Board of Education supports Representative Jim Zawaski in his efforts to pass House Bill 52.

  
Wally R. Frank, Sr., Board Chairman

  
Edward J. Gamble, Sr., Board Clerk

  
Darrell G. Moore, Supt. of Schools

SEWARD CHAMBER OF COMMERCE  
P.O. BOX 749  
SEWARD, AK 99664  
(907) 224-8051

February 28, 1989

Alaska State Legislature  
House of Representatives  
Jim Zawacki, Rep. District 7  
Pouch V  
Juneau, AK 99811

Dear Representative Zawacki:

On behalf of the Seward Chamber of Commerce, I would like to express our support of **House Bill 52**.

There is a need for procedures to check into the past records as well as prior experience of persons employed by schools in Alaska to ensure the safety of the children being educated in our school systems.

With problems experienced in other states and communities, i.e. undisclosed history of criminal sexual activity, we must take whatever steps are necessary to prevent this type of problem from occurring in our state and schools. Setting provisions, mandated by law, that enable the school districts to investigate such criminal activity is imperative.

To learn that only 5 of the 55 school districts in the state have any procedures for checking possible criminal records of new applicants for teacher or administrator positions is somewhat shocking and very disconcerting. I believe that if this information were known by parents who have children enrolled in Alaskan schools, there would have been an earlier public outcry for steps to ensure that all schools have an adequate policy for investigation of new applicants, as well as current employees.

Thank you for your interest and concern for the safety of Alaskan school children, and the foresight to introduce this important measure.

Sincerely,

*Cathy M. Clark*

Cathy M. Clark  
Executive Director/Manager

Administrative  
& Support Offices  
P.O. Box 00309  
Nenana, Alaska 99760



Fred L. Lau  
Superintendent

(907) 832-5594

February 16, 1989

Jim Zawacki, Representative  
District 7  
House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Representative Zawacki:

The district school board at their February 14, 1989 unanimously passed Resolution No. 89-02 in full support of HB 52 and its passage.

On behalf of the district school board thank you for introducing bills such as 52 for the safety of all children in Alaska.

Sincerely,

A handwritten signature in cursive script that reads "Linda Evans".

Linda S. Evans  
Board Secretary

Attachment: Resolution No. 89-02

Administrative  
& Support Offices  
P.O. Box 00309  
Nenana, Alaska 99760



Fred L. Lau  
Superintendent

(907) 832-5594

RESOLUTION NO. 89-02

WHEREAS, there exists a serious concern in communities and schools relating to the problem of persons employed by school districts in Alaska having an undisclosed history of criminal sexual activity, and

WHEREAS, we want all children of Alaska sent to an educational facility where they will be safe and healthy, and

WHEREAS, HB 52 has been introduced and would allow the Department of Education access to criminal records of all new teacher and administrator applicants, so

THEREFORE, BE IT RESOLVED, that the Yukon-Koyukuk School District Board supports the passage of HB 52 to ensure the safety of all our children.

PASSED, APPROVED AND ADOPTED BY THE SCHOOL BOARD OF THE YUKON-KOYUKUK SCHOOL DISTRICT THIS 14th Day of February, 1989.

ATTESTED:

*Luke Titus*  
Chairman, Yukon-Koyukuk School Board

2/14/89  
Date

*V. Chereil Robb*  
Clerk, Yukon-Koyukuk School Board

2/14/89  
Date

# Cordova Chamber of Commerce

P.O. Box 99  
Cordova, Alaska 99574  
(907) 424-7260



Representative Zawacki  
House of Representatives  
Pouch V  
Juneau, Alaska 99811

March 20, 1989

Dear Representative Zawacki:

The Cordova Chamber of Commerce would like to make known to you its decision to support House Bill 52 which would qualify the State Department of Education to access criminal records. We agree it is an issue of urgent concern.

Thank you for including the Cordova Chamber of Commerce while soliciting support for HB 52.

Sincerely,

*Connie Taylor*

Connie Taylor<sup>125</sup>  
President

# North Slope Borough School District



March 20, 1989

Representative Jim Zawacki  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811


RE: House Bill 52, Access to Criminal Records

Dear Representative Zawacki:

The North Slope Borough School District is in support of House Bill 52, related to access to criminal records by the Department of Education for persons seeking certification as teachers or administrators. We recommend, however, that the implementation of this proposed law rest with the Department of Education; not the school districts in Alaska. We suggest that DOE review criminal records at the time they receive State certification requests, and that this law be administered by DOE and at their expense.

Thank you for giving us the opportunity to give our thoughts on this matter.

Sincerely,



Shirley Holloway, Ed.D.  
Superintendent

BI/ma

cc: Senator Al Adams  
Representative Eileen MacLean  
School Board members  
Patsy Aamodt, Assistant Superintendent for Instruction  
Wally Berard, Assistant Superintendent for Administration  
Brenda Itta, Special Assistant to the Superintendent  
Ashley Reed, Lobbyist, NSBSD



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

## ANCHORAGE REGIONAL OFFICE

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

## JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 02  
JUNEAU, ALASKA 99801  
(907) 586 3090

## FAIRBANKS REGIONAL OFFICE

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

March 27, 1989

To: Representative Johnny Ellis, Chair  
Members, House HESS Committee

Re: House Bill No. 52: "An Act relating to access  
to criminal records by the Department of Education  
and providing for an effective date."

NEA-Alaska supports the concept that the Department of Education be the interested party on behalf of all school districts in obtaining records of criminal convictions of prospective applicants for certificated positions as a part of their initial certification process through the Department.

However, as a result of the initial hearing by the Committee we are not certain as to the scope or intent of this legislation. Accordingly, this statement will attempt to address potential concerns.

As stated above, we do support the Department being the interested person on behalf of all school districts as the records check pertains to initial certification.

We oppose any change which would require subsequent criminal records checks as a part of the recency or re-certification process except in instances where a person has let their certification expire.

It is inappropriate for any employee whose performance is competent and satisfactory and is a continuing employee on the initiative of the school district to have to periodically prove that they do not have a criminal record. Such a requirement is unusual, highly questionable, degrading, and offensive and is not expected of any other public employee.

NEA-Alaska could support legislation which would mandate that the courts or an appropriate agency of government be required to provide timely notification to the current employer of record of any person who is convicted of the crimes as referenced in AS 12.62.035.

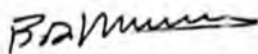
HB 52 should not be viewed as a means of purging the ranks of school district employees. Its primary purpose is to supplement the pre-employment reference checks which should be undertaken by all school district administrators as an integral part of their pre-hire procedures.

We further feel that school administrators and boards of education should be responsible and accountable to the public when they in fact do hire a person who has a record of criminal convictions per AS 12.62.035 and that they should be penalized accordingly as well.

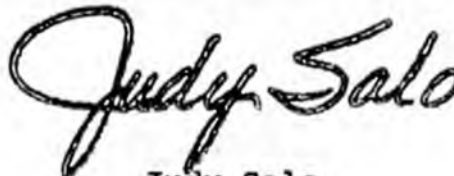
Employment decisions are substantial, especially when the potential employee is going to supervise children, and should not be done casually and should only be done after rigorous and thorough background checks.

Thank you for your consideration of our position.

Respectfully submitted,



Bob Manners  
Executive Secretary



Judy Salo  
President

cc: Representative Jim Zawacki

f26mar1



# SKAGWAY CITY SCHOOL

P.O. Box 497

• Skagway, Alaska 99840

• (907) 983-2960

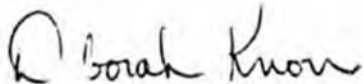
March 8, 1989

Representative Jim Zawacki  
Alaska State Legislature  
House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Representative Zawacki:

Enclosed is Resolution #89-3 which was adopted by the Skagway City School Board on February 22, 1989. This resolution supports House Bill 52.

Sincerely,



Deborah Knorr  
Board Secretary

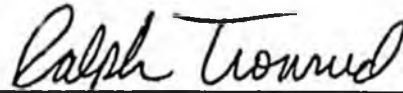
RESOLUTION #89-3

WHEREAS, the safety and welfare of children is the primary focus of the Skagway School Board; and,

WHEREAS, the best interest of the children can only be served by employing the most qualified and capable professional staff;

THEREFORE BE IT RESOLVED THAT the Skagway School Board unanimously supports legislation that requires checking for possible criminal records, involving contributing to the delinquency of a minor and/or sexual abuse, of new applicants for teacher or administrator positions.

ADOPTED the 22nd day of February, 1989.



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Ralph Tronrud, President  
Skagway School Board

**BIG LAKE  
CHAMBER OF COMMERCE**

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P.O. Box 520067  
Big Lake, Alaska 99652

February 8, 1989

East Lake Mall  
(907)892-6109

Resolution Serial No. 89-001

A RESOLUTION OF THE BIG LAKE CHAMBER OF COMMERCE SUPPORTING HB-52 IN ITS PRESENT FORM, AS INTRODUCED BY REP. JIM ZAWACKI, DISTRICT 7.

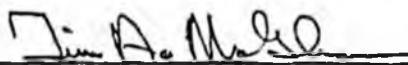
WHEREAS, the welfare and safety of our children is of the utmost importance; and

WHEREAS, the State of Alaska has been lax in providing the protection of our children from school employees who may have a history of criminal sexual activity; and

WHEREAS, only 5 of 55 school districts in the State of Alaska have any legal avenues of checking for possible criminal records of new applicants for teaching or administrative positions;

NOW THEREFORE BE IT RESOLVED, that the Big Lake Chamber of Commerce wholly supports HB-52 as introduced by Rep. Jim Zawacki, District 7.

ACCEPTED AND APPROVED by the Big Lake Chamber of Commerce this 8th. day of February, 1989.

  
\_\_\_\_\_  
Tim McGhan, President

jjn



BIG LAKE CHAMBER OF COMMERCE

Resolution Serial No. 89-001 (Sub.)

A RESOLUTION OF THE BIG LAKE CHAMBER OF COMMERCE SUPPORTING HB-52, INTRODUCED BY REP. JIM ZAWACKI, AMENDING THE PROPOSED AMENDMENT, TO INCLUDE ALL PERSONS WHO HOLD OR ARE SEEKING TO HOLD POSITIONS WITH A SCHOOL DISTRICT.

WHEREAS, the welfare and safety of our children is of the utmost importance; and

WHEREAS, the State of Alaska has been lax in providing the protection of our children from school employees who may have a history of criminal sexual activity; and

WHEREAS, only 5 of 55 school districts in the State of Alaska have any legal avenues of checking for possible criminal records of new applicants for teaching or administrative positions; and

WHEREAS, the Big Lake Chamber of Commerce wishes to amend the proposed amended Section 1, AS 12.62.035 (a) to read as follows:

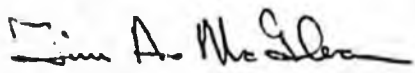
" (a) Notwithstanding any other provision of law, an interested person (AS DEFINED IN (e) OF THIS SECTION) may request from the Commission, records of all convictions involving contributing to the delinquency of a minor and any sex crimes of a person who holds or applies for a position with a school district. The Commission shall authorize the disclosure of the information to the requesting interested person and shall provide a copy of the information to the person who is the subject of the request." and

WHEREAS, Section 2. AS 12.62.035 (f) (1) should reflect the above inclusion of employees or prospective employees of all school districts, as follows:

" (1) shall request and receive records under (a) of this section for all persons holding or applying for a position (certificated and noncertificated) with a school district."

NOW THEREFORE BE IT RESOLVED, that the Big Lake Chamber of Commerce supports amending the proposed amendment to HB-52 as introduced by Rep. Jim Zawacki, District 7.

ACCEPTED AND APPROVED by the Big Lake Chamber of Commerce this  
8th. day of February, 1989. .

  
Tim McGhan, President

# TALKEETNA CHAMBER OF COMMERCE, INC.

P. O. BOX 334, TALKEETNA, AK 99676

Representative  
Jim Zawacki  
Pouch V  
Juneau, AK 99811

March 10, 1989

Dear Mr. Zawacki,

Please be advised that the Talkeetna Chamber of Commerce has passed a Resolution in support of House Bill #52. This is an issue of concern in our community, and through out Alaska. This bill is vitally important to our childrens welfare and education. If we can be of any further assistance please feel free to contact us.

Sincerely Yours

*Kristine D. Mahay*

Kristine D. Mahay

Sec/Tres

Talkeetna Chamber of Commerce





# FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

P.O. Box 1250 Fairbanks, Alaska 99707-1250 (907) 452-2000

## Board of Education

Mike Kramer  
President  
Seat D  
457-4447

Gene Redden  
Vice President  
Seat G  
456-8085

Andy Warwick  
Treasurer  
Seat F  
474-9148

Bonnie Brody  
Clerk  
Seat E  
479-4139

Jerry McBeath, Ph.D.  
Member  
Seat C  
479-2870

Walt Schlotfeldt  
Member  
Seat A  
457-5635

Karl Schroeder  
Member  
Seat B  
479-6548

Lt. Col. Mike Griffin  
Eielson Air Force Base  
Representative  
372-1648

Major Richard Musick  
Fort Wainwright Army Post  
Representative  
J56-2294

Margarette-Carole Bolden  
Student Representative  
457-1913

Honorable Jim Zawacki  
House of Representatives  
P. O. Box V  
Juneau, Alaska 99811

Dear Representative Zawacki:

On behalf of the Fairbanks North Star Borough Board of Education, I am forwarding Resolution 89-6 which supports House Bill 52, Access to Criminal Records. The resolution was unanimously approved by the Board at its meeting on March 7, 1989.

In the Board's discussion, several members inquired as to whether the district could access criminal records for all felony charges and not just contributing to the delinquency of a minor and sex crimes. Board members believe it is just as important for the Department of Education and the school district to know about a murder conviction, for example.

Thank you for the opportunity to comment on the proposed legislation.

Sincerely yours,

Richard S. Cross  
Superintendent

RSC/plh  
Enclosure

cc: Board of Education

Superintendent of Schools  
Richard S. Cross

FAIRBANKS NORTH STAR BOROUGH BOARD OF EDUCATION

Resolution 89-6

Support of House Bill 52 - Access to Criminal Records

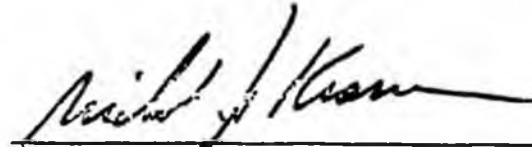
WHEREAS, the Fairbanks North Star Borough School District has been fingerprinting employees for criminal reference checks for the past three years as a condition of employment; and

WHEREAS, required criminal reference checks on all employees assist in determining an educational environment which is safe and healthy; and

WHEREAS, conducting criminal reference checks through the Department of Education would permit the exchange of information from criminal reference checks on a statewide basis;

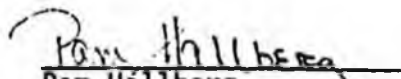
NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Board of Education supports House Bill 52 making it a requirement of the Department of Education to request and receive records on all convictions involving contributing to the delinquency of a minor and any sex crimes for any person seeking certification as a teacher or administrator in the State of Alaska.

PASSED AND APPROVED MARCH 7, 1989.



Mike Kramer, President  
Board of Education

ATTEST:



Pam Hallberg  
Secretary to the Board

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL  
BUILDING, ANCHORAGE, ALASKA 99511  
907-465-3800

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

H. HESS

2-2-89



# Alaska State Legislature

House and Senate

Please enter into the record my testimony to the Hess and Judiciary committee name

committee on HB 52, dated 1/9/89  
bill/subject

This bill is a good start toward protecting our children in the schools from those convicted of the 13 real crimes. However, my 13-year experience as an adult Probation Officer convinces me the list of subjects must be expanded. It should include anyone employed in or regularly volunteering to work in our schools. Anyone having ~~regular~~ opportunities to regularly contact students privately should be cleared through the review of criminal conviction histories. Contact workers must also be reviewed as I know of a school bus driver who was committing his abusive crimes in his bus.

Signed: Stephen D. Korenek Stephen D. Korenek  
Testifier

Self Self

Representing (Optional) P. O. Box 1774, Nome, AK 99762  
POB 1774, Nome, AK  
Address Work-443-5249 Home-443-5158  
WK 443 5249 / Home 443 5158  
Phone No.

Original sponsor: Zawacki

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 52 ( )  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to access to criminal records; and  
7 providing for an effective date."

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

9 \* Section 1. AS 12.62.035(a) is amended to read:

10 (a) An [NOTWITHSTANDING ANY OTHER PROVISION OF LAW, AN] inter-  
11 ested person [AS DEFINED IN (e) OF THIS SECTION] may request from the  
12 Department of Public Safety [COMMISSION] records of all convictions  
13 involving contributing to the delinquency of a minor, or convictions  
14 involving [AND] any sex crimes of a person who holds or applies for a  
15 position in which the person has or would have supervisory or disci-  
16 plinary power over a minor. The Department of Public Safety [COMMIS-  
17 SION] shall authorize the disclosure of the information to the re-  
18 questing interested person and shall provide a copy of the information  
19 to the person who is the subject of the request.

20 \* Sec. 2. AS 12.62.035 is amended by adding a new subsection to read:

21 (f) The Department of Education shall request and receive re-  
22 cords under (a) of this section for a person seeking certification as  
23 a teacher or administrator.

24 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).  
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