

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6241 SENATE HEALTH, EDUCATION AND SOCIAL SERVICES

645

Ladies and Gentlemen:

I am Jack Buck, administrator of St Ann's Nursing Home here in Juneau.

I appreciate this opportunity to testify before you concerning Medicaid reimbursement as it relates to St. Ann's Nursing Home.

St Ann's position is that Executive Order #72 will not create a more cost efficient reimbursement system, but will in fact deny the fair representation and objectivity currently in place with the free standing Commission.

If the objectives given to the Commission in the last three years were to implement the current regulations and methodology and contain costs, they have indeed met those objectives.

Through this testimony and presentation, I will attempt to convince you, as most health care providers in Alaska are convinced, that the current Medicaid rate setting mechanism has done an adequate job at keeping Alaska health care costs favorable in comparison with national inflation statistics. However, quite simply stated - reasonable costs are not covered using this current methodology.

St. Ann's Nursing Home's controllable costs have not escalated disproportionately in comparison to cost of living indicators. In fact, total expenses and expenses net of uncontrollable costs have both lagged behind recognized medical care cost of living indicators.

Although our facility has followed many strict cost containment measures over the past 5 years, such as embargoing pay increases, cutting employee benefits, and decreasing staff, there are some costs, totally beyond our control, that escalated wildly -- malpractice insurance and workers' compensation insurance. Additionally, in 1988, the nationwide nursing shortage caused St. Ann's to hire contract nurses at significantly higher costs -than if we were able to engage direct employees. These uncontrollable cost increases are not being covered by Medicaid reimbursement rates.

I would like to direct your attention to chart #1, titled "Annual Expense Percentage Increase vs Cost of Living Indicators". This chart demonstrates that the four year increase in St. Ann's total expenses and St. Ann's expenses net of uncontrollable costs have increased respectively at a rate less than the Medical Care Consumer Price Index as well as the National Consumer Price Index (CPI) for all areas, as published by the U.S. Department of Labor.

Over the 4 years, St. Ann's total expense increased at a rate of 24.77% and net expenses at only 11.19%. The medical care component of the CPI increased at a rate of 27.3% and the national CPI at 13%.

St. Ann's operates efficiently with reasonable costs as shown by this chart.

Now if you will please direct your attention to chart #2, titled "St. Ann's Expense vs Reimbursement". This chart shows St. Ann's total expenses vs actual reimbursement paid over the five year period. The shortfall in reimbursement is also shown. Over the five year period, the total shortfall in reimbursement is \$697,000.

St. Ann's has reasonable costs and operates efficiently. Medicaid requires reasonable costs to be reimbursed. Clearly, Medicaid reimbursement over the years has not done so.

Please direct your attention to chart #3, titled "St. Ann's Reimbursement Rates". This chart depicts the rates necessary for St. Ann's to fully recover costs compared to the actual Medicaid reimbursement paid. The rates shown are both calculated using total patient day volumes.

If total patient day volumes increase, a facility will receive excess reimbursement. If volumes decrease, as they have over the past 5 years due to more strict Medicaid eligibility standards as well as declining populations, costs are not reimbursed.

If I could direct your attention to chart #4, titled "LTC Reimbursement". This chart is the percentage of the total long term care Medicaid budget paid to each of the six free standing long term care facilities. As demonstrated, St Ann's received 8 % of the total budget.

Now if we can turn your attention to chart #5, titled "Malpractice Insurance" and "Worker's Compensation Insurance". As you can see, malpractice premiums in 1984 were \$21,837 and by 1988 they had reached \$108,164; an increase of 395%. Worker's compensation insurance premiums in 1984 were \$27,932 and in 1988 they were \$77,913; an increase of 178.94%. These costs are mandated and completely beyond the control of our facility and normal free-market competition. St. Ann's only recourse was to attempt to absorb these unusually high costs over the past 5 years.

Also included in your handouts are worksheets forming the basis for these graphs. All of the facts are from audited financial statements and other verifiable sources.

Although the Department of Health and Social Services has stated that Medicaid long term care rates are escalating rapidly, page three of the attached worksheets demonstrate that the long term care Medicaid reimbursement from 1984-1988 has increased only 19% compared to a 33% increase on nationwide medical care inflation. Given the facts presented here today, I believe some perspective needed to be placed around the issues and I hope that I have done so. Again, I certainly appreciate this opportunity to address you here today.

St. Ann's Expense Percentage Increase vs Cost of Living Indicators

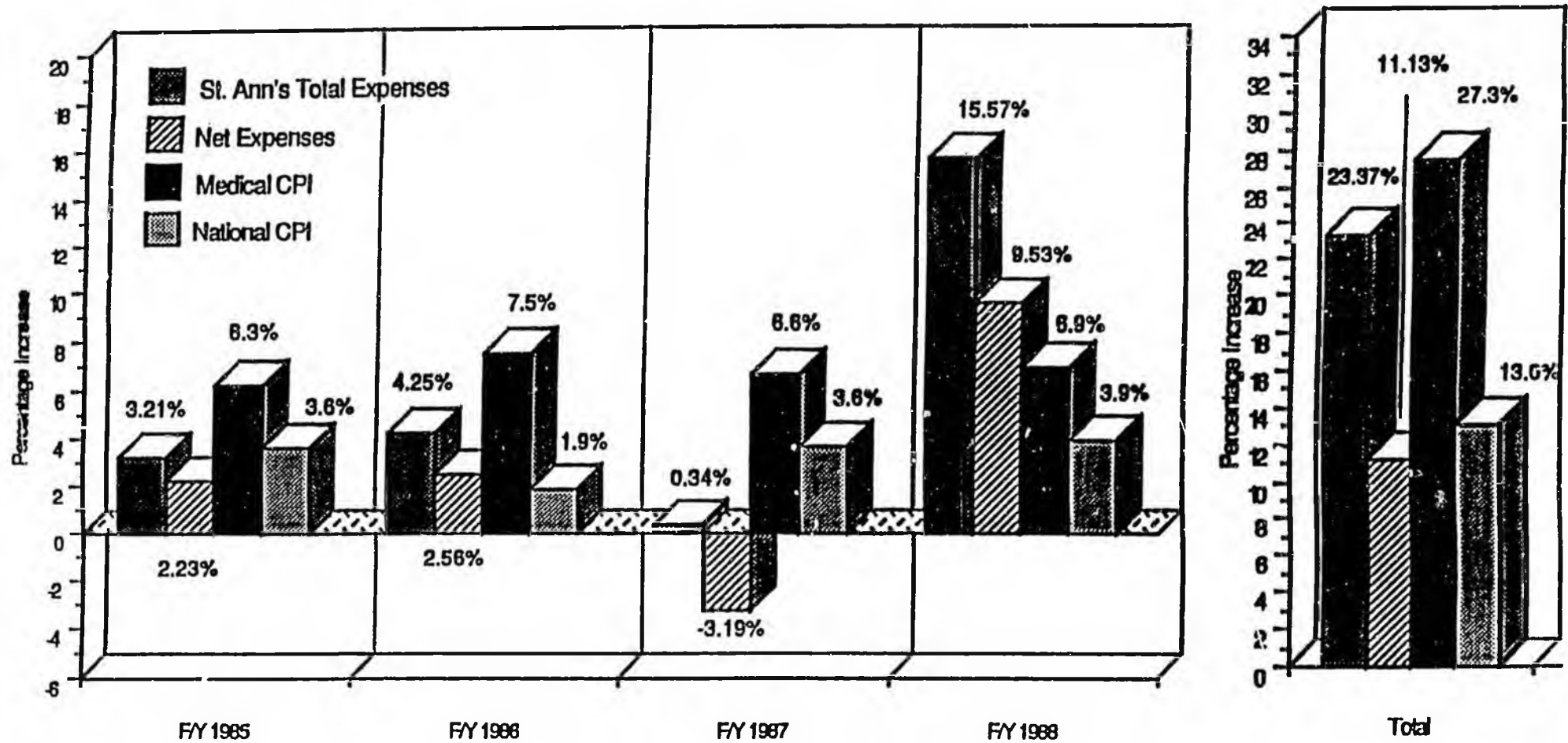


Chart #1

St. Ann's Expense vs Reimbursement

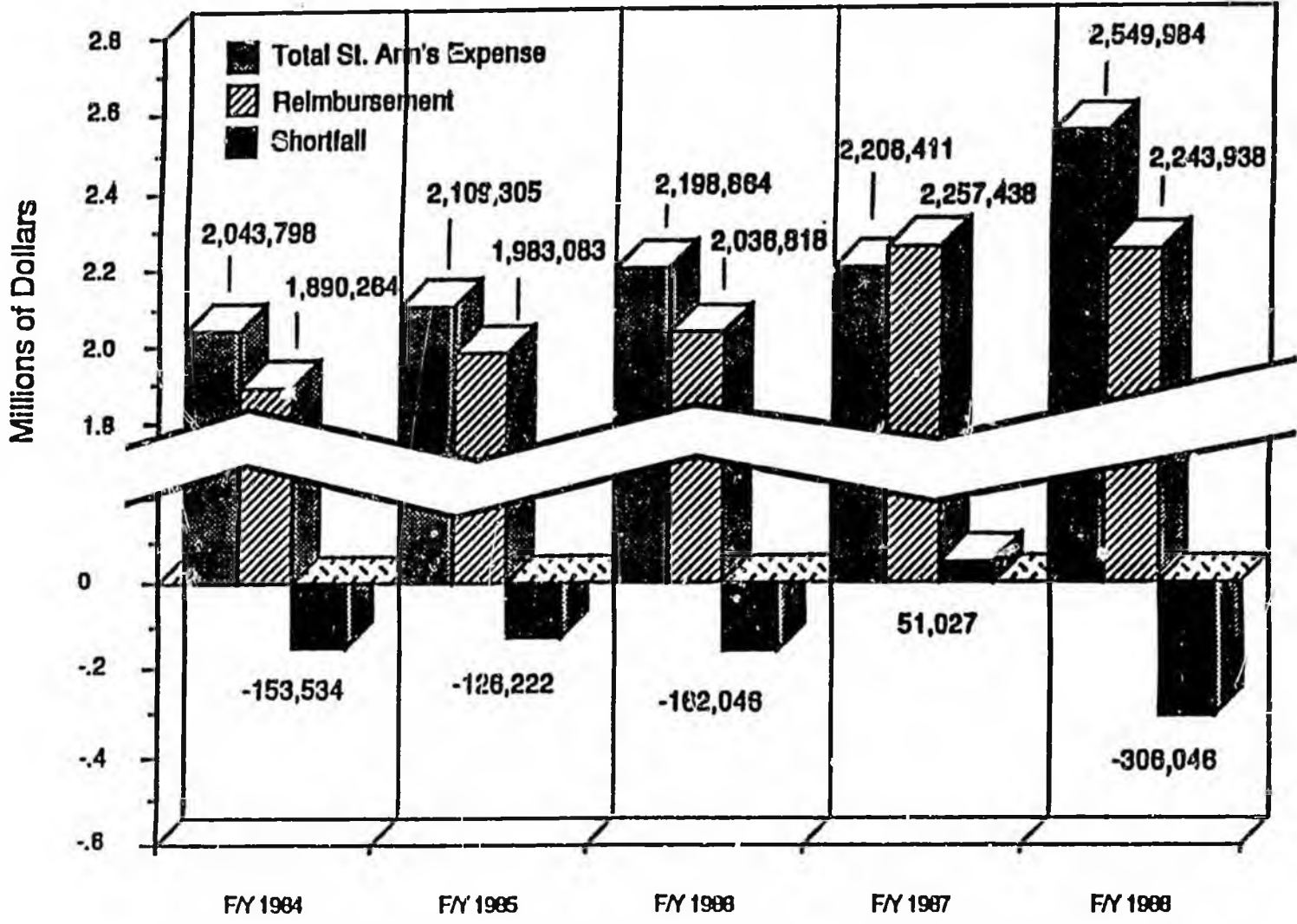


Chart #2

St. Ann's Reimbursement Rates

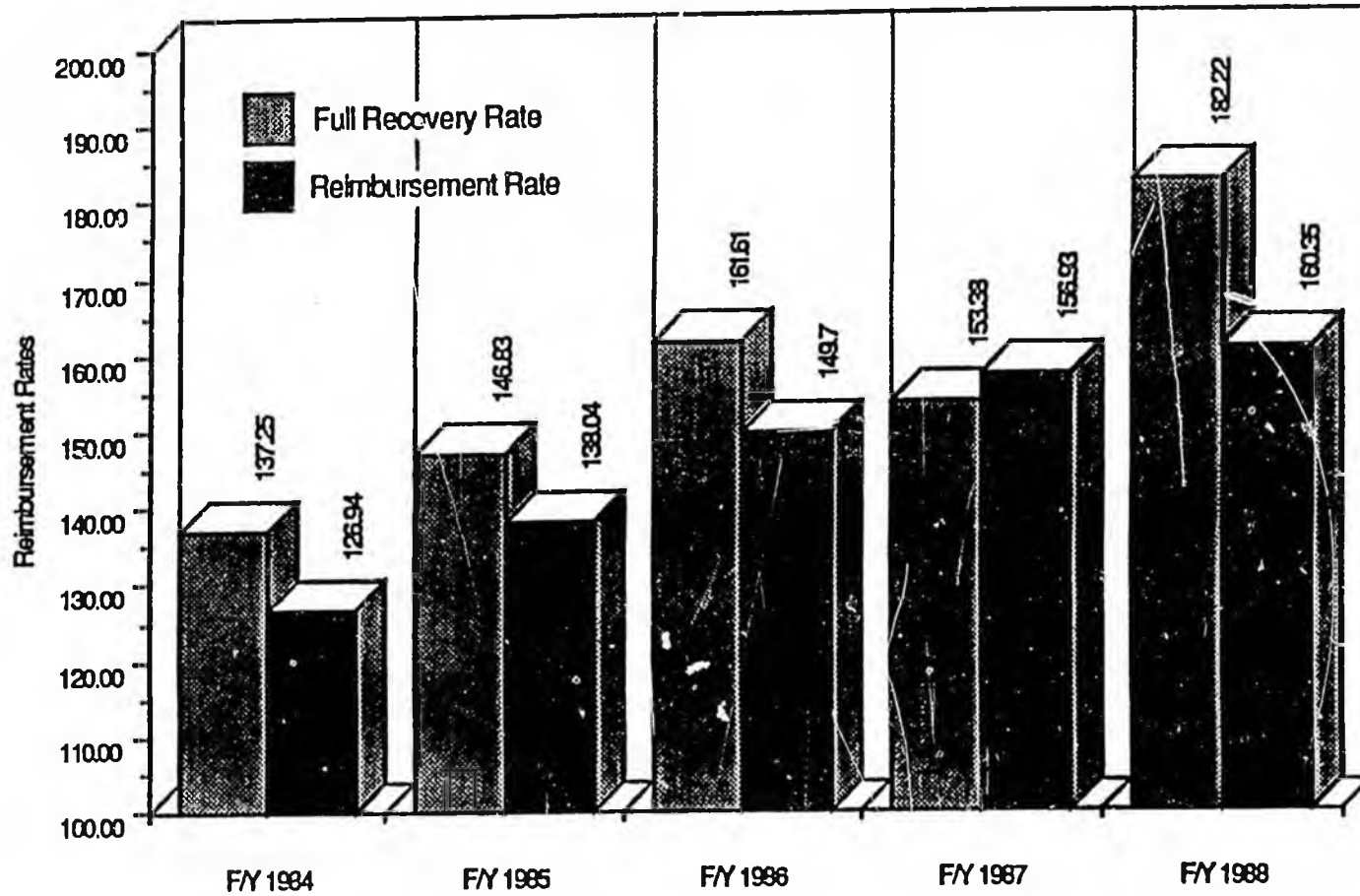
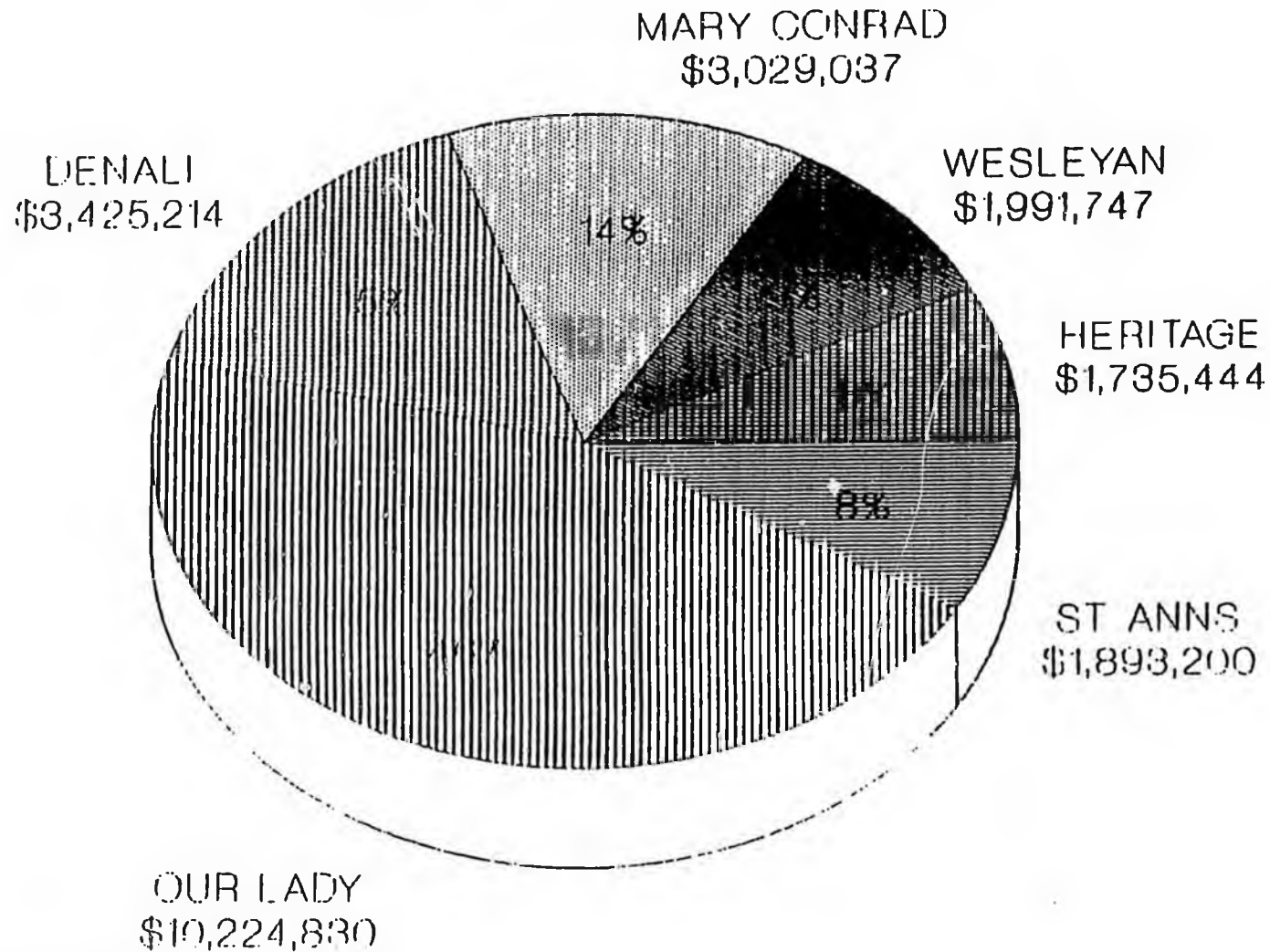


Chart #3

LTC MEDICAID REIMBURSEMENT F/Y 1988

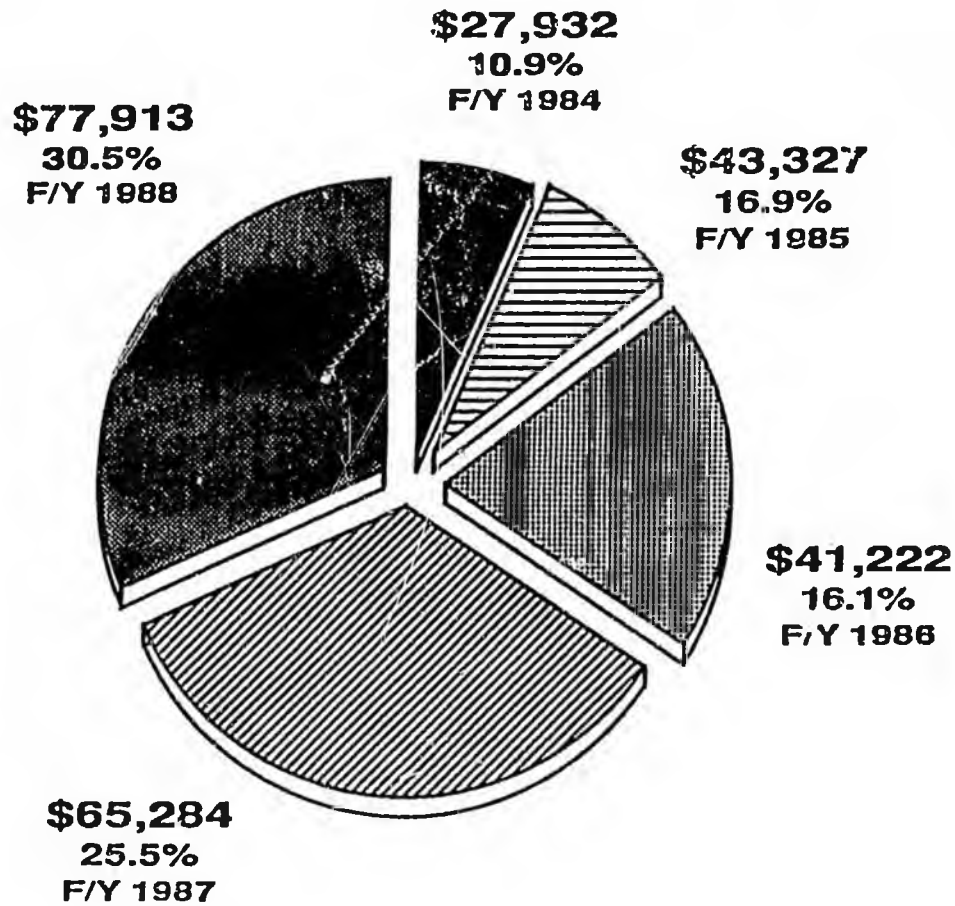


by Financial Consultants of Alaska

Chart #4

St. Ann's Uncontrollable Costs

Workman's Comp. Insurance



Malpractice Insurance

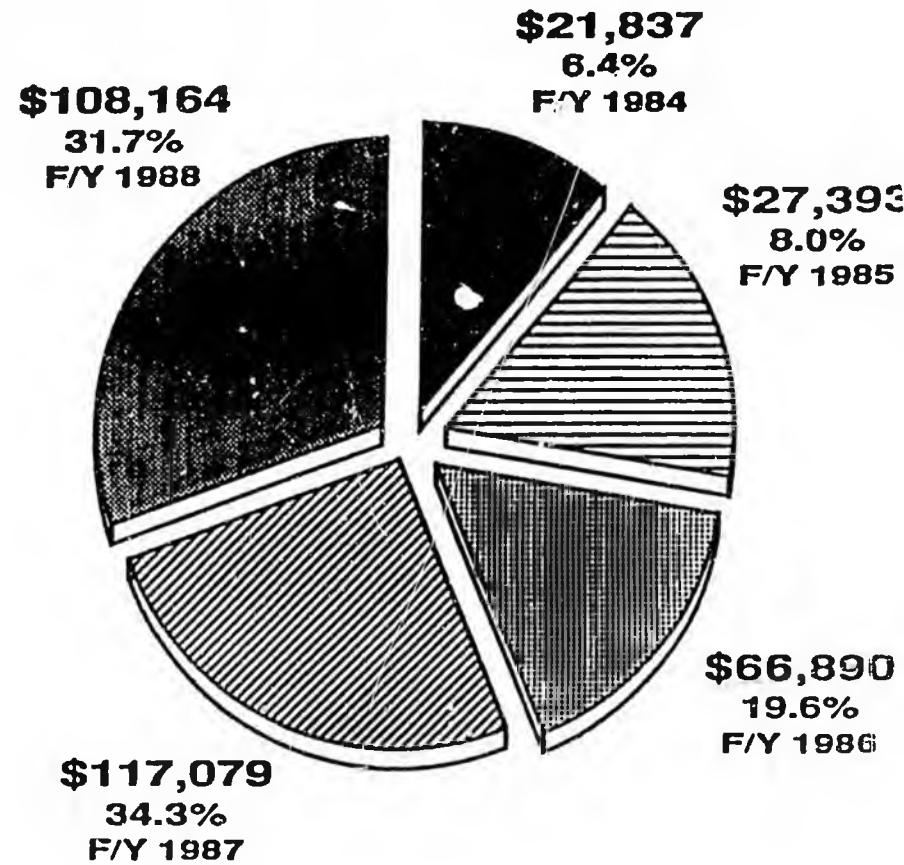


Chart #5

ST. ANN'S NURSING HOME, INC.
 STATISTICAL ANALYSIS

ANNUAL EXPENSE PERCENTAGE INCREASE
 VS
 COST of LIVING INDICATORS

	F/Y 1985	F/Y 1986	F/Y 1987	F/Y 1988	TOTAL
St. Ann's Total Expenses:	3.21%	4.25%	0.34%	15.57%	23.37%
St. Ann's Expenses Net of UnControllable Items:	2.22%	2.56%	-3.19%	9.53%	11.13%
U.S. Dept. of Labor Medical Care Inflation Component of CPI:	6.30%	7.50%	6.60%	6.90%	27.30%
U.S. National CPI	3.80%	1.90%	3.60%	3.90%	13.00%

ST. ANN'S NURSING HOME, INC.
STATISTICAL ANALYSIS

FACILITY EXPENSE SUMMARY SINCE 1984

	F/Y 1984	F/Y 1985	F/Y 1986	F/Y 1987	F/Y 1988	Five Year Change
Total Facility Expenses:	\$2,043,798	\$2,109,305	\$2,198,864	\$2,206,411	\$2,549,984	
%% Increase:		3.21%	4.25%	0.34%	15.57%	24.77%
InControllable Factors:						
Malpractice Ins.:	\$21,837	\$27,393	\$68,890	\$117,079	\$108,164	
%% Increase:		25.44%	144.19%	75.03%	-7.61%	395.32%
Workmans Comp. Ins.:	\$27,932	\$43,327	\$41,222	\$65,264	\$77,913	
%% Increase:		55.12%	-4.88%	58.37%	19.34%	178.94%
Nursing Shortage:					\$146,950	
Total UnControllable:	\$49,769	\$70,720	\$108,112	\$182,383	\$335,027	
%% Increase:		42.10%	52.87%	68.68%	82.82%	509.15%
Expenses Net of UnControllable Items:	\$1,994,029	\$2,038,585	\$2,090,752	\$2,024,048	\$2,218,957	
%% Increase:		2.23%	2.56%	-3.18%	9.53%	11.18%
Total Facility Expenses:	\$2,043,798	\$2,109,305	\$2,198,864	\$2,206,411	\$2,549,984	
Reimbursement:	\$1,890,264	\$1,883,083	\$2,036,818	\$2,257,438	\$2,243,938	
Reimbursement Excess(Shortfall)	(\$153,534)	(\$120,222)	(\$162,046)	\$51,027	(\$306,046)	Over Five Years (\$896,822)

INCREASES IN LONG TERM
CARE MEDICAID REIMBURSEMENT

1984-1988

FACILITY	RATE	F/Y 1984 VOLUME	REIMBURSEMENT	PERCENT of TOTAL	RATE	F/Y 1988 VOLUME	REIMBURSEMENT	PERCENT of TOTAL	'84 to '88 % INCREASE
DENALI	\$120.38	29,443	\$3,544,346	24.06%	\$145.76	23,499	\$3,425,214	19.53%	-3.26%
CUR LADY	\$135.97	57,354	\$7,887,151	53.53%	\$151.23	63,398	\$10,224,829	59.31%	33.64%
ST. ANN'S	\$126.94	13,253	\$1,682,326	11.42%	\$163.50	11,559	\$1,893,200	10.80%	12.53%
WESLEYAN	\$79.54	20,525	\$1,619,988	10.99%	\$193.21	19,238	\$1,331,747	11.35%	22.36%
TOTAL FREE-STANDING NURSING HOMES:			\$14,781,709				\$17,524,991		19.01%

The following facilities did not exist in 1984

HERITAGE			30	0.00%	\$197.13	3,394	\$1,735,444	9.30%	
MARY CONRAD			15	0.00%	\$269.27	11,331	\$3,029,637	17.27%	

32. Annual data: Consumer Price Index, U.S. city average, all items and major groups

(1912=100)

88 estimate

Series	1979	1980	1981	1982	1983	1984	1985	1986	1987
Consumer Price Index for All Urban Consumers:									
All items:									
Index	72.6	82.4	90.9	94.6	94.9	102.9	107.8	108.6	113.6
Percent change	11.1	12.5	10.3	6.2	2.2	4.3	3.6	1.8	3.6
Food and beverages:									
Index	79.9	94.7	93.5	97.3	96.5	102.2	105.6	108.1	113.5
Percent change	10.7	18.5	7.8	4.1	2.3	3.7	2.5	2.3	4.0
Housing:									
Index	70.1	81.1	90.4	94.9	98.5	103.8	107.7	110.9	114.2
Percent change	12.5	15.7	11.5	7.2	2.7	4.1	4.0	3.0	3.0
Apparel and upkeep:									
Index	84.9	80.9	95.3	97.8	100.2	102.1	105.0	105.9	110.6
Percent change	4.3	-7.1	4.8	2.8	2.5	1.9	2.8	9	4.4
Transportation:									
Index	70.5	82.1	93.2	97.0	99.3	102.7	106.4	107.2	105.4
Percent change	14.5	17.9	12.2	4.1	2.4	4.4	2.8	-3.9	3.0
Medical care:									
Index	87.5	74.9	82.9	92.5	100.6	108.8	113.5	122.0	130.1
Percent change	9.2	-17.0	10.7	11.8	8.8	6.2	6.2	7.5	6.6
Entertainment:									
Index	78.7	83.6	90.1	96.0	100.1	102.8	107.9	111.6	115.3
Percent change	8.7	9.0	7.8	6.5	4.3	3.7	3.9	3.4	3.3
Other goods and services:									
Index	68.9	75.2	82.6	91.1	101.1	107.9	114.5	121.4	128.5
Percent change	7.2	9.1	9.8	10.3	11.0	6.7	6.1	6.0	5.8
Consumer Price Index for Urban Wage Earners and Clerical Workers:									
All items:									
Index	72.1	82.9	91.4	98.9	99.8	103.3	108.9	108.6	112.5
Percent change	11.4	13.4	10.3	8.0	2.2	3.5	3.5	1.6	3.6

3.9

6.9

Source: Monthly Labor Review, February 1989

FEB 06 1989



MARY CONNA
CENTER

February 1, 1989

Governor Steve Cowper
P.O. Box A
Juneau, Alaska 99811-0101

Dear Governor Cowper:

All organizations that I am aware of i.e. hospitals, nursing homes, the Department of Health and Social Services, Congress, our legislature, etc. are wrestling with the issue of increasing health care costs. It is not an easy problem, especially in Alaska, because Alaska's health system is so fragilely balanced financially between federal, state and private payment sources. A significant reduction in payments through any source may cripple the industry.

The scrutiny of health care providers as to their efficiency, cost effectiveness and quality is appropriate and, in fact, the responsibility of the Department of Health and Social Services. However, when the scrutiny gets one sided and becomes so focused on one aspect of the industry and not others it is damaging. The Department of Health and Social Services has for the last two years been focusing on the question "why are nursing home costs so high in Alaska?" I believe the question has been answered through the work of your Governor's Interim Commission on Health Care and Medicaid Rate Commission actions and debate. Nursing home costs in Alaska are higher than the lower forty-eight states for the same reasons it costs more to run prisons, pioneer homes, hotels, and state operated hospitals and nursing homes. Primarily because of labor costs, building costs, supply costs and most importantly the higher quality of facility and services.

When we get frustrated with our high costs in Alaska compared to the lower forty-eight states, we, in my opinion, are making the wrong comparison. It's apples and oranges again. We should be comparing Alaska services to each other to determine which are efficiently and cost effectively operated and which is the "best buy."

Some Alaskan comparisons for your consideration:

Alaska Prisons

I do not have a written reference for the annual inmate cost per year but I recall a recent newspaper article that indicated \$45,00 per year per inmate. Whatever 's true, please compare it to the costs above.

\$45,000/year per person
State General Fund

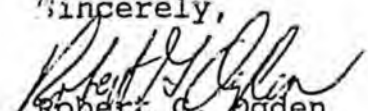
With the above comparisons, one might ask the question, "Shouldn't the Department of Health and Social Services and state government be providing the same scrutiny to the cost of operating its own facilities as it does for one aspect of the private industry?"

We are all concerned about the cost of health care and the effect it has on the State General Fund. However, private nursing homes cannot and should not be asked to bear the full burden of "cost containment" actions by the State. Look to your own facilities to explain why health facility costs are high in Alaska and apply the same "cost containment" pressures to them, as you are the private industry.

The press release on Executive Order #72 said you issued the order to contain costs in health care. This sounds good to the public. Remember, you have already contained costs so aggressively in the private nursing home area, that some may close. Your Executive Order does nothing to improve cost containment, quality of services or patient access. It does however, set your Commissioner up for many political and legal battles in the future.

It seems that a comparison of Alaskan facilities show that it is by far the "best buy" for the state to have persons in a private nursing home rather than in one operated by State Government. Let us hope that the private nursing homes survive, continue to provide nursing home services to those in need, and are still operating when needed.

Sincerely,


Robert C. Ogden
Administrator

cc: Myra Munson, Commissioner
Department of Health and Social Services

Health Association of Alaska
Representative Mark Boyer
Senator Paul Fisher

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

FEB 06 1989



MARI CONRA
CENTER

February 1, 1989

Governor Steve Cowper
P.O. Box A
Juneau, Alaska 99811-0101

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Some Alaskan comparisons for your consideration:

Private Nursing Homes:

At present, according to page 7 of the Governor's Interim Commission on Health Care, it costs an average of \$20,400 in State General Fund dollars to keep a person in a private nursing home for one year. This figure seems low to me as I believe the average rate in Alaska is \$162.57. If \$162.57 is multiplied by 365 days in a year you get \$59,335.05 total per year. This total is matched with federal dollars at 50% therefore it costs the State General Fund, \$29,669.03 per person.

\$29,669.03/year per person
State General Fund

Pioneer Home

Again page 7 of the Governor's interim Commission on Health care reports the cost of a person at the Anchorage Pioneer Home is about \$57,000 per year. All General Fund dollars.

\$57,000/year per person
State General Fund

Alaska Psychiatric Institute

The attached report of the department of Health and Social Services shows the cost of providing care to a Medicaid recipient at API is \$252.24 per day. ($\$252.24 \times 365 \text{ day} = \$92,067.60$ (one half of this is federal funds)).

\$46,033.80/year per person
State General Fund

Harborview Developmental Center

Reference the attached Department of Health and Social Services report wherein it costs \$302.00 per day to care for a Medicaid recipient at Harborview ($\$302.00 \times 365 = \$110,230$). One half of the amount is federally funded therefore the State General fund impact is \$55,115.

\$55,115.00/year per person
State General Fund

Alaska Prisons

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\$45,000/year per person
State General Fund

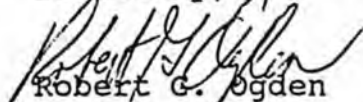
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Sincerely,


Robert G. Ogden
Administrator

cc: Myra Munson, Commissicner
Department of Health and Social Services

Health Association of Alaska
Representative Mark Boyer
✓ Senator Paul Fisher

Long Term Care

Reg Service -

Personal Care?

Agency fee - i.e. CIP cost.

1207 Jan

15th day

Wed.

Set up
to be there

Rate Commission → 5

2 openings

Thur. 26

Fri. 27

Jan - Anch

Medicare

Reimbursement - New Vendor?

Virginia - Computer Co.

3 - agencies to verify - reimbursement.

Soldotna

Fin:

Elig

Medical

Eligibility

Billing

✓

1 - Medical Eligibility - Div. Pub. Acct.

2 - " " Div. Med. Auit.

3 -

The Virgin Computer Co., Anch.

Paid on number of claims processed
includes denial

- Need - Providers be allowed into
the system -
will be coded
has a release from client

Erik Hanson - "Kim Bush" →

Uncompensated Care

CASE FILE FORMAT

DATE 1-31-89

TIME 5:00

NAME SHARON CATES

Box 925, Soldotna, Alaska 99669

TELEPHONE NUMBER 262-4171

1 SS or acct #

DESCRIPTION OF CALL Sharon Cates mother is in Heritage Place in Soldotna, she's 71 years old, has Alzheimer's disease, and is diabetic. She's been at Heritage Place for three years now, and has been a resident of the state since 1951. She doesn't speak, she doesn't walk. She is in real need of constant care. Her husband passed away in December. The state was paying for her stay at Heritage Place, but since her husband has passed away, and she's receiving his retirement benefits and social security totalling about \$1500.00 a month. That's about 100-200 over the amount she's allowed to have at Heritage Place, and the state's giving her until March 1 to move out to her daughter's Sharon's house. Sharon says her mother needs constant care, and she's in no position to care for her. Is there anything we can do for her. Her husband had been in Seattle working, no work here. Are struggling to care for their own family.

ACTION TAKEN BY STAFF

GRM - discretionary fund

FOLLOW-UP CALLS 2/13/89

INITIALS

SITKA COMMUNITY HOSPITAL

209 MOLLER AVENUE • SITKA, ALASKA 99835 • (907) 747-3241

January 30, 1989

The Honorable Paul Fischer
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Fischer:

I have grave reservations about Executive Order Number 72 which deals with the abolition of the Medicaid Rate Commission as an independent rate setting body and assigns it to the Department of Health and Social Services as an advisory group.

Why do I have reservations?

- (1) Executive Order 72 was signed and forwarded to the Legislature without notification of, nor consultation with, the Health Association of Alaska. The Health Association of Alaska had entered into an agreement with the Commissioner of the Department of Health and Social Services to work out a restructuring of the Medicaid Rate Commission. The members of the Health Association of Alaska were under the assumption that these good faith negotiations were still ongoing, up until the release of the Executive Order.
- (2) In spite of its shortcomings - which were in the process of being addressed - the Medicaid Rate Commission did attempt to set rates while considering legitimate expenses, quality of care and cost containment efforts of Alaska care facilities.
- (3) An assurance that the Medicaid Rate Commission will not become a perfunctory body under the direction of the Commissioner of Health and Social Services is not present.

page 2
Executive Order 72
January 30, 1989


- (3) Without the above assurance my hospital could have a 20% reimbursement rate imposed upon it with no real recourse. Why would I say that? The answer is the Commissioner of Health and Social Services is attempting to force the Medicaid Rate Commission to do that now. A 20% reimbursement rate is not reasonable.

Finally, I recognize the energy that would be consumed by the Legislature in overturning this Executive Order. It deserves to be overturned! However, your energy is needed in several other areas also. If there would be legislative safeguards put in place to assure the practical application of the principles intended by the rate setting process, we could live with the change. However, it must be reiterated that if we are to provide quality healthcare, there must be protection from actions such as the attempted 20% reimbursement rates.

A similar letter has been sent to Representative Grussendorf, Senator Eliason and the other members of the Health, Education and Social Services Committees for both the House and the Senate.

Your attention is appreciated.

Sincerely,


Ed Malewski
Administrator

cc: HAA

EM/AM/am



Alaska State Legislature

Senate

Office of the Secretary

PO. BOX V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

OFFICIAL BUSINESS

January 9, 1989

MEMORANDUM

TO: Senator Paul Fischer, Chairman *na*
Health, Education and Social Services Committee

FROM: Nancy Quinto
Secretary of the Senate

RE: Executive Order No. 72

The President has referred Executive Order No. 72 (transferring the rate-setting and some other related function of the Medicaid Rate Commission to the Department of Health and Social Services).

Section 23, Article III of the Constitution states:

The governor may make changes in the organization of the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration. Where these changes require the force of law, they shall be set forth in executive orders. Unless disapproved by resolution concurred in by a majority of the members in joint session, these orders become effective at a date thereafter to be designated by the governor.

Attachment



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Office of the Minority Leader

Official Business
Room 24
State Capitol

JAN 23 1989

P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-4841

MEMORANDUM

ACT

TO: ALL HOUSE AND SENATE HESS COMMITTEE MEMBERS
FROM: REPRESENTATIVE TAYLOR
RE: EXECUTIVE ORDER # 72 AND BUDGET PROPOSALS
DATE: 23 JANUARY 1989

I am sending each of you a copy of some correspondence I received from a hospital administrator. As you will see this letter could be from any district in our state, the proposals effect each of us. I hope that we can all work together to see that they do not come about. Please feel free to contact me about these issues and thank you for your time.

PETERSBURG GENERAL HOSPITAL
and Long Term Care Facility

Phone: (907) 772-4291

P.O. Box 589

Petersburg, Alaska 99833

January 18, 1989

Steve Cowper, Governor
3rd Floor, State Capital
P.O. Box A
Juneau, Alaska 99811

Honorable Governor Cowper:

I understand that you have adopted an executive order which will be effective in 60 days and transfers the Medicaid Rate Commission into the Department of Health & Social Services. I want you to know that I find this action to be in very poor taste and I really question the legality of such a drastic step. I view this as a step towards the degradation of the medical care for the residents of Alaska and particularly to rural Alaskans.

Governor, with whom did you confer regarding the necessity of this change? Did you discuss this with legislators or was this strictly based on the Health and Welfare Commissioner's request and by using the the report from the Governor's Commission on Health as the foundation. May I quickly remind you that the Health & Social Services Commissioner very adequately, as a member of the Health Commission, manipulated the results of some of those proposals. Have you really heard the other side of the issue? Do you understand how the State of Alaska, with their Pioneer Homes, is in direct competition with community nursing homes?

Need I remind you that the legislature established the Medicaid Rate Commission. Does the Governor have the right to change that without showing some sort of an emergency?

Granted, there are problems with the Medicaid Rate Commission. On November 1, 1988, we received a payment rate reduction thru a questionable emergency regulation adopted by that rate commission which reduced payments to Petersburg General Hospital by \$144,000 per year. There have been numerous appeals of rates and even lawsuits. We do not profess that the system is perfect. Many of the problems developed because of the attitude and policy changes of a prior Medicaid Rate Commission director. However, and I clarify that I do not speak for the health association collectively, I felt that the problems could be resolved. The association has attempted to resolve these problems. Part of the blockade to an amenable solution has been your Commissioner of Health and Social Services.

Honorable Governor Cowper
1/18/89

2.

The Association and I have participated personally in some discussions and have met on several occasions with the Commissioner to review and resolve the issues. Most of these meetings were a waste of time and money. The Commissioner does an excellent job of always directing the course of the debate which ends in her demanding drastic measures with the Medicaid Rate Commission in the form of a "supposed" emergency regulation or the arm twist mg, demanding approach of a letter such as the attachment "A" enclosed which further puts the Association members on the defensive.

I believe, Governor, that you need to understand our feelings. We believe your Commissioner desires to maneuver Medicaid funds away from hospitals and nursing homes to be used for expanding her pet programs for women and children.

We consider her to be against standard institutional medical care provided by hospitals and particularly nursing homes. The fact that the Medicaid regulations places a priority on hospital and nursing home care before any other Medicaid programs can be funded seems to be a problem. The fact that we are entitled to a fair and reasonable reimbursement rate should not be intermingled with budgetary constraints of other programs. Placing the Medicaid Rate Commission in the hands of one individual who could and probably will dictate rates will only compound the disputes over fair and reasonable rates and hospital and nursing homes being first entitled to Medicaid dollars.

We recognize that this is a very complex issue. I hope that I can stimulate your thinking to desire to have input from the Health Association of Alaska before this order is adopted.

Incidentally, Petersburg General Hospital has reduced their cost per nursing home patient day thru an increased patient census and a cost reduction program by \$73.47 per patient day. This is over \$280,000 per year. We are trying to do our part, but changing the rate commission from a five person decision group (only 1 of them is an industry representative) into a one person dictatorship infuriates those of us who still believe in a democratic process.

Believe me, I think you will see a mass request for changes in the Commissioner of Health & Social Services office if some policy and attitude changes are not forthcoming. I hate to see the "Medicaid" program made a political football because of the "whims" of one person. I strongly believe that the citizens in rural Alaska and the senior citizen population will become very upset when the full story is revealed. Let's work together to resolve this beforehand and please withdraw your executive order.

Honorable Governor Cowper
1/18/89

3.

I also take this opportunity to express my views on some other matters. I suggest that the proposed 1% sales tax be required only in communities which do not have at least a 5% sales tax. To add 1% sales tax to the citizens of Petersburg, who presently have a 5% sales tax, while the citizens of Anchorage, or other communities, have no sales tax is a disproportionate method of taxation.

Next, I strongly believe there are areas of state government that can and should be reduced. The capital expenditures in emergency medical services for the growing years of Alaska was appropriate. These funds need to now be scaled back drastically. The burden should now be on communities to replace ambulances and equipment. Further, I am always amazed when I walk into the Department of Labor building in Juneau and see the mass of bodies supposedly pushing papers across their desks. I could not determine that so many people were necessary. I believe that what you need is an efficiency expert to review all offices and departments of state government to cut the costs.

I believe that a careful evaluation of capital projects is needed. The proposed Bradfield road connection with the Canadian highway system of \$20 million would be recovered in a few years thru reduced marine highway subsidized travel costs between Prince Rupert, B.C. and Southeast Alaska and could also be a toll road. In addition, the ferry system, which is our Southeast Alaska highway, should allow booking priorities to Alaska residents who require it for return to their regular work schedules or getting to the lower states for various family and medical needs. To us it is a necessity, to tourists it is a luxury.

The initiation of capital projects before all funding is resolved is a disgrace and places an undue burden on state government. The community gym project in Petersburg is a classic example and supports the premise that capital dollars must be carefully evaluated and not placed on the block the last week of a legislature for political games and the resultant, partial, inappropriate funding. How many years will a foundation sit and deteriorate before the balance of the building funds are available.

I also get very concerned about the continued plea for more education funding. Has anyone considered that a school teacher works 180 school days per year (most people work 236 days per year) for six hours per day in class and preparation time and that is \$41.67 per hour, not counting benefits, on a \$45,000 salary, which is a fair average school-teaching salary for Alaska. That is certainly a high hourly wage compared to our registered nurse salaries of \$15.05 per hour worked.

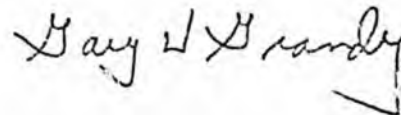
Honorable Governor Cowper
1/18/89

4.

Lastly, you should understand that I support you as the Governor.
I commend you for doing an excellent job these past two years.

Please call on me to discuss these matters further with you, if you
desire. I want to help in any way possible.

Sincerely,



Gary W. Grandy
Administrator

cc: Hospital Board
Lloyd Jones
Robin Taylor ✓
Sheri Davis
Mark Boyer - HESS Committee
HAA



NORTON SOUND HEALTH CORPORATION

P.O. BOX 966
NOME, ALASKA 99762
(907) 443-3311

February 2, 1989

Senator Paul Fischer
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Fischer:

Norton Sound Regional Hospital is opposed to Executive Order #72 and strongly urge that you do what you can to kill it through Committee Action. As a member of the Health, Education, and Social Service Committee, you are in an excellent position to insure a degree of equitability in rate setting.

We contend the Legislature should not change the current rate setting process until assurances can be given that a fair rate will be provided for reasonable costs incurred. My fear is that the rate setting process will become strictly "budget driven".

As a hospital and nursing home in "Bush" Alaska we are part of a fragile rural health care network that is in need of additional funding not less. If the Medicaid Rate Commission becomes Advisory to the Commissioner we can count on rate setting decisions based upon economic factors. If this is true it will have a devastating impact on the access to care for rural Alaskans.

Sincerely,

WALLACE N. BOYD
NORTON SOUND REGIONAL HOSPITAL

Wallace N. Boyd, Director
Hospital Services Division

cc: Carolyn Michels
Harlan Knudson

EXECUTIVE

ORDER

76



Alaska State Legislature

Senate

Office of the Secretary

OFFICIAL BUSINESS

PO BOX V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

January 8, 1990

MEMORANDUM

TO: Senator Paul Fischer, Chair
Health, Education and Social Services
Committee

FROM: Nancy Quinto *NQ*
Secretary of the Senate

RE: Executive Order No. 76

The President has referred Executive Order No. 76 (to reassign to division status the office of alcoholism and druge abuse, in the Depoartment of Health and Social Services) to your committee.

Section 23, Article III of the Constitution states:

The governor may make changes in the organization of the executive branch or in the assignment of functions among the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration. Where these changes require the force of law, they shall be set forth in executive orders. The legislature shall have sixty days of a regular session, or a full session if of shorter duration, to disapprove these executive orders. Unless disapproved by resolution concurred in by a majority of the members in joint session, these orders become effective at a date thereafter to be designated by the governor.

Attachment

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 8, 1990

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

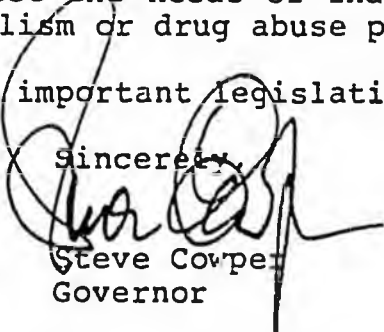
Dear Mr. President:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting Executive Order No. 76, relating to the office of alcoholism and drug abuse. The Order reassigns the office to division status within the Department of Health and Social Services, effective March 10, 1990, the 62nd day of this legislative session. Incidental to that reassignment, the Order establishes that the head of alcoholism and drug abuse is a director in the partially exempt service, like the other division directors in the department.

The purpose of the Order is to give additional recognition to, and to provide for better coordination of efforts for, two of the most serious health problems facing Alaskans -- alcoholism and drug abuse. Virtually all Alaskans are touched by the direct or indirect effects of alcoholism and drug abuse in this state. By making the office a division, the programs for these problems can be given increased recognition. The organizational change would also allow for more opportunities for integration and coordination of a variety of services to meet the needs of individuals and families affected by alcoholism or drug abuse problems.

I urge your support of this important legislation.

Sincerely,


Steve Cowper
Governor

1 EXECUTIVE ORDER NO. 76

2 Under the authority of art. III, sec. 23, of the Alaska Constitution,
3 and in accordance with AS 24.08.210, I order the following:

4 * Section 1. FINDINGS. As governor, I find that it would be in the
5 best interest of efficient administration to reassign to division status
6 the office of alcoholism and drug abuse, in the Department of Health and
7 Social Services. This reassignment is necessary in order to give
8 appropriate recognition to, and to provide for better coordination of
9 efforts for, two of the state's most serious public health problems --
10 alcoholism and drug abuse.

11 * Sec. 2. AS 47.37.020 is amended to read:

12 Sec. 47.37.020. DIVISION [OFFICE] OF ALCOHOLISM AND DRUG ABUSE.
13 A division [AN OFFICE] of alcoholism and drug abuse is established in
14 the department. The division [OFFICE] shall be headed by a director
15 [COORDINATOR] appointed by the commissioner. The director must [CO-
16 ORDINATOR SHALL] be a qualified professional who has training and
17 experience in the organization and administration of treatment ser-
18 vices for persons with medical-social problems. The director [COORDI-
19 NATOR] is in the partially exempt [CLASSIFIED] service under
20 AS 39.25.120(c)(2).

21 * Sec. 3. AS 47.37.030 is amended to read:

22 Sec. 47.37.030. POWERS OF DIVISION [OFFICE]. The division
23 [OFFICE] may

24 (1) plan, establish, and maintain programs for the preven-
25 tion and treatment of alcoholism, drug abuse, and misuse of hazardous
26 volatile materials and substances by inhalant abusers;

27 (2) make contracts and award grants necessary or incidental
28 to the performance of its duties and the execution of its powers,
29 including contracts with and grants to public and private agencies,

1 organizations, and individuals, to pay them for services rendered or
2 furnished to alcoholics, intoxicated persons, drug abusers or inhalant
3 abusers; to the maximum extent possible, contracts and grants must be
4 for a period of two years; contracts under this paragraph are governed
5 by AS 36.30 (State Procurement Code);

6 (3) solicit and accept for use a gift of money or property
7 or a grant of money, services, or property from the federal govern-
8 ment, the state, or a political subdivision of it or a private source,
9 and do all things necessary to cooperate with the federal government
10 or any of its agencies in making an application for a grant;

11 (4) administer or supervise the administration of the
12 provisions relating to alcoholics, intoxicated persons, drug abusers,
13 and inhalant abusers of state plans submitted for federal funding
14 under federal health, welfare, or treatment legislation;

15 (5) coordinate its activities and cooperate with alcohol-
16 ism, drug abuse, and inhalant abuse programs in this and other states,
17 and make contracts and other joint or cooperative arrangements with
18 state, local, or private agencies for the treatment of alcoholics,
19 intoxicated persons, drug abusers, and inhalant abusers, and for the
20 common advancement of alcoholism, drug abuse, and inhalant abuse
21 programs in this and other states;

22 (6) keep records and engage in research and the gathering
23 of relevant statistics;

24 (7) do other acts necessary to implement the authority
25 expressly granted to it;

26 (8) acquire, hold, or dispose of real property or any
27 interest in it, and construct, lease, or otherwise provide treatment
28 facilities for alcoholics, intoxicated persons, drug abusers, and
29 inhalant abusers; however, the division [OFFICE] shall encourage local

1 initiative, involvement, and financial participation under grants-in-
2 aid whenever possible in preference to the construction or operation
3 of facilities directly by the division [OFFICE]; contracting and
4 construction under this paragraph are governed by AS 36.30 (State
5 Procurement Code).

6 * Sec. 4. AS 47.37.040 is amended to read:

7 Sec. 47.37.040. DUTIES OF DIVISION [OFFICE]. The division
8 [OFFICE] shall

9 (1) develop, encourage, and foster statewide, regional, and
10 local plans and programs for the prevention of alcoholism and drug
11 abuse and treatment of alcoholics, intoxicated persons, drug abusers,
12 and inhalant abusers in cooperation with public and private agencies,
13 organizations, and individuals, and provide technical assistance and
14 consultation services for these purposes.

15 (2) coordinate the efforts and at the assistance of all
16 public and private agencies, organizations, and individuals interested
17 in prevention of alcoholism, drug abuse, and inhalant abuse, and
18 treatment of alcoholics, intoxicated persons, drug abusers, and
19 inhalant abusers;

20 (3) cooperate with the Department of Corrections in estab-
21 lishing and conducting programs to provide treatment for alcoholics,
22 intoxicated persons, drug abusers, and inhalant abusers in or on
23 parole from penal institutions;

24 (4) cooperate with the Department of Education, school
25 boards, schools, police departments, courts, and other public and
26 private agencies, organizations, and individuals in establishing
27 programs for the prevention of alcoholism, drug abuse, and inhalant
28 abuse, and treatment of alcoholics, intoxicated persons, drug abusers,
29 and inhalant abusers, and preparing curriculum materials for use at

1 all levels of school education;

2 (5) prepare, publish, evaluate, and disseminate educational
3 material dealing with the nature and effects of alcohol and drugs, and
4 the misuse of hazardous volatile substances;

5 (6) develop and implement, as an integral part of treatment
6 programs, an educational program for use in the treatment of alcohol-
7 ics, intoxicated persons, drug abusers, and inhalant abusers that
8 includes the dissemination of information concerning the nature and
9 effects of alcohol, drugs, and hazardous volatile substances;

10 (7) organize and foster training programs for all persons
11 engaged in treatment of alcoholics, intoxicated persons, drug abusers,
12 and inhalant abusers, and establish standards for training para-
13 professional alcoholism, drug abuse, and inhalant abuse workers;

14 (8) sponsor and encourage research into the causes and
15 nature of alcoholism, drug abuse, and inhalant abuse, and the treat-
16 ment of alcoholics, intoxicated persons, drug abusers, and inhalant
17 abusers, and serve as a clearinghouse for information relating to
18 alcoholism, drug abuse, and inhalant abuse;

19 (9) specify uniform methods for keeping statistical infor-
20 mation by public and private agencies, organizations, and individuals,
21 and collect and make available relevant statistical information,
22 including number of persons treated, frequency of admission and read-
23 mission, and frequency and duration of treatment;

24 (10) advise the governor in the preparation of a comprehen-
25 sive plan for treatment of alcoholics, intoxicated persons, drug
26 abusers, and inhalant abusers;

27 (11) review all state health, welfare, and treatment plans
28 to be submitted for federal funding, and advise the commissioner on
29 provisions to be included relating to alcoholics, intoxicated persons,

1 drug abusers, and inhalant abusers;

2 (12) assist in the development of, and cooperate with,
3 alcohol, drug abuse, and inhalant abuse education and treatment pro-
4 grams for employees of state and local governments and businesses and
5 industries in the state;

6 (13) use the support and assistance of interested persons
7 in the community, particularly recovered alcoholics, drug abusers, and
8 inhalant abusers, to encourage alcoholics, drug abusers, and inhalant
9 abusers, to voluntarily undergo treatment;

10 (14) cooperate with the Department of Public Safety and the
11 Department of Transportation and Public Facilities in establishing and
12 conducting programs designed to deal with the problem of persons
13 operating motor vehicles while intoxicated or under the influence of
14 drugs;

15 (15) encourage hospitals and other appropriate health
16 facilities to admit without discrimination alcoholics, intoxicated
17 persons, drug abusers, and inhalant abusers and to provide them with
18 adequate and appropriate treatment;

19 (16) encourage all health and disability insurance programs
20 to include alcoholism and drug abuse as a covered illness;

21 (17) submit to the legislature an annual report covering
22 the activities of the division [OFFICE];

23 (18) develop and implement a training program on alcoholism
24 and drug abuse for employees of state and municipal governments, and
25 private institutions;

26 (19) develop curriculum materials on drug and alcohol abuse
27 and the misuse of hazardous volatile substances for use in grades
28 kindergarten through 12, as well as a course of instruction for teach-
29 ers to be charged with presenting the curriculum.

1 * Sec. 5. AS 47.37.050 is amended to read:

2 Sec. 47.37.050. INTERDEPARTMENTAL COORDINATING COMMITTEE. (a)
3 An interdepartmental coordinating committee is created, composed of
4 the director [COORDINATOR], the commissioners of health and social
5 services, education, transportation and public facilities, labor, and
6 public safety, and the director of the Alcoholic Beverage Control
7 Board. The committee shall meet at least twice annually at the call
8 of the commissioner of health and social services who is its chairman.
9 The committee shall provide for the coordination and exchange of
10 information on all programs relating to alcoholism or drug abuse and
11 act as a permanent liaison among state departments engaged in activ-
12 ities affecting alcoholics, intoxicated persons, and drug abusers.
13 The committee shall assist the commissioner of health and social
14 services and the director [COORDINATOR] in formulating a comprehensive
15 plan for prevention of alcoholism and drug abuse and for treatment of
16 alcoholics, intoxicated persons, and drug abusers.

17 (b) In exercising its coordinating functions, the committee
18 shall assure that the appropriate state agencies

19 (1) provide all necessary medical, social, treatment, and
20 educational services for alcoholics, intoxicated persons, and drug
21 abusers and for the prevention of alcoholism and drug abuse, without
22 unnecessary duplication of services;

23 (2) cooperate in the use of facilities and in the treatment
24 of alcoholics, intoxicated persons, and drug abusers;

25 (3) adopt approaches for the prevention of alcoholism and
26 drug abuse and the treatment of alcoholics, intoxicated persons, and
27 drug abusers consistent with the policy of AS 47.37.010 -- 47.37.270.

28 * Sec. 6. AS 47.37.120 is amended to read:

29 Sec. 47.37.120. PROGRAM DIRECTOR [COORDINATOR]. The director

1 [COORDINATOR] shall carry out the development and implementation of a
2 comprehensive program dealing with the prevention and treatment of,
3 and research on, problems of alcoholism and drug abuse as they affect
4 the state.

5 * Sec. 7. AS 47.37.130 is amended to read:

6 Sec. 47.37.130. COMPREHENSIVE PROGRAM FOR TREATMENT; REGIONAL
7 FACILITIES. (a) The division [OFFICE] shall establish a comprehen-
8 sive and coordinated program for the treatment of alcoholics, intox-
9 icated persons, drug abusers, and inhalant abusers. Subject to the
10 approval of the commissioner, the director [COORDINATOR] may divide
11 the state into appropriate regions to conduct the program and estab-
12 lish standards for the development of the program on the regional
13 level. In establishing the regions, consideration shall be given to
14 the city and borough lines and population concentrations and, when
15 feasible, programs must be established with maximum local community
16 involvement.

17 (b) The program of the division [OFFICE] shall include

- 18 (1) emergency treatment provided by a facility affiliated
19 with or part of the medical service of a general hospital;
20 (2) inpatient treatment;
21 (3) intermediate treatment; and
22 (4) outpatient and follow-up treatment.

23 (c) The division [OFFICE] shall insure that adequate and appro-
24 priate treatment is provided to alcoholics and intoxicated persons
25 admitted under AS 47.37.160 -- 47.37.190 within the limits of avail-
26 able state and federal funds.

27 (d) The division [OFFICE] shall maintain, supervise and control
28 all facilities operated by it subject to the regulations of the de-
29 partment. The administrator of each facility shall make an annual

1 report of its activities to the director [COORDINATOR] in the form and
2 manner the director [COORDINATOR] specifies.

3 (e) If possible, the division [OFFICE] shall coordinate the
4 activities of the program with all appropriate public and private
5 resources.

6 (f) The director [COORDINATOR] shall prepare, publish, and
7 distribute annually a list of all approved public and private treat-
8 ment facilities.

9 (g) The division [OFFICE] may contract for the use of any facil-
10 ity as an approved public treatment facility if the director [COORDI-
11 NATOR], subject to the regulations of the department, considers this
12 an effective and economical course to follow. Contracting under this
13 subsection is governed by AS 36.30 (State Procurement Code).

14 * Sec. 8. AS 47.37.140 is amended to read:

15 Sec. 47.37.140. PUBLIC AND PRIVATE TREATMENT FACILITIES. (a)
16 The division [OFFICE] shall establish standards for facilities (these
17 standards may vary in their requirements and stringency according to
18 the population, price level, remoteness, access to transportation, and
19 availability of ancillary services of the area to be served) and shall
20 fix the fees to be charged for the required inspections of those
21 facilities. A facility shall meet the applicable standards before it
22 is approved as a public or private treatment facility. The standards
23 shall be enacted in a manner that will provide protection of the
24 health, safety and well-being of clients of the affected programs and
25 protection for the affected programs from exposure to malpractice and
26 liability actions.

27 (b) The division [OFFICE] shall inspect, on a regular basis,
28 approved public and private treatment facilities at reasonable times
29 and in a reasonable manner.

1 (c) The division [OFFICE] shall maintain a list of approved
2 public and private treatment facilities.

3 (d) An approved public and private treatment facility shall file
4 with the division [OFFICE] on request, data, statistics, schedules,
5 and information which the division [OFFICE] reasonably requires. An
6 approved public or private treatment facility that without good cause
7 fails to furnish any data, statistics, schedules, or information as
8 requested, or files fraudulent returns of them, shall be removed from
9 the list of approved treatment facilities.

10 (e) The director [COORDINATOR], after holding a hearing under
11 the provisions of the Administrative Procedure Act (AS 44.62), may
12 suspend, revoke, limit, restrict, or refuse to grant an approval for a
13 treatment facility, for failure to meet its standards.

14 (f) Upon petition of the division [OFFICE] and after a hearing
15 held upon reasonable notice to the facility, the district court may
16 issue a warrant to an officer or employee of the division [OFFICE]
17 authorizing the officer or employee to enter and inspect at reasonable
18 times, and examine the books and accounts of an approved public or
19 private treatment facility refusing to consent to inspection or ex-
20 amination by the division [OFFICE] or which the division [OFFICE] has
21 reasonable cause to believe is operating in violation of this chapter.

22 * Sec. 9. AS 47.37.150 is amended to read:

23 Sec. 47.37.150. ACCEPTANCE FOR TREATMENT. The director [COORDI-
24 NATOR] shall adopt regulations for the admission of persons into the
25 treatment program, considering available treatment resources and
26 facilities, for the purpose of early and effective treatment of alco-
27 holics, intoxicated persons, drug abusers, and inhalant abusers. In
28 adopting the regulations the director [COORDINATOR] shall be guided by
29 the following standards:

1 (1) if possible a patient must be treated on a voluntary
2 rather than an involuntary basis;

3 (2) a patient must be initially assigned or transferred to
4 outpatient or intermediate treatment, unless the patient is found to
5 require inpatient treatment;

6 (3) a person may not be denied treatment solely because the
7 person has withdrawn from treatment against medical advice on a prior
8 occasion or because the person has relapsed after earlier treatment;

9 (4) an individualized treatment plan must be prepared and
10 maintained on a current basis for each patient;

11 (5) provision must be made for a continuum of coordinated
12 treatment services, so that a person who leaves a facility or a form
13 of treatment will use other appropriate treatment and facilities.

14 * Sec. 10. AS 47.37.160(b) is amended to read:

15 (b) Subject to regulations adopted by the director [COORDINA-
16 TOR], the administrator in charge of an approved public treatment
17 facility may determine who shall be admitted for treatment. If a
18 person is refused admission to an approved public treatment facility,
19 the administrator shall, if possible, refer the person to another
20 approved public treatment facility.

21 * Sec. 11. AS 47.37.200(c) is amended to read:

22 (c) A person committed under AS 47.37.190 -- 47.37.200 shall
23 remain in the custody of a private or public facility for treatment
24 for a period of up to 30 days. At the end of the 30-day period, the
25 person shall be discharged automatically unless the division [OFFICE],
26 before the expiration of the period, obtains a court order for recom-
27 mitment upon the grounds set out in AS 47.37.190(a) for a further
28 period of up to 90 days. If a person has been committed because the
29 person is an alcoholic likely to inflict physical harm on another, the

1 division [OFFICE] shall apply for recommitment if after examination it
2 is determined that the likelihood still exists.

3 * Sec. 12. AS 47.37.200(d) is amended to read:

4 (d) A person recommitted under (c) of this section who has not
5 been discharged by the private or public facility before the end of
6 the 90-day period shall be discharged at the expiration of that period
7 unless the division [OFFICE], before expiration of the period, obtains
8 a court order on the grounds set out in AS 47.37.190(a) for recommit-
9 ment for a further period not to exceed 90 days. If a person has been
10 committed because the person is an alcoholic likely to inflict phys-
11 ical harm on another, the division [OFFICE] shall apply for recommit-
12 ment if after examination it is determined that the likelihood still
13 exists. No more than two recommitment orders may be permitted under
14 (c) and (d) of this section.

15 * Sec. 13. AS 47.37.200(g) is amended to read:

16 (g) A person committed to the custody of the division [OFFICE]
17 for treatment shall be discharged at any time before the end of the
18 period for which the person has been committed if either of the fol-
19 lowing conditions is met:

20 (1) when an alcoholic committed on the grounds of likeli-
21 hood of infliction of physical harm on another is no longer considered
22 an alcoholic or the likelihood of the person inflicting physical harm
23 no longer exists; or

24 (2) when, in the case of an alcoholic committed on the
25 grounds of the likelihood of infliction of physical harm on another,
26 either

27 (A) further treatment will not be likely to bring
28 about significant improvement in the person's condition, or

29 (B) treatment is no longer adequate or appropriate.

1 * Sec. 14. AS 47.37.210(b) is amended to read:

2 (b) Notwithstanding (a) of this section, the director [COORDINA-
3 TOR] may make available information from patients' records for pur-
4 poses of research into the causes and treatment of alcoholism. No
5 information may disclose a patient's name.

6 * Sec. 15. AS 47.37.230(b) is amended to read:

7 (b) The director [COORDINATOR] shall adopt regulations for the
8 establishment, training, and conduct of emergency service patrols.

9 * Sec. 16. AS 47.37.240 is amended to read:

10 Sec. 47.37.240. PAYMENT FOR TREATMENT. (a) A patient in an
11 approved treatment facility, or the person obligated to provide for
12 the cost of treatment of a person committed under AS 47.37.010 --
13 47.37.270, is liable to the public or private facility for the cost of
14 maintenance and treatment of the patient in accordance with rates
15 established by the director [COORDINATOR].

16 (b) The director [COORDINATOR] shall adopt regulations governing
17 financial ability that take into consideration the income, savings,
18 and other personal and real property of the person liable for the cost
19 and maintenance of the patient.

20 * Sec. 17. AS 47.37.260 is amended to read:

21 Sec. 47.37.260. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.
22 Except as otherwise provided in this chapter, the Administrative
23 Procedure Act (AS 44.62) applies to and governs all administrative
24 action taken by the director [COORDINATOR] under this chapter.

25 * Sec. 18. AS 47.37.270(3) is amended to read:

26 (3) "approved public treatment facility" or "public facili-
27 ty" means a treatment agency operating under the direction and control
28 of the division [OFFICE] or providing treatment under AS 47.37.010 --
29 47.37.270 through a contract with the division [OFFICE] under

1 AS 47.37.130(g) or through a grant awarded under AS 47.30.475, and
2 meeting the standards prescribed in AS 47.37.140(a) and approved under
3 AS 47.37.140(c);

4 * Sec. 19. AS 47.37.270 is amended by adding new paragraphs to read:

5 (17) "director" means the director of the division of
6 alcoholism and drug abuse;

7 (18) "division" means the division of alcoholism and drug
8 abuse in the Department of Health and Social Services.

9 * Sec. 20. AS 47.37.270(6) and AS 47.37.270(12) are repealed.

10 * Sec. 21. This Order takes effect on March 10, 1990.

11
12 DATED: _____.

13
14 _____
15 Steve Cowper
16 Governor
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STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: Exe. Order 76
PUBLISH DATE: 1/8/90

5076

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act Relating To The Office Of
Alcoholism and Drug Abuse"
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Health & Social Services
BRU: Alcohol & Drug Abuse Services
Components: Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Matthew C. Felix
Division: Office of Alcoholism & Drug Abuse

Phone: 586-6201
Date: _____

Approved by Commissioner: Myra M. Munson
Agency: Department of Health & Social Services

Date: 10/21/89

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

S B

10



Senate Health, Education and Social Services Committee

Senator Paul Fischer, Chairman

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2. Sectional Analysis
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Borough School District.
5. Delta/Greely School District Letter
Of Support
6. NEA Position of Support.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 1/20/89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER FINANCE

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE _____

1/9/89

Mr. President:

HESS Committee considered SB 10

deadlines for action on funding of public education; efd

and recommended:

replace with CS SB 10 (Hess) same title

attached amendment(s) and new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero

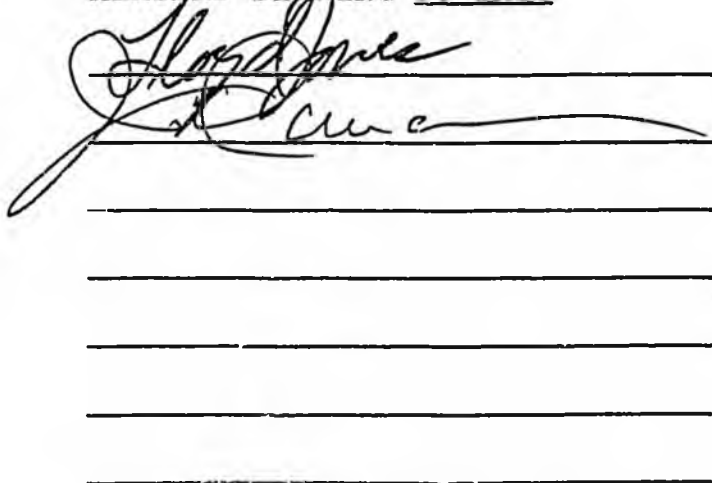
appropriation no FN attached

fiscal impact

Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS



Paul Fish (Do Pass)
Chairman signature and recommendation

Committee backup attached

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Deadlines For Action on Funding
of Public Education...
 Sponsor: Cognill, Faiks, et. al.
 Requestor Senate HESS

Agency Affected: Education
 BRU: K-12 Support, School Debt
Reimbursement
 Components: Foundation, Pupil Transportation,
Tuition, et.al; Debt Retirement

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						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Mary Hakala Phone: 465-2800
 Division: Commissioner's Office Date: 1/26/89
 Approved by Commissioner: William G. Demmert Date: 1/26/89
 Agency: Education

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

Original sponsors: Coghill, Faiks,
Eliason, et al.

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 10 (HESS)

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 deadlines for action on funding
7 of public education; and providing for an effective
8 date."

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

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

11 (c) The school construction account is established. Funds to
12 carry out the provisions of this section may be appropriated annually
13 by the legislature to the account. Before March 14 the legislature
14 shall appropriate funds to school districts under this section for the
15 next fiscal year. If amounts in the account are insufficient for the
16 purpose of providing the share to which a borough or city is entitled
17 under this section, those funds that are available shall be distribut-
18 ed pro rata among the eligible local governments except that the
19 legislature may direct that additional debt service on refunding bonds
20 that exceeds the total debt service on the refunded bonds be disre-
21 garded in whole or in part.

22 * Sec. 2. AS 14.14.060(c) is amended to read:

23 (c) The borough school board shall submit the school budget for
24 the following school year to the borough assembly by April 15
25 [APRIL 1] for approval of the total amount. Within 30 days after
26 receipt of the budget the assembly shall determine the total amount of
27 money to be made available from local sources for school purposes and
28 shall furnish the school board with a statement of the sum to be made
29 available. If the assembly does not, within 30 days, furnish the

1 school board with a statement of the sum to be made available, the
2 amount requested in the budget is automatically approved. By May 31,
3 the assembly shall appropriate the amount to be made available from
4 local sources from money available for the purpose.

5 * Sec. 3. AS 14.17.225(b) is amended to read:

6 (b) Money to carry out the provisions of AS 14.17.010 - 14.17.-
7 190 may be appropriated annually by the legislature into the public
8 school foundation account. Before March 14 the legislature shall
9 appropriate funds for direct and indirect services and other funding
0 under this chapter for the next fiscal year. If amounts in the ac-
1 count are insufficient to meet the allocations authorized under
2 AS 14.17.010 - 14.17.190 for a fiscal year, each district's basic need
3 shall be reduced pro rata as necessary to make the funds available
4 sufficient to meet the allocations for that fiscal year.

5 * Sec. 4. AS 37.07.030 is amended to read:

6 Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legis-
7 lature shall

8 (1) provide for a budget review function;

9 (2) analyze the comprehensive operating and capital im-
0 provements programs and financial plans recommended by the governor;

1 (3) adopt legislation to authorize implementation of the
2 governor's comprehensive operating and capital improvements programs
3 and financial plans or appropriate alternatives to those plans;

4 (4) provide for a post-audit function to cover financial
5 transactions, program accomplishment, and compliance with legislative
6 intent;

7 (5) adopt or revise the estimate or receipts required to
8 balance the succeeding fiscal year's budget in order that proposed
9 expenditures do not exceed estimated receipts for that fiscal year;

(6) adopt, revise, or initiate revenue measures in order to balance the succeeding fiscal year's budget and the capital improvements section of the budget for the succeeding six years;

(7) appropriate money for public school construction debt retirement under AS 14.11.100, public school foundation program under AS 14.17, pupil transportation, student lunch program, cigarette tax distribution, tuition students, boarding home grants, youth in detention, and schools for the handicapped no later than March 14 of each year for the succeeding fiscal year.

* Sec. 5. This Act takes effect July 1, 1989.

Original sponsors: Coghill, Faiks,
Eliason, et al.

IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

CS FOR SENATE BILL NO. 10 (HESS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to deadlines for action on funding of public education; and providing for an effective date."

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

* Section 1. AS 14.11.100(c) is amended to read:

(c) The school construction account is established. Funds to carry out the provisions of this section may be appropriated annually by the legislature to the account. Before March 14 the legislature shall appropriate funds to school districts under this section for the next fiscal year. If amounts in the account are insufficient for the purpose of providing the share to which a borough or city is entitled under this section, those funds that are available shall be distributed pro rata among the eligible local governments except that the legislature may direct that additional debt service on refunding bonds that exceeds the total debt service on the refunded bonds be disregarded in whole or in part.

* Sec. 2. AS 14.14.060(c) is amended to read:

(c) The borough school board shall submit the school budget for the following school year to the borough assembly by April 15 [APRIL 1] for approval of the total amount. Within 30 days after receipt of the budget the assembly shall determine the total amount of money to be made available from local sources for school purposes and shall furnish the school board with a statement of the sum to be made available. If the assembly does not, within 30 days, furnish the

1 school board with a statement of the sum to be made available, the
2 amount requested in the budget is automatically approved. By May 31,
3 the assembly shall appropriate the amount to be made available from
4 local sources from money available for the purpose.

5 * Sec. 3. AS 14.17.225(b) is amended to read:

6 (b) Money to carry out the provisions of AS 14.17.010 - 14.17.-
7 190 may be appropriated annually by the legislature into the public
8 school foundation account. Before March 14 the legislature shall
9 appropriate funds for direct and indirect services and other funding
0 under this chapter for the next fiscal year. If amounts in the ac-
1 count are insufficient to meet the allocations authorized under
2 AS 14.17.010 - 14.17.190 for a fiscal year, each district's basic need
3 shall be reduced pro rata as necessary to make the funds available
4 sufficient to meet the allocations for that fiscal year.

5 * Sec. 4. AS 37.07.030 is amended to read:

6 Sec. 37.07.030. RESPONSIBILITIES OF THE LEGISLATURE. The legis-
7 lature shall

- 8 (1) provide for a budget review function;
- 9 (2) analyze the comprehensive operating and capital im-
0 provements programs and financial plans recommended by the governor;
- 1 (3) adopt legislation to authorize implementation of the
2 governor's comprehensive operating and capital improvements programs
3 and financial plans or appropriate alternatives to those plans;
- 4 (4) provide for a post-audit function to cover financial
5 transactions, program accomplishment, and compliance with legislative
6 intent;
- 7 (5) adopt or revise the estimate or receipts required to
8 balance the succeeding fiscal year's budget in order that proposed
9 expenditures do not exceed estimated receipts for that fiscal year;

(6) adopt, revise, or initiate revenue measures in order to balance the succeeding fiscal year's budget and the capital improvements section of the budget for the succeeding six years;

(7) appropriate money for public school construction debt retirement under AS 14.11.100, public school foundation program under AS 14.17, pupil transportation, student lunch program, cigarette tax distribution, tuition students, boarding home grants, youth in detention, and schools for the handicapped no later than March 14 of each year for the succeeding fiscal year.

* Sec. 5. This Act takes effect July 1, 1989.

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0362



MEMORANDUM

To: Senator Paul Fischer

From: Senator Jack Coghill

Re: Bill hearings

Date: January 19, 1989

Senate Bill 10, "an Act relating to the deadlines for action on funding of public education; and providing for an effective date" has been referred to the Senate HESS Committee.

SB 10 would set a deadline of March 16 by which the Legislature shall appropriate funds to school districts for the next fiscal year. It would also change the date from April 1 to April 15 by which borough school boards have to submit the following school year's budget to the borough assembly.

I would appreciate if you would schedule a hearing on SB 10 as soon as possible. Attached is a sectional analysis and support letters for SB 10.

There are two minor changes to SB 10 that have been brought to my attention. The first one would change the March 16th date to March 14th since school districts are required to send out their non-renewal notices to certified employees on March 15th. The second would be a technical change. On page 3 of the bill, Section 4(7) line 6 we need to delete the secondary formula account since this account is no longer in existence.

If you have any questions, please feel free to contact my office.

SECTIONAL ANALYSIS FOR SENATE BILL 10

"An Act relating to the deadlines for action on funding of public education; and providing for an effective date."

Section 1 - Adds language which would set a deadline of March 16 by which the Legislature shall appropriate funds to school districts for the next fiscal year.

Section 2 - Changes the date from April 1 to April 15 for the borough school boards to submit the following school year's budget to the borough assembly.

Section 3 - Adds language which would set a deadline of March 16 to appropriate funds for direct and indirect services and other funding for the next fiscal year into the public school foundation account.

Section 4 - Includes as a responsibility of the Legislature, the appropriation of money for public school construction debt retirement, public school foundation program, pupil transportation, student lunch program, cigarette tax distribution, tuition students, boarding home grants, youth in detention, schools in detention and for the handicapped no later than March 16 of each year for the succeeding fiscal year.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Deadlines For Action on Funding
of Public Education...
 Sponsor: Coghill, Faiks, et al
 Requestor: Senator Coghill

Agency Affected: Education
 BRU: K-12 Support, School Debt
Reimbursement
 Components: Foundation, Pupil Transportation
Tuition, et al; Debt Retirement

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						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Mary Hakala Phone: 465-2900
 Division: Commissioner's Office Date: 1/13/89
 Approved by Commissioner: William G. Demmert Date: 1/13/89
 Agency: Education

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



Fairbanks North Star Borough School District

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

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

October 12, 1988

The Honorable Jack Coghill
The Senate of Alaska
PO Box 55028
North Pole, AK 99705

Dear Senator Coghill:

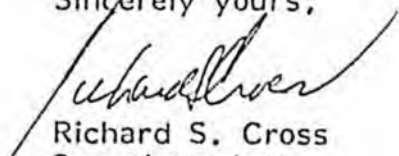
Thank you for sharing your proposed legislation regarding school funding deadlines. The changes you suggest would help alleviate the problems school districts across the state face each year in trying to establish budgets without knowing the level of state support for education.

It is especially important for districts to know funding levels for foundation and transportation programs before they can make key budget decisions. Likewise, it is essential for boroughs and cities to know the funding level for debt reimbursement before they can set the local contribution for education.

We also support extending the deadline for submission of school district budgets to the borough assembly, as this legislation proposed. In the event early funding occurs, this will enable school boards to submit budgets that are responsive to actual state revenue. Should early funding not occur, it is even more critical that school districts have additional time to develop their budgets.

We appreciate your support of these issues and thank you for the opportunity to provide input.

Sincerely yours,


Richard S. Cross
Superintendent

RSC/pkr



Delta/Greely School District

Delta/Greely School District
REAA #15
P.O. Box 527
Delta Junction, Alaska 99737-0527
(907) 895-4658

Delta School
Pouch 1
Delta Junction
Alaska 99737
(907) 895-4696

Ft. Greely School
P.O. Box 547
Delta Junction
Alaska 99737-0647
(907) 869-3105

JAN January 13, 1989
1989

Senator John "Jack" Coghill
Alaska State Legislature
Box V (MS3100)
Juneau, AK 99811

Dear Senator Coghill,

I am writing to express my support for Senate Bill #10. This bill, although simple in nature, is a very significant one for the operation of Alaska's public schools. This bill is an early funding bill with the required dates built into the statutes. With the adoption and implementation of this bill, school districts could count on knowing their fiscal abilities for the ensuing fiscal year by mid-March.

Having this fiscal knowledge by mid-March would enable school districts to plan more effectively and efficiently their fiscal operations for the coming year. Budget planning is a year-long process but it cannot be put to finality until the legislature has acted. Now, more than ever before, it is critical to know the revenue picture before making expenditure decisions. With fiscal instability at the state level and collective bargaining for non-certificated employees a reality, knowing the fiscal ability of the school district in advance is a must. School districts' operations are impaired significantly if fiscal ability for the ensuing year is not known until May. Under this time-frame, there is too little time remaining in the fiscal year to handle requirements for collective bargaining and finalizing a budget for the upcoming fiscal year.

In the interest of greater efficiency in the operation of our public schools, I heartily endorse Senate Bill #10.

Sincerely,

Larry Huxel
Superintendent

LH/tp



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) 586-3090

FAIRBANKS REGIONAL OFFICE

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

January 16, 1989

Sen. Jack Coghill
Box V
Juneau, AK. 99811

Dear Jack:

Thanks for your letter of January 12 and the enclosure relative to SB 10.

NEA-Alaska fully supports this legislation and we will work with you in any way possible to enhance its potential for passing this Session.

I am enclosing for your information a copy of a position statement which we have submitted on HB 4 which is a similar bill.

Perhaps you would be willing to consider changing the March 16 date to March 14 since school districts are required to send out their non-renewal notices to certificated employees on March 15.

Also, I call you attention to paragraph #5 of the position statement and ask that you consider this concept as a possible amendment.

Thanks, Jack, for your interest and support for a critical funding issue as it pertains to public education. Let me know how we can work with you on this bill.

Sincerely,

Bob Manners
Executive Secretary



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) 586-3090

FAIRBANKS REGIONAL OFFICE

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

January 13, 1989

To: Rep. Johnny Ellis, Chair
Members, House HESS Committee

Re: House Bill No. 4; "An Act relating to deadlines
for action on funding of public education; and
providing for an effective date."

NEA-Alaska supports and encourages your expeditious attention to HB 4.

Until we have real and meaningful forward funding of public education in Alaska this kind of legislation is essential to the continuity of programs and services in public schools.

Local school district budgets are heavily dependent on the level of state financial support. They require early knowledge of the amount of support in their budget building process so that program planning, staffing levels, and collective bargaining can be done on the basis of reliable financial data.

Quality education requires informed decision making. Specific program needs, class sizes, teacher load and preparations and the types of classes and course options which can be available to students derive directly from the information which is the basis of financial support.

On page 2, line 10 of HB 4, we suggest the addition of a sentence which would provide that if the legislature fails to make an appropriation as required by this legislation before March 14 that the previous fiscal year appropriation for funding under this chapter would automatically be approved for the subsequent fiscal year.

Such a provision would serve to encourage expeditious attention by the legislature.

S B

12

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 3/7/89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER FINANCE

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 4/25/89

2/16/89

Mr. President:

HESS

Committee considered

SSSB 12

providing for the issuance of general obligation bonds in the amount of \$17,550,000 for the purpose of paying the cost of school construction; efd

and recommended:

replace with SSSB 12 (HESS) same title

attached amendment(s) and new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

[Signature]

OTHER RECOMMENDATIONS

[Signature] - No Rec

Paul Fish (Do Pass)
Chairman signature and recommendation

Committee backup attached

1 IN THE SENATE

BY COGHILL

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 12

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$17,550,000 for the
8 purpose of paying the cost of school construction;
9 and providing for an effective date."

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

11 * Section 1. For the purpose of paying the cost of school construction,
12 general obligation bonds of the state in the principal amount of not more
13 than \$17,550,000 may be issued and sold. The full faith, credit, and
14 resources of the state are pledged to the payment of the principal of and
15 interest and redemption premium, if any, on these bonds. These bonds shall
16 be issued under the provisions of AS 37.15 as those provisions read at the
17 time of issuance.

18 * Sec. 2. If the issuance of these bonds is authorized by the qualified
19 voters of the state, a special fund of the state to be known as the "1990
20 school construction fund" shall be established, to which shall be credited
21 the proceeds of the sale of the bonds described in sec. 1 of this Act
22 except for the accrued interest and premiums.

23 * Sec. 3. The amount of \$17,550,000 is appropriated from the "1990
24 school construction fund" to the Department of Education to be allocated in
25 accordance with the following projects and estimates:

26 (1) Tok school completion \$13,250,000

27 (2) Glennallen school completion \$ 4,300,000

28 * Sec. 4. If the issuance of these bonds is authorized by the qualified
29 voters of the state, the amount of \$61,425 or as much of that amount as is

1 found necessary is appropriated from the general fund of the state to the
2 state bond committee to carry out the provisions of this Act and to pay
3 expenses incident to the sale and issuance of the bonds authorized in this
4 Act. The amounts expended from the appropriation authorized by this sec-
5 tion shall be reimbursed to the general fund from the proceeds of the sale
6 of the bonds authorized by this Act.

7 * Sec. 5. The amount withdrawn from the public facility planning fund
8 for the purpose of advance planning for the improvements financed under
9 this Act shall be reimbursed to the fund from the proceeds of the sale of
10 bonds authorized by this Act.

11 * Sec. 6. The question whether the bonds authorized in this Act are to
12 be issued shall be submitted to the qualified voters of the state at the
13 next general election and shall read substantially as follows:

14 Proposition

15 State General Obligation School Construction

16 Bonds \$17,550,000

17 Shall the State of Alaska issue its general obligation
18 bonds in the principal amount of not more than \$17,550,000
19 for the purpose of paying the cost of school construction?

20 Bonds Yes]

21 Bonds No]

22 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: State Bond Committee
 Title: \$17,550,000 General Obligations BRU: _____
Bonds for School Construction
 Sponsor: Coghill Components: _____
 Requestor: Senate HESS

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	614.2	2,498.7	2,498.7
TOTAL OPERATING	0	0	0	614.2	2,498.7	2,398.7
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	614.2	2,498.7	2,498.7
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	614.20	2,498.7	2,498.7

POSITIONS:

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

ANALYSIS: attach a separate page for analysis.

Debt service assumes 10 year bonds at an average interest rate of 7.0 percent. FY 91 is one semi-annual interest only payment.

Prepared By: Milt Barker MB
Division: Treasury

Phone: 465-2350
Date: 3-8-89

Approved by Commissioner: Walter J. Barker for
Agency: Department of Revenue

Date: 3-8-89

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor

Office of Management and Budget
Impacted Agency(ies)

APR 27 1989

STATE OF ALASKA
1989 LEGISLATIVE SESSION

Bill Version: CS SSSB 12 (HESS)
Publish Date: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: \$38,550,000 General Obligations
Bonds for School Construction
Sponsor: Coghill
Requestor: Senate HESS

Agency Affected: State Bond Committee
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	1,349.1	5,488.6	5,488.6
TOTAL OPERATING	0	0	0	1,349.1	5,488.6	5,488.6
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	1,349.1	5,488.6	5,488.6
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	1,349.1	5,488.6	5,488.6

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*
Division: Treasury

Phone: 465-2350
Date: April 26, 1989

Approved by Commissioner: _____
Agency: Department of Revenue

Date: 4/27/89

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

for Fiscal Year 1990

Priority	District Name	Priority Type	Enrollment	Amount	Comments
7	Lower Kuskokwim Schools Chefornak Elementary School Addition	1	79	3,069.7	Replacment of former BIA facility with elementar addition to the high school. School foundation seriously code deficient and structurally unsound. River is encroaching on building foundation.
8	Lake & Peninsula Schools Newhalen-Iliamna Elementary School	1	71	1,060.0	Project replaces hazardous, code deficient temporary buildings with elementary addition to existing high school. Project is partially funded by previous legislation.
9	Yukon/Koyukuk Schools Instructional Center/Office Code Upgrade	1	10	130.0	Project needed to correct code violations as ordered by state fire marshall. Project partially funded by FY89 legislation.
Total for Priority Type: 1				18,451.7	
10	Copper River Schools Glennallen Secondary School Final Phase	2	302	4,337.7	Completes a three phased project. Phase III will end the use of portable classrooms and decrease operating costs.
11	Yupitit School District Akiachak Elem. Replacement/Renovation	2	135	4,829.5	Replace code deficient overcrowded former BIA elementary school with addition to the high school..
12	Bering Strait Schools Gambell Elementary	2	116	3,000.0	Replace code deficient overcrowded former BIA elementary school with addition to the high school.
13	Yukon/Koyukuk Schools Allakaket School Addition	2	45	1,221.5	Additional classrooms needed to adequately house students.

Page Number: 2

D.O.E. FY90 CIP List

Capital Improvement Program Budget Request

----- R E A A -----
for Fiscal Year 1990

<u>Priority</u>	<u>District Name</u>	<u>Priority Type</u>	<u>Enrollment</u>	<u>Amount</u>	<u>Comments</u>
38	Adak Region Schools Kindergarten Classroom Addition	6	379	2,579.2	Project would include planning and construction for kindergarten complex which will be attached to Ann Stevens Elementary School.
39	Alaska Gateway Schools Tok School	6	218	13,250.0	Project provides for a new K-12 facility to replace building which needs code upgrade and remodeling of over \$3 million. Partially funded by 1987 legislation.
40	Kashunamiut School District Gym Storage, Showers, Restrooms	6	164	650.0	Project would include design and construction of restrooms, showers, and storage rooms to serve gym.
41	Kashunamiut School District Classroom Space, Sewer, Fire Escape	6	164	1,500.0	Construction of instructional space, repair sewer lines and construct fire escapes on existing buildings. Project needed to meet program requirements.
42	Southwest Region Schools Togiak School Addition	6	155	2,155.7	Project would add four classrooms, library, and music additions to meet educational program requirements.
43	Adak Region Schools Adak Middle School Completion(Equipment)	6	112	1,000.1	Project would include supplying of fixed and moveable equipment for classrooms, special instruction areas and transportation vehicles.
44	Yukon/Koyukuk Schools Kaltag Vocational Education Facility	6	80	1,824.0	Construction of facility to house mechanics, wood working, drafting, electricity, construction and business.
45	Yupit School District Akiak School Addition	6	65	1,775.0	Construction of addition which will include 4 classrooms, media center, mechanical, storage, and circulation. Project also will include utility systems upgrade.

Copper River School District

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



POSITION PAPER-SCHOOL CAPITAL CONSTRUCTION FUNDING

Copper River School District supports House Bill 37 which addresses many school construction issues including debt containment. In particular, House Bill 37 calls for FY'90 school construction funds to be used as follows:

- 89%-for retirement of school construction debt
- 11%-a grant account to fund school health/life safety projects

The grant account gradually becomes a larger percentage over the next decade until it reaches 62% of the total in FY'99. We feel this is a good long range plan. However, as HB 37 is now written, a few substantially completed school projects will remain unfinished. All are highly rated projects that have received large financial commitments from the State in recent years, but due to cost were phased.

Special attention needs to be given this legislative session to those projects that are planned, partially constructed and have only a final phase to complete. Only projects in Glennallen, Thorne Bay and Mountain Village fit this description. We suggest a two-year window be built into HB. 37 whereby funds to complete these schools would be made available out of the grant account in FY'90 and FY'91. \$10,500,000 is required to complete these projects, which the State has an obligation to finish.

Our District's Glennallen Secondary School is two-thirds complete. A final phase of classrooms and vocational facilities remains to be funded and constructed. State funding has supported this project regularly since 1984.

Facts about the Glennallen Secondary School Project:

•Funding History

FY'84	\$1,000,000	design and site development
FY'86	\$3,000,000	phase I construction
FY'87	\$2,500,000	phase II construction
FY'88	\$ 100,000	<u>phase II construction</u>
	\$6,600,000	total State commitment

•Construction Cost

48,850 square feet of educational space has been constructed in phases I and II. Total project

cost has been just under \$140. per square foot. In addition to State funding, over \$200,000 in interest funds have helped to pay for this project. This has been a model construction project with virtually no change orders (under \$20,000.). These phases have included general classroom space, the library, multi-purpose areas, business education classroom and supplementary spaces. This construction now ends and is sealed off at a point where Phase III will be added to complete the school.

•Phase III Needs & Costs

24,929 square feet of educational space needs to be constructed to complete the school. Even though phases I & II are fully operational there is an extreme need for classroom space, much of it specialized space. Exact spaces needed:

Secondary classrooms -2,800 sq. ft.
Science classrooms -3,200 sq. ft.
Vocational education facilities -8,800 sq. ft.
(Automechanics, welding, computer facilities, etc.)

Completion of business education facility-
1,400 sq. ft.
Home economics facility-2,200 sq. ft.
Supplementary spaces- 6,529 sq. ft.

Phase III cost will be \$4,337,646. Total project cost for phase III should be just under \$175. per square foot. Specialized facilities account for the somewhat higher square foot cost of phase III along with increased mobilization costs since the contractor has left the site.

It is our position that consideration should be given to setting aside a portion of grant account funds in HB. 37 to insure completion of partially finished school projects to which substantial amounts of State funding has already been devoted. The problem would be solved if this could be done for FY '90 and, possibly FY '91. Projects, such as our Glennallen Secondary School Project, which are over 50% complete, should be finished before new school projects are begun.



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

218 Front Street • Juneau, Alaska 99801
Phone: (907) 586-6806

January 21, 1988

Senator Jack Coghill
Alaska State Senate
Room 30, Capitol Building
Juneau, Alaska 99811

Dear Senator Coghill:

I have enclosed a copy of Copper River School District's capital budget request. The final phase of Glennallen Secondary School is the top priority. This phase includes the following:

vocational education area (auto, wood, welding, etc.)	=	(8,800 sq. ft.)
business education	=	(1,400 sq. ft.)
foreign language classroom	=	(850 sq. ft.)
general classroom	=	(950 sq. ft.)
special education classroom	=	(1,000 sq. ft.)
science classrooms and labs	=	(3,200 sq. ft.)
home economics area	=	(2,200 sq. ft.)
auxiliary spaces	=	(6,529 sq. ft.)

The final phase of this school will include 24,929 square feet with a total cost of \$4,337,646. The justification for this final phase is included in the accompanying Capital budget request. All of Phase III is badly needed classroom space which will complete the construction of Glennallen Secondary School. This project, again this year, has received a high rating by the Department of Education in the unhoused student category.

We are hopeful that you may be able to include Phase III in the "jobs bill" that is being developed. This project meets the D.O.T. & P.F. capital projects selection criteria very well:

1. It meets a meaningful need.
2. It can be bid ready as soon as funds are appropriated.
3. It will minimize operating costs. (An old auto shop building 1.5 miles from the current school is being used as well as a portable building that houses other vocational education facilities. Both have exorbitant fuel costs.)

Glennallen School project

4. It is a labor intensive project.
5. An Alaskan contractor has worked on the first two phases and would likely be the low bidder on this phase.
6. The project is under 5 million dollars.
7. The project offers immediate economic stimulation.
8. The community has, for the past many years, rated this project as their top priority. The Department of Education has consistently given it a top ranking.

Superintendent Leland Dishman has informed me that completion of the grounds landscaping work, parking areas, sidewalks, and an outdoor play field with a quarter mile track is another real need. Our estimate for completing this project is \$450,000. This project could employ over 20 local Glennallen area workers immediately, once funds could be made available. While the greatest need is to gain funding for phase three to complete the school, the project just described certainly fits the "jobs bill" criteria perfectly.

Thank you for your continued support on the Glennallen project and for your consideration of these requests.

Sincerely,



John E. Coffee
Educational Planner

cc: Leland Dishman, Superintendent
Copper River Schools
Twyla Coughlin, Associate Director
S.E.R.R.C.



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

218 Front Street • Juneau, Alaska 99801
Phone: (907) 586-6806

January 21, 1988

Senator Jack Coghill
Alaska State Senate
Room 30, Capitol Building
Juneau, Alaska 99811

Dear Senator Coghill:

Welcome back to Juneau. We look forward to working with you again this session.

I have enclosed a copy of the Alaska Gateway School District's capital budget request. The District's top priority continues to be a new K-12 school for Tok. A complete justification for the project is included in the budget request document. Ideally, the school would be built without the necessity of phasing. The estimated cost is \$11,950,246. We estimate that a three phase construction approach would cost almost \$13,500,000.

The District asks that Phase I of Tok School be included in the jobs bill that is currently being developed. However, rather than constructing Phase I as called for in the capital budget request, the District has determined that the following scope of work should be included in Phase I:

1. complete necessary site work and underground utilities.
2. complete the foundation package
3. complete the exterior shell of the 61,470 square foot structure (include the necessary bearing walls and framing and exterior walls)
4. complete the metal roof
5. an energy study will be done (to determine feasibility of energy sharing within the community.)

The cost estimator used by the District's architect, Kumin and Associates of Anchorage, estimates the total cost of this revised Phase I to be \$3,216,080 at current building costs.

This Phase I, as described above, meets D.O.T. & P.F. criteria for any jobs bill that is being developed. It meets the criteria as follows:

Tok School Project

two years ago. The increase of electrical customers in the Tok area has been 109 in the same two year period.

2. Phase I can be ready for construction by the time funding is made available.
3. Operating expenses would certainly be minimized (the current elementary school and library is operated in an inefficient building with huge electrical and heating costs).
4. The project would be labor intensive.
5. The project is under \$5,000,000 and would likely result in Alaska hire.
6. The project would give immediate stimulation to economic activity in the Tok area.
7. The Tok K-12 school has consistently been the top priority of the Alaska Gateway School Board and the Tok Community.

Kumin and Associates is currently completing an engineering and code review study of the current Tok School. Copies of that study will be forwarded to you within a couple of weeks.

Thanks for your consideration of this request. If further information is needed please let me know.

Sincerely,



John E. Coffee
Educational Planner

cc: Spike Jorgensen, Supt., Alaska Gateway Schools
Twyla Coughlin, Associate Director, S.E.R.R.C.
Terry Brown, Kumin and Associates

6-0104Hv
Cook
4/25/89

Original sponsor: Coghill

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 12 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the issuance of general obliga-
7 tion bonds in the amount of \$38,550,000 for the
8 purpose of paying the cost of school construction;
9 and providing for an effective date."

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

11 * Section 1. For the purpose of paying the cost of school construction,
12 general obligation bonds of the state in the principal amount of not more
13 than \$38,550,000 may be issued and sold. The full faith, credit, and
14 resources of the state are pledged to the payment of the principal of and
15 interest and redemption premium, if any, on these bonds. These bonds shall
16 be issued under the provisions of AS 37.15 as those provisions read at the
17 time of issuance.

18 * Sec. 2. If the issuance of these bonds is authorized by the qualified
19 voters of the state, a special fund of the state to be known as the "1990
20 school construction fund" shall be established, to which shall be credited
21 the proceeds of the sale of the bonds described in sec. 1 of this Act
22 except for the accrued interest and premiums.

23 * Sec. 3. The amount of \$38,550,000 is appropriated from the "1990
24 school construction fund" to the Department of Education to be allocated in
25 accordance with the following projects and estimates:

- 26 (1) Tok school completion \$13,250,000
- 27 (2) Glennallen school completion \$ 4,300,000
- 28 (3) Ketchikan high school renovation
- 29 and expansion \$21,000,000

1 * Sec. 4. If the issuance of these bonds is authorized by the qualified
 2 voters of the state, the amount of \$134,925 or as much of that amount as is
 3 found necessary is appropriated from the general fund of the state to the
 4 state bond committee to carry out the provisions of this Act and to pay
 5 expenses incident to the sale and issuance of the bonds authorized in this
 6 Act. The amounts expended from the appropriation authorized by this sec-
 7 tion shall be reimbursed to the general fund from the proceeds of the sale
 8 of the bonds authorized by this Act.

9 * Sec. 5. The amount withdrawn from the public facility planning fund
 10 for the purpose of advance planning for the improvements financed under
 11 this Act shall be reimbursed to the fund from the proceeds of the sale of
 12 bonds authorized by this Act.

13 * Sec. 6. The question whether the bonds authorized in this Act are to
 14 be issued shall be submitted to the qualified voters of the state at the
 15 next general election and shall read substantially as follows:

16 Proposition

17 State General Obligation School Construction

18 Bonds \$38,550,000

19 Shall the State of Alaska issue its general obligation
 20 bonds in the principal amount of not more than \$38,550,000
 21 for the purpose of paying the cost of school construction?

22 Bonds Yes []

23 Bonds No []

24 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).
 25
 26
 27
 28
 29

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0862



MEMORANDUM

To: Senator Paul Fischer

From: Senator Jack Coghill

Re: Bill hearings

Date: January 19, 1989

Senate Bill 12, "an Act providing for the issuance of general obligation bonds in the amount of \$17,550,000 for the purpose of paying the cost of school construction; and providing for an effective date" has been referred to the Senate HESS Committee.

This bill would provide funding for the completion of the Glennallen School and Tok School. Both of these school projects have received state funding in the past, but need additional funding to complete them.

I would appreciate if you would schedule SB 12 for a hearing as soon as possible. Enclosed is the sectional analysis and fiscal note that accompanies SB 12.

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0862



FEB 24 1989

MEMORANDUM

To: Senator Paul Fischer
From: Senator Jack Coghill
Re: Bill hearings
Date: February 24, 1989

A handwritten signature in dark ink, appearing to read "Jack Coghill", written over the "From:" line of the memorandum.

On January 19, 1989 I sent you two memorandums requesting the Senate Health, Education and Social Services Committee to hold hearings on SB 12, "An act providing for the issuance of general obligation bonds in the amount of \$17,550,000 for the purpose of paying the cost of school construction" and on SB 106, "An act relating to school boards in regional education attendance areas."

Since I have not received a response as to when a hearing on these two bills might be heard, I would like to request, once again, that you schedule these bills for a hearing.

Let me know if you have any questions.