

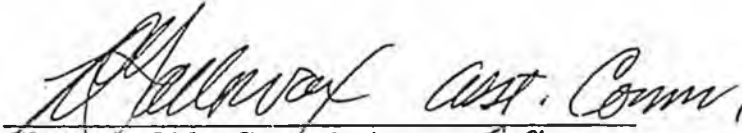
ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672  
7424 SENATE HEALTH EDUCATION & SOCIAL SERVICES

SB 313: "An Act relating to insurance coverage for treatment of phenylketonuria."

SB 313 mandates insurance coverage for phenylketonuria. The department is neutral on this bill.

Phenylketonuria (PKU) is an affliction impacting newborn children which requires treatment with a special and expensive formula for survival. Alaska has about one case per year.

The treatment of PKU is expensive and beyond the ability of most persons to bear. Fortunately, its occurrence is sufficiently infrequent as to pose a negligible overall public cost.

  
Glenn A. Olds, Commissioner *GA*

Date: 2-3-92

Hal Ingalls  
Vicki R. Diemer  
2811 Pribilof Street  
Anchorage, AK 99517

February 3, 1992

Senator Arliss Sturgulewski  
P.O. Box V  
Anchorage, AK 99517

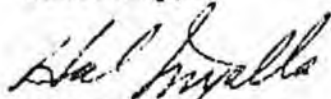
Dear Senator Sturgulewski:

We want to offer you our sincere "thank you" for your efforts in introducing bill #313, "An Act Relating to Insurance Coverage for Phenylketonuria". Hopefully, with your hard work and our prayers this bill will be passed.

We are fortunate that at the present time that we can shoulder the additional costs of Derek's medical foods, but no one knows what the future holds in store for them and with the passage of this bill a lot of families in this state will sleep easier. So few children are born each year with this birth defect that the health care insurance companies will barely feel the affects of bill #313's passage. However, the families that have borderline incomes that are affected by the birth of a PKU child may find the added expense overwhelming without health care coverage. If that should happen the burden would fall upon the state (all of us as taxpayers). No one wants that to happen.

Please contact us any time if you need any information or if we can assist in the passage of this bill.

Sincerely,



Hal Ingalls



Vicki R. Diemer

BROOK & CANDY KRISTOVICH  
P.O. Box 103383  
430 W. 89th Avenue  
Anchorage, Alaska 99510  
(907) 344-6364

Senator Arliss Sturgelewski  
Juneau, Alaska

Dear Senator:

We would like to take this opportunity to express our support for SB 313.

Candy and I have a daughter, Melissa, who was born April 13, 1989, with Phenylketonuria (PKU). We feel that we are one of the lucky parents to have an insurance company such as Blue Cross of Washington and Alaska, which is covering eighty percent (80%) of Melissa's medical and formula.

The Lofenalac that Melissa is required to take in order to survive costs us approximately \$250.00 a month or \$3,000.00 a year, not to mention the other foods she is able to eat in very limited quantities. Her food budget alone is just about as much as it is for the other three in our family (my wife, four year old son, and myself). Without the insurance coverage, we don't know how we would afford to eat.

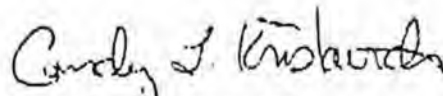
Requiring insurance companies who do business in Alaska to cover people with PKU is a must! We support any Bill that requires this type of coverage!

If we can provide any other support for SB 313, please don't hesitate to call either Candy or myself. Thank you for all your work!

Sincerely,



Brook B. Kristovich



Candy L. Kristovich

February 3, 1992

Sheree Elliott  
HCO3-8100-B  
Palmer, Alaska 99645

RE: Senate Bill #313 - An Act Relating to Phenylketonuria (PKU)

Senator Sturgulewski,

I am writing you in support of the bill you are introducing to the State legislature regarding insurance coverage for Phenylketonuria (PKU).

My husband, Tom and I have a five year old daughter with PKU. When Morgan was born in Anchorage in 1986 I was employed at National Bank of Alaska. My medical insurance is with Blue Cross. When it came time to purchase formula for Morgan I had to fight with Blue Cross to cover the cost of 80%. I finally won. However, if the time comes when I choose to quit work, I will not have medical insurance. If I can not be sure that I can get an insurance company to cover the special formula Morgan must have to insure she is a normal and healthy child I will be forced to keep employment with NBA just so my husband and I have insurance coverage on our daughter.

The number of children affected by PKU in Alaska is so small that we wouldn't be talking more than pocket change for the insurance companies. Also, it should be noted that most other states have already mandated insurance companies to cover phenylketonuria if they want to do business in their state.

Your support to this bill is imperative. Please give it so that all health care policies, group and individual, will provide insurance coverage for phenylketonuria in the state of Alaska.

Sincerely,

*Sheree Elliott*

Sheree Elliott,  
Thomas Elliott

257-3457

Mark and Pat Swank  
1000 Whitney Road  
Anchorage, AK 99501

February 2, 1992

Senator Arliss Sturgulewski  
P.O. Box V  
Juneau, AK 99811

Dear Senator Sturgulewski:

Please accept this letter as our show of support for bill #313, An Act Relating to Insurance Coverage for treatment of Phenylketonuria. We believe Alaska should join the bulk of the rest of the country in mandating insurance companies to provide health insurance coverage for people affected by this birth defect.

The Ingalls family have been friends of ours for more than ten years and we have watched them go through the horror of being told they have a handicapped child and seen the joy this child has brought to them in his "normalcy". We've also seen the fight they've had to obtain health insurance coverage for Derek and feel that no one should have to go through that battle again.

We hope your concern and efforts in presenting this bill will be rewarded.

Sincerely,



Mark Swank



Pat Swank

Haleen Ingalls  
118 W. 10th Avenue  
Anchorage, AK 99501

February 2, 1992

Senator Arliss Sturgulewski  
P.O. Box V  
Juneau, AK 99811

Dear Senator Sturgulewski:

Please accept this letter as my support for bill #313, "An Act Relating to Insurance Coverage for Phenylketonuria". Alaska's laws need to reflect most of the other states and make insurance companies offer health care coverage for the children that are affected by this birth defect.

My grandson, Derek Ingalls, has PKU and we count our blessings every day that it was caught in time and that his family is able to get the medical foods he needs to keep him sound. I have seen his family struggle with the health insurance issue and shoulder the financial burden of his extra needs and know that it's a hardship that no one should have to bear alone. It's time we made the health insurance companies assist these few families in their special needs.

Sincerely,

A handwritten signature in cursive script that reads "Haleen Ingalls". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Haleen Ingalls

Jeff and Paula Cotton  
2800 Pribilof Street  
Anchorage, AK 99517

February 1, 1992

Senator Arliss Sturgulewski  
P.O. Box V  
Juneau, AK 99811

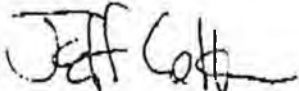
Dear Senator Sturguireski:

We are sending this letter to you to offer our support for bill #131, An Act Relating to Insurance Coverage for treatment of Phenylketonuria. It's time the insurance companies that are doing business in this state are made to do the responsible thing and give health insurance coverage to any and all persons who have this birth defect.

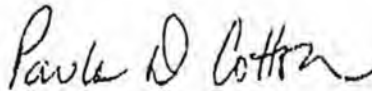
Having been neighbors of the Ingalls family since their son, Derek, was born and knowing what problems they have encountered trying to obtain health insurance for Derek, we feel it's time that our state passed this bill so that no other family has to endure what the Ingalls have had to to get insurance for their healthy "normal" son.

Your efforts in presenting this bill are greatly appreciated.

Sincerely,



Jeff Cotton



Paula Cotton

January 31, 1992

Lorell Bonnet  
2801 Pribilof Street  
Anchorage, AK 99517

Senator Arliss Sturgulewski  
P.O. Box V  
Juneau, AK 99811

Dear Senator Sturgulewski:

Please accept this letter as showing my support for bill #313  
"An Act Relating to Insurance Coverage for the treatment of  
Phenylketonuria".

I have been a neighbor of Derek Ingalls since before his birth  
and have had the pleasure of watching him grow into a happy,  
healthy, "normal" three year old. What a tragedy it would  
have been or be for him to become mentally handicapped because  
insurance coverage was not available to his family to help  
differ the costs of his medical foods. What a tragedy that  
any family should have to face this kind of problem.

Let's make the insurance companies take the burdon off the  
state and parents of PKU children. It's time they were made  
to take the responsible position of providing insurance cover-  
age for the few children affected by this rare birth defect.

Sincerely,



Lorell Bonnet

February 2, 1992

Senator Arliss Sturgulewski  
P.O. Box V  
Juneau, AK 99811

Dear Senator Sturgulewski:

I would like to add my name to your list of supporters for Bill #313, "An Act Relating to Insurance Coverage for Phenylketonuria". It's time the insurance companies in this state were made to take the responsible stand on this matter and not leave the full burden of keeping the children affected by this birth defect healthy on the parents or the State of Alaska.

Sincerely,

James Patras

JAMES PATRAS  
PATRAS  
19216 B MONASTERY DR.  
EAGLE RIVER AK 99577



***Representative Mark Hanley***  
***Alaska State Legislature***

---

MEMORANDUM

To: Senator Arliss Sturgulewski, Chair  
Senate Committee on Health, Education and  
Social Services

From: Representative Mark Hanley *MH*

Re: SB 313 "Insurance for PKU"

Date: January 30, 1992

Please see the attached letter from my constituent regarding Senate Bill 313.

I'd like to respectfully request that this letter and the comments of Lewis Johnston be submitted into the official hearing record on this legislation.

I appreciate your consideration. If you have questions or concerns, please contact either myself or my staff person, Michelle Tohey.

7927 Cranberry St.  
Anchorage, Ak. 99502  
10-5-91

OCT 03 1991

Mr. Mark Hanley  
311 C St.  
Anchorage, Ak. 99503

Dear Mr Hanley

This letter is to ask for your support for bill #313 "An Act Relating to Insurance Coverage for the Treatment of Phenylketonuria". This bill was introduced in the spring 1991 session by Senator Sturgulewski and would require insurance companies to provide health insurance to people with Phenylketonuria, PKU, and to cover the medical foods necessary for their treatment.

Phenylketonuria is a rare birth defect that can cause severe mental retardation if the medical foods needed to control the phenylalanine level in the affected persons system are not used. It would be diastrous for a person with PKU to be denied health insurance and coverage for their medical foods. This would not only affect them and their families, but also the rest of the state by costing us millions of dollars in special education and/or institutional care for an untreated person with PKU. This would be money out of all of our pockets. To mandate insurance companies to cover the required formula and health care on their policies would only cost them three to four thousand dollars per year per PKU applicant as the medical food is the only additional expense needed for a PKU person. Certainly, this amount is not enough to even put a dent in the insurance companies coffers since only one in fifteen thousand babies born has PKU. This would be enough, though, for someone with a marginal income to take themselves out of the workforce and have the state pick up the additional expense of medical foods and welfare costs if they found themselves with a PKU child and no health insurance coverage. This, again, would be a severe draw on "our" pockets.

Most other states have already passed similar bills and I hope Alaska will take the same stand. Insurance companies need to be made to take the responsible position of providing health insurance coverage for Phenylketonuria and its required foods on both group and individual policies.

Sincerely,

*Lewis N. Johnston*

Lewis Johnston  
7927 Cranberry St  
Anch, 99502

February 3, 1992

Sheree Elliott  
HCO3-8100-B  
Palmer, Alaska 99645

RE: Senate Bill #313 - An Act Relating to Phenylketonuria (PKU)

Senator Sturgulewski,

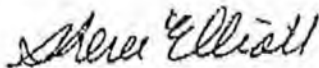
I am writing you in support of the bill you are introducing to the State legislature regarding insurance coverage for Phenylketonuria (PKU).

My husband, Tom and I have a five year old daughter with PKU. When Morgan was born in Anchorage in 1986 I was employed at National Bank of Alaska. My medical insurance is with Blue Cross. When it came time to purchase formula for Morgan I had to fight with Blue Cross to cover the cost of 80%. I finally won. However, if the time comes when I choose to quite work, I will not have medical insurance. If I can not be sure that I can get an insurance company to cover the special formula Morgan must have to insure she is a normal and healthy child I will be forced to keep employment with NBA just so my husband and I have insurance coverage on our daughter.

The number of children affected by PKU in Alaska is so small that we wouldn't be talking more then pocket change for the insurance companies. Also, it should be noted that most other states have already mandated insurance companies to cover phenylketonuria if they want to do business in their state.

Your support to this bill is imperative. Please give it so that all health care policies, group and individual, will provide insurance coverage for phenylketonuria in the state of Alaska.

Sincerely,



Sheree Elliott,  
Thomas Elliott

257.3457

S B

3 16



# Alaska State Legislature

SENATE

Committee on Finance

Official Business

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

## MEMORANDUM

TO: Senator Arliss Sturgulewski  
Senate HESS

FROM: Senator Jay Kerttula

SUBJ: SB 316--  
Education

DATE: January 16,  
1992

I would appreciate your consideration of Senate Bill 316 which will fund the state's K-12 school costs for Fiscal Year 1993. There are ten programs funded within this bill which are briefly described below.

1. Foundation--funds K-12 schools at \$62,000 an instructional unit allowing for 100% of student population growth. In the event that SB 7, which increases the instructional unit value to \$63,000, passes the House, I will request an increase in the Foundation allocation in this bill from \$598,395,544 to \$610,195,254.
2. Student Lunch Program--Federal funds which have increased \$3,100,000 to \$18,100,000 in FY 93. This program provides free or reduced meals to children in schools and child care centers.
3. Cigarette tax distribution--Up \$200,000 from FY 92. State collects taxes on cigarettes and distributes to school districts to use for rehabilitation, construction and insurance for school facilities. Funds are allocated in direct proportion to the number of students in the district.
4. Tuition Students--No increase from FY 92. This program reimburses districts who serve on-base military students and students who live in one district and receive services in another district. The reimbursement is the amount of local contribution per student.

9

Senator Sturgulewski  
SB 316  
Page Two

5. Boarding Home Grants--No increase from FY 92. This program provides the living expenses of students who must leave their district because no program is available in their home district.
6. Youth in Detention--No increase from FY 92. This program funds educational services in detention homes in Anchorage, Juneau, Bethel and Fairbanks.
7. Schools for the Handicapped--Funds the Special Education Service Agency, School for the Deaf, Providence Heights School at API, and Department of Education's share of the Alaska Youth Initiative.
8. Pupil Transportation--Provides funding for transportation contracts with school districts. The number is an early estimate provided by the Department of Education. However, the final amount may be less depending on contracts being negotiated in the next couple of months.
9. Community Schools--provides funding for programs outside of the regular school system for all age groups.
10. School construction account--provides reimbursement to districts for a percentage of the costs of bonding to build schools. The amount is 100% of estimated cost of the bonds.

Thank you for your consideration of this bill.

S B

3 1 8

Generated December 10, 1991  
at 3:00 PM

State of Alaska  
Department of Education

This list reflects  
the changes made as  
a result of the  
11/25/91 hearing.

Page: 1

Capital Improvement Program Budget Request  
for Fiscal Year 93

PRIORITY TYPE I

<u>Priority</u>	<u>District Name</u>	<u>Priority 1 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
1	Lower Kuskokwim Schools	1	6,913.0	Kasigluk-Akiuk School Replacement Ph.II
2	Ketchikan Gateway Borough Schools	2	14,623.7	Ketchikan High: Phase III
3	Nome City Schools	3	885.0	Nome-Beltz Life Safety Upgrade/Asbestos
4	Lower Kuskokwim Schools	4	2,500.0	Nunapitchuk Elementary School Addition
5	Kodiak Island Borough Schools	5	525.0	Old Harbor K-12 Structural Repair
6	Hoonah City Schools	6	1,738.2	Schl-wide Sprinkler System/Life/Safe Ph II
7	Alaska Gateway Schools	7	13,232.0	Tok School Replacement
8	Kake City Schools	8	1,482.0	Elementary & High School Life/Safety
9	Southwest Region Schools	9	726.5	New Stuyahok Roof and Wall Replacement
10	Pribilof Schools	10	1,164.4	St. Paul/Roofing and Siding Replacement
11	Yakutat City Schools	11	558.9	Elementary School Repair
12	Bering Strait Schools	12	11,020.0	Gambell Elementary
13	Fairbanks North Star Borough Schools	13	12,110.9	North Pole Elementary Addition
14	Annette Island Schools	14	693.0	Elementary/Middle School Repair
15	North Slope Borough Schools	15	250.0	Point Hope Entryways and Roof Renovation
16	Lake & Peninsula Borough Schools	16	1,660.0	Chignik Bay School
17	Kuspuk Schools	17	380.0	Sleetmute: Foundation & Roof Repair
18	Kashunamiut Schools	18	14,400.0	Replacement School Facility
19	Craig City Schools	19	524.7	Craig High School Roof Replacement

Total for Priority Type I - 95,207.2

Capital Improvement Program Budget Request  
for Fiscal Year 93

<u>PRIORITY TYPE *</u>	<u>District Name</u>	<u>Priority *</u>	<u>Amount</u>	<u>Project Name</u>
<u>Priority</u>		<u>Ranking</u>		
20	Copper River Schools	*	2,988.5	Glennallen Secondary School Final Phase
21	Lower Yukon Schools	*	3,080.0	Mt. Village/Phase II/Elementary Replace
Total for Priority Type *			=	6,068.5

## PRIORITY TYPE 2

		<u>Priority 2</u>		
		<u>Ranking</u>		
22	Northwest Arctic Schools	1	2,091.0	Selawik Elementary Addition
23	Copper River Schools	2	1,536.9	Slana Elementary School Phase II
24	Bering Strait Schools	3	4,928.0	Koyuk School Addition/Renovation
25	Kenai Peninsula Borough Schools	4	426.9	Portable Classrooms Districtwide
26	Southeast Island Schools	5	1,537.0	Edna Bay School Construction
27	Lower Yukon Schools	6	582.0	Hooper Bay Classroom Addition
28	Southeast Island Schools	7	1,830.4	Kasaan/Hollis Schools Project
29	Southeast Island Schools	8	819.2	Port Protection School
30	Craig City Schools	9	2,039.4	Craig Classroom Addition
31	Kuspuk Schools	10	1,946.4	Upper Kalskag: O/J Gregory Elementary
32	Kuspuk Schools	11	5,803.4	Aniak Middle/Elementary School Phase I
33	Lower Kuskokwim Schools	12	17,679.0	New Bethel Middle School
34	Yupiit Schools	13	5,200.0	Akiachak Elementary Replacement/Renovate
35	Ketchikan Gateway Borough Schools	14	8,477.6	Schoenbar Junior High
36	Fairbanks North Star Borough Schools	15	6,000.0	New Fairbanks High School Phase I

\* Pursuant to Chapter 5, SLA 1990, Section 16

Capital Improvement Program Budget Request  
for Fiscal Year 93

## PRIORITY TYPE 2 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 2 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
37	Lake & Peninsula Borough Schools	16	1,000.0	Ivanof Bay School Replacement
38	Fairbanks North Star Borough Schools	17	12,943.9	New North Fairbanks Elementary
39	Yukon Flats Schools	18	1,500.0	Circle: Multipurpose/Classroom Addition
40	Kodiak Island Borough Schools	19	7,500.0	Kodiak New Elementary School Phase I
41	Yukon/Koyukuk Schools	20	1,300.0	Allakaket School Addition
42	Matanuska-Susitna Borough Schools	21	5,000.0	Glacier View School
43	Southwest Region Schools	22	2,112.0	Togiak School Addition
44	Lake & Peninsula Borough Schools	23	450.0	Kokhanok School Addition
45	Kenai Peninsula Borough Schools	24	1,449.8	Kenai Elementary School Renovation
46	Chatham Schools	25	687.0	Angoon Elementary Classroom Addition
47	Anchorage Schools	26	1,200.0	Turnagain Classroom Addition
48	Unalaska City Schools	27	600.0	Elementary Classroom Addition
49	Southeast Island Schools	28	3,390.4	Coffman Cove: Building Replacement
50	Bering Strait Schools	29	3,927.4	Golovin Elementary Addition to H.S.
51	Juneau Borough Schools	30	200.0	Auke Bay Classroom Addition
52	Lower Kuskokwim Schools	31	4,369.0	Atmautluak Elementary School Addition
53	Anchorage Schools	32	1,000.0	Eagle River Elementary Addition
54	Kenai Peninsula Borough Schools	33	10,300.5	New West Homer Elementary
55	Chatham Schools	34	612.5	Gustavus: Classroom Addition
56	Copper River Schools	35	1,809.0	Copper Center Elementary Addition
57	Anchorage Schools	36	3,499.6	Willow Crest Elementary Addition

Capital Improvement Program Budget Request  
for Fiscal Year 93

## PRIORITY TYPE 2 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 2 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
58	Haines Borough Schools	37	3,840.0	Middle School Addition
59	Kodiak Island Borough Schools	38	1,500.0	Ouzinkie Upgrade/Remodel
60	Anchorage Schools	39	4,037.0	Susitna Elementary Addition
61	Matanuska-Susitna Borough Schools	40	25,000.0	Atlasta New Middle School
62	Kuspuk Schools	41	550.0	Crooked Creek: Johnnie John School Add
63	Anchorage Schools	42	4,456.7	Chinook Elementary Addition
64	Kenai Peninsula Borough Schools	43	9,971.2	New Soldotna Elementary
65	Klawock City Schools	44	120.0	School Site Planning and Design
66	Kuspuk Schools	45	750.0	Lower Kalskag Elementary School Addition
67	Kenai Peninsula Borough Schools	46	25,040.7	New Skyview Middle/Jr High
68	North Slope Borough Schools	47	3,000.0	Nuiqsut School Addition
69	Anchorage Schools	48	27,500.0	South Anchorage New Jr. High
70	Anchorage Schools	49	12,500.0	South Anchorage New Elementary
71	Juneau Borough Schools	50	200.0	Modular Purchase
72	Kenai Peninsula Borough Schools	51	42.0	Relocation of Portable Classrooms
Total for Priority Type 2 =			244,355.9	

## PRIORITY TYPE 3

		<u>Priority 3 Ranking</u>		
73	Lower Kuskokwim Schools	1	526.0	Bethel High Major Main./Roof Replacement
74	North Slope Borough Schools	2	3,410.0	Barrow Schools H.S. Sprinkler Replace
75	North Slope Borough Schools	3	2,150.0	District Wide Swimming Pool Renovations

Capital Improvement Program Budget Request  
for Fiscal Year 93

## PRIORITY TYPE 3 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 3 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
76	Railbelt Schools	4	99.5	Tri-Valley Gym Insulation/Fire Protect
77	Lower Kuskokwim Schools	5	515.0	Napakiak School Relocation
78	Wrangell City Schools	6	60.0	Drainage-Intermediate School
79	Pribilof Schools	7	340.5	St. George Roof & Exterior Repair
80	Railbelt Schools	8	101.0	Anderson Fire Separation & Egress
81	Haines Borough Schools	9	312.0	Elem/Middle/Exterior Wall Protection
82	Yakutat City Schools	10	213.8	High School Roof Repair
83	Kodiak Island Borough Schools	11	1,000.0	Main Elementary Roof Repair
84	Lake & Peninsula Borough Schools	12	300.0	Districtwide Life Safety/Code Upgrades
85	Yukon/Koyukuk Schools	13	254.8	Nulato Voc-Ed
86	Iditarod Area Schools	14	65.5	Lime Village Oil Storage
87	Fairbanks North Star Borough Schools	15	863.1	Districtwide Major Repair/Renov/Alter
88	Yukon/Koyukuk Schools	16	228.8	Kaltag Vocational Education Facility
89	Kenai Peninsula Borough Schools	17	73.9	Chapman Elementary Re-Roof
90	Aleutian Region Schools	18	20.0	Nikolski School Window Replacement
91	Juneau Borough Schools	19	490.0	Auke Bay Elementary Re-Roof
92	Iditarod Area Schools	20	51.0	Anvik Oil Storage
93	Kenai Peninsula Borough Schools	21	129.9	Nikiski Elementary Re-Roof
94	Saint Marys Schools	22	475.0	Well & Water System Replacement
95	Juneau Borough Schools	23	100.0	J/D High School Exterior Wall Repair
96	Juneau Borough Schools	24	800.0	Glacier Valley Elementary Re-Roof

Capital Improvement Program Budget Request  
for Fiscal Year 93

## PRIORITY TYPE 3 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 3 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
97	Iditarod Area Schools	25	26.0	Grayling Oil Storage
98	Wrangell City Schools	26	489.0	Voc Ed/Middle School Roof and Gutter
99	Wrangell City Schools	27	456.0	Elementary Roof and Gutter Replacement
100	Anchorage Schools	28	3,477.4	Diamond High School Re-roof
101	Chugach Schools	29	48.0	Whittier School Reroofing
102	Matanuska-Susitna Borough Schools	30	770.0	School Partial Reroofing
103	Matanuska-Susitna Borough Schools	31	1,494.0	Wasilla High Walls and Fenestration
Total for Priority Type 3 =			19,340.2	

## PRIORITY TYPE 4

		<u>Priority 4 Ranking</u>		
104	Lower Kuskokwim Schools	1	5,626.0	Newtok Elementary School Addition
105	Fairbanks North Star Borough Schools	2	550.0	Hunter Elementary Renovation
106	Petersburg City Schools	3	139.3	Elementary School Code Upgrades
107	Lower Kuskokwim Schools	4	2,560.0	Districtwide Water Treatment
108	Fairbanks North Star Borough Schools	5	950.0	Lathrop High School Renovations
109	Lower Kuskokwim Schools	6	4,875.0	Districtwide Subsurface Water Treatment
110	Saint Marys Schools	7	228.2	Health/Life Safety Code Upgrade
111	Lower Kuskokwim Schools	8	3,800.0	Districtwide Asbestos Abatement
112	Kenai Peninsula Borough Schools	9	2,332.3	Kenai Jr. High Asbestos Abatement
113	Yukon Flats Schools	10	9,000.0	Fort Yukon: New School
114	Kenai Peninsula Borough Schools	11	124.5	Homer Intermediate Asbestos Abatement

Capital Improvement Program Budget Request  
for Fiscal Year 93

## PRIORITY TYPE 4 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 4 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
115	Fairbanks North Star Borough Schools	12	133.4	Districtwide Fire Protection
116	Kenai Peninsula Borough Schools	13	46.8	Paul Banks Elementary Asbestos Abatement
117	Iditarod Area Schools	14	115.8	Anvik School Kitchen & 2nd Floor Storage
118	Aleutians East Borough Schools	15	6,766.0	King Cove Elementary Replacement
119	Kenai Peninsula Borough Schools	16	79.6	Susan B. English Asbestos Abatement
120	Anchorage Schools	17	2,000.0	Fire Code Violations Projects
121	Kenai Peninsula Borough Schools	18	221.0	Seward Elementary Asbestos Abatement
122	Annette Island Schools	19	171.7	Districtwide Asbestos Removal
123	Northwest Arctic Borough Schools	20	2,056.5	Districtwide Deferred Major Maintenance
124	North Slope Borough Schools	21	50.0	Anaktuvuk Pass Welding Room Renovation
125	Fairbanks North Star Borough Schools	22	12,576.5	Denali Elementary Replacement
126	North Slope Borough Schools	23	100.0	Welding Room Renovation/Barrow HS
127	Copper River Schools	24	1,427.3	Glennallen Elementary Remodel
128	Fairbanks North Star Borough Schools	25	13,182.7	Nordale Elementary Replacement
129	Aleutians East Borough Schools	26	649.0	Sand Point Pool Retrofit
130	North Slope Borough Schools	27	50.0	Welding Room Renovation/Nuiqsut
131	Northwest Arctic Borough Schools	28	3,378.0	Districtwide Fuel Tank Farm Upgrade
132	Anchorage Schools	29	1,669.7	MLK Career Center/Heating Renovations
133	Skagway City Schools	30	105.3	K-12 Building Protection
134	Fairbanks North Star Borough Schools	31	12,138.7	Eielson Air Force Base Elementary School
135	Anchorage Schools	32	992.6	Complete Elevator Installation

Capital Improvement Program Budget Request  
for Fiscal Year 93

## PRIORITY TYPE 4 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 4 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
136	Hydaburg City Schools	33	33.7	Replacement of Fuel Storage Tanks
137	Anchorage Schools	34	1,312.9	Underground Storage Tanks
138	Kodiak Island Borough Schools	35	1,700.0	Kodiak High School Code Upgrade
139	Juneau Borough Schools	36	200.0	Districtwide Asbestos Abatement
140	Anchorage Schools	37	1,224.4	Bartlett HHS/Heating system Phase II
141	Juneau Borough Schools	38	150.0	Harborview Elem. Plumbing Replacement
142	Anchorage Schools	39	4,000.0	Districtwide Mechanical Renovation
143	Anchorage Schools	40	193.9	Mears Junior High/Vent System
144	Anchorage Schools	41	2,346.9	Diamond Heating/Ventilation Phase II
145	Anchorage Schools	42	2,200.0	Districtwide Kitchen Upgrades
146	Kenai Peninsula Borough Schools	43	40.3	Homer Jr. High Handicap Access
147	Anchorage Schools	44	585.6	Service High School/Phase II Asbestos
148	Anchorage Schools	45	313.5	Eagle River/Heating & Ventilation
149	Kenai Peninsula Borough Schools	46	40.3	Kenai Jr. High Handicapped Access
150	Anchorage Schools	47	4,300.0	Districtwide Asbestos Abatement
151	Anchorage Schools	48	535.2	Chugiak High/Replace Univents
152	Anchorage Schools	49	448.0	O'Malley Elementary Heat Vent Upgrades
153	Anchorage Schools	50	307.4	Replace Classroom Univents/Campbell
154	Juneau Borough Schools	51	80.0	Districtwide Ceramic Kiln Ventilation
Total for Priority Type 4			=	108,108.0

Capital Improvement Program Budget Request  
for Fiscal Year 93

## PRIORITY TYPE 5

<u>Priority</u>	<u>District Name</u>	<u>Priority 5 Ranking</u>	<u>Amount</u>	<u>Project Name</u>
155	Kenai Peninsula Borough Schools	1	28.7	Ninilchik Boiler Replacement
156	Anchorage Schools	2	3,300.0	Districtwide Roof Replacements
Total for Priority Type 5 =			3,328.7	

## PRIORITY TYPE 6

		<u>Priority 6 Ranking</u>		
157	Sitka Borough Schools	1	1,033.0	Baranof Elementary School
158	Kenai Peninsula Borough Schools	2	8,564.9	Tustumena Elementary Addition
159	Unalaska City Schools	3	842.1	High School Wood Shop/Music Room Add.
160	Nome City Schools	4	5,155.0	Nome-Beltz Middle School Remodel
161	Pribilof Schools	5	604.0	St. George/Media Center & Kitchen Add
162	Kodiak Island Borough Schools	6	1,200.0	Kodiak High School Alteration Project
163	North Slope Borough Schools	7	2,100.0	Point Lay: Gym/Classroom Addition
164	Matanuska-Susitna Borough Schools	8	6,000.0	Swanson Elementary School Renovation/Add
165	Lower Kuskokwim Schools	9	1,000.0	Chefornak Improvements
166	Chugach Schools	10	157.5	Whittier Voc-Ed
167	Lake & Peninsula Borough Schools	11	1,100.0	Pilot Point School Replacement
168	Cordova City Schools	12	1,730.0	Cordova High School Science & Computer
169	Yupiiit Schools	13	13,717.5	Consolidated High School & Boarding Home
170	Bristol Bay Borough Schools	14	3,449.5	Gymnasium Addition/Naknek K-12

Capital Improvement Program Budget Request  
for Fiscal Year 93

## PRIORITY TYPE 6 (con't)

<u>Priority</u>	<u>District Name</u>	<u>Priority 6 Type</u>	<u>Amount</u>	<u>Project Name</u>
171	Kodiak Island Borough Schools	15	5,600.0	High School Voc-Ed Building Upgrade
172	Kenai Peninsula Borough Schools	16	644.0	Homer Junior High Pool Conversion
173	Anchorage Schools	17	4,199.3	Wonder Park Elementary Addition
174	Tanana City Schools	18	3,732.0	Elementary/Middle School Project
175	Petersburg City Schools	19	700.0	Middle/High School Shop Addition
176	Kenai Peninsula Borough Schools	20	1,263.6	Nikolaevsk Gym Expansion
177	Southeast Island Schools	21	1,496.0	Thorne Bay School Addition
178	Anchorage Schools	22	2,212.2	Clark Jr. High/Media Center & Remodel
179	Lake & Peninsula Borough Schools	23	1,600.0	Port Heiden Addition
180	Anchorage Schools	24	3,182.7	Williwaw Addition
181	Pribilof Schools	25	360.5	St. Paul/Kitchen Construction
182	Anchorage Schools	26	330.0	Mt. Spurr Elementary Kindergarten Center
183	Anchorage Schools	27	2,700.0	N. Star Elementary Addition
184	Hydaburg City Schools	28	104.0	District: Maintenance/Storage Building
185	Delta/Greely Schools	29	12,500.0	K-12 Educational Complex
186	Juneau Borough Schools	30	50.0	Floyd Dryden Wood Shop
187	Cordova City Schools	31	21,704.2	Elementary Addition and Remodel
188	Bering Strait Schools	32	2,473.1	White Mountain Elementary Addition
189	Kuspuk Schools	33	510.0	Kalskag: George Morgan Jr/Sr High Add.
190	Fairbanks North Star Borough Schools	34	2,196.4	District Physical Plant

Capital Improvement Program Budget Request  
for Fiscal Year 93

## PRIORITY TYPE 6 (con't)

Priority	District Name	Priority 6 Ranking	Amount	Project Name
191	Kenai Peninsula Borough Schools	35	22,607.0	New Anchor Point Middle School
192	Hoonah City Schools	36	1,576.1	Multipurpose Facility Phase II
193	Unalaska City Schools	37	231.3	Administrative Office & Storage Remodel
194	Kenai Peninsula Borough Schools	38	22,607.0	New Nikiski Middle School
195	Fairbanks North Star Borough Schools	39	4,398.0	District Food Service
Total for Priority Type 6 =			165,630.9	

## PRIORITY TYPE 7 (These projects are not ranked within priority type.)

196	Kenai Peninsula Borough Schools	7	35.0	Soldotna High Ventilation of Pool Locker
197	Kenai Peninsula Borough Schools	7	69.0	Homer Jr. High Resurface Track
198	Juneau Borough Schools	7	100.0	Districtwide Exterior Painting
199	Petersburg City Schools	7	150.0	Petersburg Schools: Vehicle Access/North
200	Juneau Borough Schools	7	170.0	JDHS/UA Pedestrian Overpass Upgrade
201	Kuspuk Schools	7	255.0	Underground Fuel Tank Removal
202	Nome City Schools	7	610.0	Nome-Beltz Functional Upgrade Planning
203	Matanuska-Susitna Borough Schools	7	1,000.0	Knik Elementary School
204	Sitka Borough Schools	7	1,313.0	DW Maintenance Building/Warehouse
Total for Priority Type 7 =			3,702.0	
GRAND TOTAL:			635,921.5	

**Alaska Debt Presentation**  
**Alaska Department of Revenue**  
**February 12, 1992**

**Overview, Bond Terms.**

The total state debt burden includes general obligation debt, other debt funded through general fund appropriations, and debt for which debt service is met from other sources. Debt funded from the general fund is called state-supported debt. Debt funded from other sources carries varying degrees of commitment by the state to make up for any shortfall.

The use of debt by the state steadily decreased during the 1980's. No general obligation debt has been issued since October of 1983. All authorized general obligation debt has been issued.

Ongoing programs such as Alaska Housing Finance Corporation and the Alaska Student Loan Corporation will continue but total state and state agency debt issuance and the amount outstanding will probably decline. Lease-financing issuance will likely continue but will for the most part be the conversion of existing long-term operating leases to achieve savings. The one exception is the possible issuance of lease debt to finance the construction of a new capitol building.

**I. State general obligation debt.**

Alaska's general obligation indebtedness peaked at just over \$1 billion in October, 1983, and will be \$156.9 million at the end of this fiscal year. Over 89% of all general obligation debt issued by the state will have been repaid at the end of this fiscal year even though the state is just over 30 years old. Outstanding general obligation debt will have diminished to less than \$150 million by this time next year. The final debt service payment will be made on October 1, 1999.

The current level of GO debt puts the state in the neighborhood of \$349 of GO debt per capita and \$16 of debt per \$1000 of personal income. Both measures indicate very moderate levels of GO debt.

General obligation debt service exceeded 5% of unrestricted revenues during the last half of the 1980's. It is not expected to do so again unless additional debt is issued since debt repayment is on such a steep schedule and the amounts are becoming quite small.

**II. State-supported debt.**

The State Bond Committee classifies all debt for which debt service must be appropriated out of the general fund as state-supported debt. That includes state lease debt, University of Alaska debt (since the University depends upon state general fund appropriations for most of its revenue) and reimbursement of municipal general obligation debt issued for school construction.

All debt to be paid out of the general fund has decreased from \$1,682 million outstanding on June 30, 1984 to \$862 million on June 30, 1991, and will be about \$732 million on June 30, 1992. However, the largest component of state-supported debt, namely school debt reimbursement, has only just recently begun to decrease.

Under a program enacted in 1970 the state reimburses municipalities for most or all of debt service on general obligation debt issued for school construction without any limit on the timing or amount except that reimbursement is subject to appropriation and the debt carries the general obligation of the municipality. The program was created in part to offer a measure of equity to larger municipalities since very small municipalities receive school construction funding through direct state appropriation.

The Alaska Legislature halted growth in the program in 1990, requiring that school construction bonds must have been authorized by the voters before March 31, 1990 in order to qualify for reimbursement. The program was replaced by a needs-based appropriation process for schools throughout the state.

The retirement of this program seems to indicate that state-supported debt will now decline in the 1990's similarly to the fall-off in general obligation debt during the 1980's.

Debt service on state-supported debt has been as much as 15.8% of unrestricted revenues. State-supported debt service will amount to 8.5% or less this year and then fall off quite rapidly under the middle scenario of the Fall revenue forecast.

Tables which accompany this narrative show annual state-supported debt service for outstanding debt and with debt service on an additional \$750 million of general obligation debt measured against forecasted revenues.

### **III. State guaranteed debt.**

The only program which has the state guaranty is the Alaska Housing Finance Corporation veterans mortgage program. The State Bond Committee includes only those bonds which are not collateralized under the category of state guaranteed debt. The amount of state guaranteed debt which is not collateralized was \$135.1 million on June 30, 1991, having decreased at an annual rate of 21% during the past seven years. The amount of collateralized and noncollateralized guaranteed debt was \$393.2 million on June 30, 1991. The AHFC veterans mortgage program is expected to continue to decline as the number of qualifying veterans in the Internal Revenue Code continues to decline.

### **IV. State moral obligation debt.**

The state has pledged its moral obligation to debt issued by a number of state agencies. The amount of moral obligation debt outstanding on June 30, 1991 was \$1,370 million, down from

a high of just over \$1.6 billion in 1987. The Alaska Aerospace Development Corporation, created in 1991 can issue bonds which carry the moral obligation but issuance greater than \$1 million in any year requires legislative authorization.

The newest issuer of moral obligation debt is the Alaska Student Loan Corporation which has issued moral obligation debt each year since 1988. Total issuance by the Corporation has been \$162,955,000.

On November 20, 1991, AHFC issued \$325.6 million of revenue refunding bonds which did not carry the state moral obligation pledge. However, the bonds being refunded did carry that pledge so the total amount of state moral obligation debt decreased to around \$1 billion.

#### **V. Other state and state agency debt.**

The amount of outstanding state and state agency debt reached as much as \$7.5 billion during 1986. Since that time the amount has decreased as AHFC debt has decreased. The first year-to-year decline in AHFC debt occurred in 1987.

Most state agency issuance has been mortgage-backed bonds issued by AHFC and large enterprise development projects such as the Delong Mountain revenue bonds for the development of the Red Dog mineral deposit in Northwest Alaska and the Bradley Lake Hydroelectric Power Revenue bonds for a project on the Kenai Peninsula.

The State Bond Committee entered into an interest rate swap in the notional amount of \$16,060,000 on August 26, 1991, thereby committing to issue International Airports refunding bonds in 1993 when International Airports Revenue Bonds Series F can be called. There are no plans to issue new International Airports debt.

#### **VI. Debt Policy and Prospective Issuance.**

Representatives from both Moody's Investors Service and Standard & Poor's Corporation visited the State Bond Committee in October and November, respectively, last year. The following is what they were told about debt policy:

Strong indicators of the debt viewpoint held by state government are the introduction of legislation to require an automatic deposit of state revenues into a debt retirement fund and the enactment of legislation curtailing automatic reimbursement of municipal school debt service mentioned earlier. The debt retirement legislation as introduced by the administration would have required deposits of petroleum revenues directly into a debt retirement fund. Governor Hickel intends to continue backing an automatic deposit into the debt retirement fund.

There has been little consideration of general obligation debt authorization in recent years. Most issuance of state-supported debt will probably consist of state building lease-

financings. The Department of Administration has been investigating the issuance of an estimated \$85 million to convert existing operating leases to lease-purchase obligations in order to achieve savings. The administration has been looking at a lease-financing for the construction of a new capitol which might cost \$57 million. Each of these financings would require legislative authorization.

The Alaska Court System plans to finance a new courthouse in the City of Kenai using a lease-financing. The Department of Corrections intends to convert the existing lease of the Wildwood Correctional Facility to a lease-financing. Those two lease-financings are expected to be about \$4.5 and \$7 million, respectively, do not require legislative authorization and may take place within the next few months.

To the extent the state continues to engage in lease-financing, the issuance of that debt will be integrated into its overall policy for all state supported debt: reasonable maturities, level or declining debt service, and a declining claim on unrestricted revenues for debt service. The debt service profile for state-supported debt will continue to show a rapid pay-down.

The amount of University debt may grow by small increments for the next few years. A policy recently adopted by the University Board of Regents commits to keeping debt service to less than 5% of its revenues, limiting the final maturity of any debt, maintaining level or declining debt service and coordinating debt issuance plans with the State Bond Committee.

State agency debt issuance will continue but total debt of state agencies will probably continue to decline for at least the next few years and perhaps beyond. The Alaska Student Loan Corporation will issue student loan backed revenue bonds next spring. There is no near-term plan to issue debt by the Alaska Aerospace Development Corporation. Any new large enterprise development financed with the issuance of state agency debt will likely take place in some future fiscal year.

The largest prospective debt-financed project I know of is the anticipated \$300 million North Slope waste disposal facility revenue bond financing planned by the North Slope Borough. The State Bond Committee has thus far allocated \$74,705,000 of the private activity bond volume limit to that financing. Issuance of part of the bonds is expected during 1992.

Along with what was of interest to the rating agencies, the State Bond Committee has followed a number of practices over the years. The Committee has issued debt through competitive sales, awarding the bonds to the lowest true-interest-cost bidder, whenever possible and advised some agencies to adopt the use of competitive sales. The Committee has recommended the competitive selection of underwriters whenever a competitive sale is not appropriate.

The Committee has an obligation to communicate regularly with the credit rating agencies because of the existence of ongoing ratings and of outstanding bonds. The Committee has often urged the use of unspent bond proceeds to repay debt. The Committee has actively refrained from taking advantage of many of the devices which have sometimes allowed some issuers to override the Internal Revenue Code. The Committee has set 3% as the net present value savings requirement in refinancing decisions.

The Committee has used an independent financial advisor since 1984 and paid its financial advisor through a fixed retainer. For the past four years the contract with bond counsel has specified that counsel cannot be paid for work not related to a particular bond issue.

## VII. Credit Rating

State of Alaska general obligation bonds have been rated AA- by Standard & Poor's Corporation and Aa by Moody's Investors Service since 1980. The ratings have never been higher. There have been times when a rating decrease seemed to be a possibility. All other energy dependent states and provinces were downgraded at least once during the 1980's.

The rating agencies have always taken the time to understand the circumstances which are unique to the Alaska credit. The extreme dependence on petroleum revenues and the resulting predominance of state spending in the economy set Alaska apart from the thousands of other credits rated by the agencies. At the same time, the strong savings effort, tremendous liquidity and careful use of leverage set Alaska apart from many other issuers.

Throughout the past 12 months the State Bond Committee has been making the case for a rating upgrade. At this time we expect reviews of the Alaska credit to be published by each agency within the very near future.

State of Alaska  
Ratio of Debt Service to Unrestricted Revenues  
Fall 1991 Revenue Estimates of the Department of Revenue  
Draft Report Assuming Issuance of \$750 Million GO Debt, Level Debt Service  
7 Year Final Maturity, True Interest Cost 5.65%, \$132.7 Million Additional Debt Service FY 94-FY 00

Fiscal Year	Unrestricted Revenue (\$ Millions)			(1) State GOB's			(2) UA			(3) ASHA			(4) Lease-Purchase Obligations			(5) School Debt (Muni)			Total Debt Service		
	Low	Mid	High																		
1977	874.3	874.3	874.3	4.8	4.8	4.8	0.2	0.2	0.2	1.1	1.1	1.1	0.0	0.0	0.0	1.0	1.0	1.0	7.1	7.1	7.1
1978	764.9	764.9	764.9	6.5	6.5	6.5	0.2	0.2	0.2	1.3	1.3	1.3	0.0	0.0	0.0	1.5	1.5	1.5	9.6	9.6	9.6
1979	1133.0	1133.0	1133.0	5.3	5.3	5.3	0.2	0.2	0.2	0.9	0.9	0.9	0.0	0.0	0.0	2.0	2.0	2.0	8.3	8.3	8.3
1980	2501.2	2501.2	2501.2	3.0	3.0	3.0	0.1	0.1	0.1	0.4	0.4	0.4	0.0	0.0	0.0	1.0	1.0	1.0	4.4	4.4	4.4
1981	3718.2	3718.2	3718.2	2.6	2.6	2.6	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	4.0	4.0	4.0
1982	4108.4	4108.4	4108.4	2.4	2.4	2.4	0.1	0.1	0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.9	0.9	0.9	3.6	3.6	3.6
1983	3631.0	3631.0	3631.0	4.0	4.0	4.0	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	5.3	5.3	5.3
1984	3390.1	3390.1	3390.1	4.9	4.9	4.9	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.7	2.7	2.7	7.9	7.9	7.9
1985	3260.0	3260.0	3260.0	5.2	5.2	5.2	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.9	2.9	2.9	8.4	8.4	8.4
1986	3075.5	3075.5	3075.5	5.3	5.3	5.3	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	3.5	3.5	3.5	9.2	9.2	9.2
1987	1799.4	1799.4	1799.4	8.6	8.6	8.6	0.1	0.1	0.1	0.4	0.4	0.4	0.3	0.3	0.3	6.4	6.4	6.4	15.8	15.8	15.8
1988	2305.8	2305.8	2305.8	6.4	6.4	6.4	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	4.7	4.7	4.7	11.5	11.5	11.5
1989	2186.2	2186.2	2186.2	6.2	6.2	6.2	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	5.0	5.0	5.0	11.8	11.8	11.8
1990	2507.2	2507.2	2507.2	4.8	4.8	4.8	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	4.3	4.3	4.3	9.7	9.7	9.7
1991	2985.4	2985.4	2985.4	3.2	3.2	3.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	4.2	4.2	4.2	7.9	7.9	7.9
1992	2121.8	2434.6	2681.9	3.2	2.8	2.5	0.1	0.1	0.1	0.3	0.3	0.2	0.3	0.2	0.2	5.9	5.1	4.6	9.8	8.5	7.7
1993	1809.1	2374.3	2875.6	3.3	2.5	2.1	0.2	0.2	0.1	0.3	0.2	0.2	0.3	0.2	0.2	6.3	4.8	4.0	10.4	7.9	6.6
1994	1834.1	2429.3	3226.3	9.1	6.9	5.2	0.1	0.1	0.1	0.2	0.1	0.1	0.3	0.2	0.2	5.5	4.2	3.1	15.2	11.5	8.6
1995	1990.1	2537.8	3674.6	7.8	6.1	4.2	0.1	0.1	0.1	0.1	0.1	0.0	0.3	0.2	0.1	4.6	3.6	2.5	12.8	10.1	7.0
1996	2012.9	2592.8	3914.4	7.7	5.9	3.9	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	3.8	3.0	2.0	11.8	9.2	6.1
1997	2146.4	2721.2	4094.4	7.0	5.5	3.6	0.1	0.1	0.0	0.0	0.0	0.0	0.2	0.2	0.1	2.5	2.0	1.3	9.8	7.8	5.2
1998	2057.2	2642.2	4102.1	7.1	5.6	3.6	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.5	2.0	1.3	10.1	9.4	6.1
1999	1864.7	2431.3	4029.9	7.6	5.8	3.5	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.6	2.0	1.2	10.6	8.1	4.8
2000	1699.1	2223.4	3828.1	8.0	6.1	3.5	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.3	1.8	1.0	10.7	8.2	4.6
2001	1552.6	2047.9	3642.7	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.3	0.1	1.4	1.1	0.6	1.9	1.4	0.8
2002	1436.0	1922.4	3601.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	0.7	0.5	0.3	1.1	0.8	0.4
2003	1338.4	1789.6	3493.9	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.4	0.2	1.0	0.8	0.4
2004	1242.9	1673.4	3875.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.5	0.2	1.1	0.8	0.3
2005	1143.9	1549.9	4035.4	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.4	0.3	0.1	0.9	0.7	0.3

(1) State of Alaska general obligation bonds

(2) University of Alaska bonds

(3) Alaska State Housing Authority lease revenue bonds

(4) Debt Issued to finance Seward Student Service Center, Spring Creek Correctional Center, and Palmer Courthouse

(5) State reimbursement of municipal general obligation debt issued to finance school construction for debt issued through October 1, 1991

State of Alaska  
Ratio of Debt Service to Unrestricted Revenues  
Fall 1991 Revenue Estimates of the Department of Revenue  
Draft Report Assuming Issuance of \$750 Million GO Debt, Level Debt Service  
5 Year Final Maturity, True Interest Cost 5.4%, \$175.2 Million Additional Debt Service FY 94-FY 98

Fiscal Year	Unrestricted Revenue (\$ Millions)			(1) State GOB's			(2) UA			(3) ASHA			(4) Lease-Purchase Obligations			(5) School Debt (Muni)			Total Debt Service		
	Low	Mid	High																		
1977	874.3	874.3	874.3	4.8	4.8	4.8	0.2	0.2	0.2	1.1	1.1	1.1	0.0	0.0	0.0	1.0	1.0	1.0	7.1	7.1	7.1
1978	764.9	764.9	764.9	6.5	6.5	6.5	0.2	0.2	0.2	1.3	1.3	1.3	0.0	0.0	0.0	1.5	1.5	1.5	9.6	9.6	9.6
1979	1133.0	1133.0	1133.0	5.3	5.3	5.3	0.2	0.2	0.2	0.9	0.9	0.9	0.0	0.0	0.0	2.0	2.0	2.0	8.3	8.3	8.3
1980	2501.2	2501.2	2501.2	3.0	3.0	3.0	0.1	0.1	0.1	0.4	0.4	0.4	0.0	0.0	0.0	1.0	1.0	1.0	4.4	4.4	4.4
1981	3718.2	3718.2	3718.2	2.6	2.6	2.6	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	4.0	4.0	4.0
1982	4108.4	4108.4	4108.4	2.4	2.4	2.4	0.1	0.1	0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.9	0.9	0.9	3.6	3.6	3.6
1983	3631.0	3631.0	3631.0	4.0	4.0	4.0	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	5.3	5.3	5.3
1984	3390.1	3390.1	3390.1	4.9	4.9	4.9	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.7	2.7	2.7	7.9	7.9	7.9
1985	3260.0	3260.0	3260.0	5.2	5.2	5.2	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.9	2.9	2.9	8.4	8.4	8.4
1986	3075.5	3075.5	3075.5	5.3	5.3	5.3	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	3.5	3.5	3.5	9.2	9.2	9.2
1987	1799.4	1799.4	1799.4	8.6	8.6	8.6	0.1	0.1	0.1	0.4	0.4	0.4	0.3	0.3	0.3	6.4	6.4	6.4	15.8	15.8	15.8
1988	2305.8	2305.8	2305.8	6.4	6.4	6.4	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	4.7	4.7	4.7	11.5	11.5	11.5
1989	2186.2	2186.2	2186.2	6.2	6.2	6.2	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	5.0	5.0	5.0	11.8	11.8	11.8
1990	2507.2	2507.2	2507.2	4.8	4.8	4.8	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	4.3	4.3	4.3	9.7	9.7	9.7
1991	2985.4	2985.4	2985.4	3.2	3.2	3.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	4.2	4.2	4.2	7.9	7.9	7.9
1992	2121.8	2434.6	2681.9	3.2	2.8	2.5	0.1	0.1	0.1	0.3	0.3	0.2	0.3	0.2	0.2	5.9	5.1	4.6	9.8	8.5	7.7
1993	1809.1	2374.3	2875.6	3.3	2.5	2.1	0.2	0.2	0.1	0.3	0.2	0.2	0.3	0.2	0.2	6.3	4.8	4.0	10.4	7.9	6.6
1994	1834.1	2429.3	3226.3	11.4	8.6	6.5	0.1	0.1	0.1	0.2	0.1	0.1	0.3	0.2	0.2	5.5	4.2	3.1	17.5	13.2	9.9
1995	1990.1	2537.8	3674.6	10.0	7.8	5.4	0.1	0.1	0.1	0.1	0.1	0.0	0.3	0.2	0.1	4.6	3.6	2.5	15.0	11.7	8.1
1996	2012.9	2592.8	3914.4	9.8	7.6	5.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	3.8	3.0	2.0	13.9	10.8	7.2
1997	2146.4	2721.2	4094.4	8.9	7.1	4.7	0.1	0.1	0.0	0.0	0.0	0.0	0.2	0.2	0.1	2.5	2.0	1.3	11.8	9.3	6.2
1998	2057.2	2642.2	4102.1	9.2	7.2	4.6	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.5	2.0	1.3	12.1	9.4	6.1
1999	1864.7	2431.3	4029.9	0.5	0.4	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.6	2.0	1.2	3.5	2.7	1.6
2000	1699.1	2223.4	3828.1	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.3	1.8	1.0	2.9	2.2	1.3
2001	1552.6	2047.9	3642.7	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.3	0.1	1.4	1.1	0.6	1.9	1.4	0.8
2002	1436.0	1922.4	3601.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	0.7	0.5	0.3	1.1	0.8	0.4
2003	1338.4	1789.6	3493.9	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.4	0.2	1.0	0.8	0.4
2004	1242.9	1673.4	3875.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.5	0.2	1.1	0.8	0.3
2005	1143.9	1549.9	4035.4	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.4	0.3	0.1	0.9	0.7	0.3

(1) State of Alaska general obligation bonds

(2) University of Alaska bonds

(3) Alaska State Housing Authority lease revenue bonds

(4) Debt issued to finance Seward Student Service Center, Spring Creek Correctional Center, and Palmer Courthouse

(5) State reimbursement of municipal general obligation debt issued to finance school construction for debt issued through October 1, 1991

State of Alaska  
Ratio of Debt Service to Unrestricted Revenues  
Fall 1991 Revenue Estimates of the Department of Revenue

Fiscal Year	Unrestricted Revenue (\$ Millions)			(1) State GOB's			(2) UA			(3) ASHA			(4) Lease-Purchase Obligations			(5) School Debt (Muni)			Total Debt Service		
	Low	Mid	High																		
1977	874.3	874.3	874.3	4.8	4.8	4.8	0.2	0.2	0.2	1.1	1.1	1.1	0.0	0.0	0.0	1.0	1.0	1.0	7.1	7.1	7.1
1978	764.9	764.9	764.9	6.5	6.5	6.5	0.2	0.2	0.2	1.3	1.3	1.3	0.0	0.0	0.0	1.5	1.5	1.5	9.6	9.6	9.6
1979	1133.0	1133.0	1133.0	5.3	5.3	5.3	0.2	0.2	0.2	0.9	0.9	0.9	0.0	0.0	0.0	2.0	2.0	2.0	8.3	8.3	8.3
1980	2501.2	2501.2	2501.2	3.0	3.0	3.0	0.1	0.1	0.1	0.4	0.4	0.4	0.0	0.0	0.0	1.0	1.0	1.0	4.4	4.4	4.4
1981	3718.2	3718.2	3718.2	2.6	2.6	2.6	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	4.0	4.0	4.0
1982	4108.4	4108.4	4108.4	2.4	2.4	2.4	0.1	0.1	0.1	0.2	0.2	0.2	0.0	0.0	0.0	0.9	0.9	0.9	3.6	3.6	3.6
1983	3631.0	3631.0	3631.0	4.0	4.0	4.0	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	1.0	1.0	1.0	5.3	5.3	5.3
1984	3390.1	3390.1	3390.1	4.9	4.9	4.9	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.7	2.7	2.7	7.9	7.9	7.9
1985	3260.0	3260.0	3260.0	5.2	5.2	5.2	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	2.9	2.9	2.9	8.4	8.4	8.4
1986	3075.5	3075.5	3075.5	5.3	5.3	5.3	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	3.5	3.5	3.5	9.2	9.2	9.2
1987	1799.4	1799.4	1799.4	8.6	8.6	8.6	0.1	0.1	0.1	0.4	0.4	0.4	0.3	0.3	0.3	6.4	6.4	6.4	15.8	15.8	15.8
1988	2305.8	2305.8	2305.8	6.4	6.4	6.4	0.1	0.1	0.1	0.3	0.3	0.3	0.0	0.0	0.0	4.7	4.7	4.7	11.5	11.5	11.5
1989	2186.2	2186.2	2186.2	6.2	6.2	6.2	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	5.0	5.0	5.0	11.8	11.8	11.8
1990	2507.2	2507.2	2507.2	4.8	4.8	4.8	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.2	0.2	4.3	4.3	4.3	9.7	9.7	9.7
1991	2985.4	2985.4	2985.4	3.2	3.2	3.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	4.2	4.2	4.2	7.9	7.9	7.9
1992	2121.8	2434.6	2681.9	3.2	2.8	2.5	0.1	0.1	0.1	0.3	0.3	0.2	0.3	0.2	0.2	5.9	5.1	4.6	9.8	8.5	7.7c
1993	1809.1	2374.3	2875.6	3.3	2.5	2.1	0.2	0.2	0.1	0.3	0.2	0.2	0.3	0.2	0.2	6.3	4.8	4.0	10.4	7.9	6.6✓
1994	1834.1	2429.3	3226.3	1.8	1.4	1.1	0.1	0.1	0.1	0.2	0.1	0.1	0.3	0.2	0.2	5.5	4.2	3.1	7.9	6.0	4.8c
1995	1990.1	2537.8	3674.6	1.2	0.9	0.6	0.1	0.1	0.1	0.1	0.1	0.0	0.3	0.2	0.1	4.6	3.6	2.5	6.23	4.89	3.3
1996	2012.9	2592.8	3914.4	1.1	0.8	0.5	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	3.8	3.0	2.0	5.73	4.1	2.7c
1997	2146.4	2721.2	4094.4	0.8	0.6	0.4	0.1	0.1	0.0	0.0	0.0	0.0	0.2	0.2	0.1	2.5	2.0	1.3	3.7	2.9	1.9
1998	2057.2	2642.2	4102.1	0.7	0.5	0.4	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.5	2.0	1.3	3.6	2.8	1.8
1999	1864.7	2431.3	4029.9	0.5	0.4	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.6	2.0	1.2	3.5	2.7	1.6
2000	1699.1	2223.4	3828.1	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	2.3	1.8	1.0	2.9	2.2	1.3
2001	1552.6	2047.9	3642.7	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.3	0.1	1.4	1.1	0.6	1.9	1.4	0.8
2002	1436.0	1922.4	3601.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3	0.2	0.1	0.7	0.5	0.3	1.1	0.8	0.4
2003	1338.4	1789.6	3493.9	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.4	0.2	1.0	0.8	0.4
2004	1242.9	1673.4	3875.8	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.6	0.5	0.2	1.1	0.8	0.3
2005	1143.9	1549.9	4035.4	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.4	0.3	0.1	0.4	0.3	0.1	0.9	0.7	0.3

(1) State of Alaska general obligation bonds

(2) University of Alaska bonds

(3) Alaska State Housing Authority lease revenue bonds

(4) Debt issued to finance Seward Student Service Center, Spring Creek Correctional Center, and Palmer Courthouse

(5) State reimbursement of municipal general obligation debt issued to finance school construction for debt issued through October 1, 1991



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907) 586-1325, Fax (907) 463-5480

## **Funding for School Construction Grant Program**

The Alaska Municipal League supports funding for construction of Priority 1 through 6 projects under the School Construction Grant Program established by Ch. 5, SLA 90. To accomplish this, the League supports placement on the ballot of a statewide bond issue sufficient to fund these needs through FY 94. If tax-exempt bonds can be issued for this purpose, the League urges the legislature to also include a question on the issuance of bonds to discharge the state's share of existing local school construction debt.

The State of Alaska has a constitutional obligation to establish and maintain a system of public education, and this obligation includes providing equitable funding for both physical facilities and school district operations. Adequate state funding is needed now to build and make the renovations to schools approved under the School Construction Grant Program established in 1990 and, in addition, to pay off the state's obligation to reimburse municipalities for school construction debt incurred under the previous program. If this funding is not available from the state's general fund, the voters should be asked to approve a bond issue to fund the pressing capital needs of the state's school districts.

The Alaska Municipal League and its members believe that Alaska's citizens, if given an opportunity, would approve the issuance of bonds to provide funding for the priority-based grant program for school construction and repair needs. The League's members also believe that in the interests of fairness and predictability the citizens of the state would support bonding to guarantee funding for the outstanding commitment of the state to reimburse municipally issued bonds for school construction projects undertaken prior to the shift to the grant program.

The School Construction Grant Program enacted during 1990 by the Alaska State Legislature (Chapter 5, SLA 90) replaced the School Construction Debt Reimbursement Program with a state-administered, priority-based grant program to cover the costs of school construction. The Alaska Municipal League was instrumental in passage of that legislation because of its recognition of the problems surrounding the former program. The grant program, which went into effect for FY 92, was intended to provide greater equity between types of school districts and to improve the ability of local governments to predict the level of state contribution to school construction.

Unfortunately, however, there is serious concern on the part of many that the legislature will not provide adequate funding to meet the basic needs of Alaska's school children for safe and sound buildings. There are several reasons for this concern, among them declining state revenues, the apparent unwillingness of the legislature and administration

to make significant commitments of general fund money to school construction and ongoing preventive maintenance, the age of many of Alaska's school buildings, and the rate of population growth in many parts of the state.

There is no indication that either the legislature or the administration is prepared to make a meaningful financial commitment to addressing the capital needs of Alaska's school districts. For FY 92, the first year of the grant program, the legislature approved less than 10 percent of the amount requested by districts and the Department of Education for construction projects, and less than 60 percent of the amount needed to address Priority 1 projects, those needed to "avert imminent danger or correct life-threatening situations." The priority list of Priority 1-6 projects for FY 93 totals \$638,268,400 -- more than 20 times the funding provided for FY 92. The cost of FY 93's Priority 1 projects, over \$84 million, is nearly three times the funding provided for education construction by the last legislature.

Priorities for determining which projects to fund under the School Construction Grant Program are established by statute:

1. Averting eminent danger or correcting life-threatening situations for users of the facility
2. Housing students who would otherwise be unhoused (i.e., students without classrooms)
3. Protecting the structures of existing facilities
4. Correcting deficiencies under applicable legal standards relating to life, safety, or health matters to allow continued use of the facilities in support of the school districts' respective educational programs
5. Achieving operational cost savings
6. Modifying or rehabilitating existing facilities to improve a school district's instructional program
7. Providing facilities to meet instructional and program needs that are not met by categories 1-6

The Department of Education, which must receive project grant requests from school districts by September 1 of each year, has the responsibility of ranking requests according to these priorities and providing this list to the legislature. The legislature then determines the total amount of funding for projects for a fiscal year, and projects are funded in priority order to the level of funds appropriated. If the legislature and governor are willing to commit only a small amount of funding, as for FY 92, then only a few projects can be completed with state funds. At the present funding rate, it may take many years for a district's project to work its way up the list, and, in fact, only emergency situations that place projects in the Priority 1 category are likely to generate any state

funding for school construction. A large infusion of funds is necessary to address current needs before school building conditions worsen and it costs many times more to rebuild or repair the buildings.

Under the provisions of the debt reimbursement program, which had been in effect since 1970, municipal taxpayers approved school construction projects and issued bonds with the understanding that the state was obligated to reimburse a portion (ranging from 50 to 100 percent) of the costs of retiring that debt. Although this gave municipalities maximum flexibility to determine when and how schools were built, the program suffered from four main problems: inability to ensure that state funds appropriated went to the districts with the greatest need; lack of state control over construction costs, scheduling and level of debt, and maintenance and repair practices; uncertainty on the part of municipalities about how much of their debt service would be reimbursed because the legislature and the governor were often not willing to appropriate full funding for the program; and the perception of inequity in the treatment of municipal school districts, which were financially responsible for the entire cost of school construction even though they could expect some level of reimbursement, and Rural Education Attendance Areas (REAs), where schools were built entirely with state funds.

Each year municipal governments, which are responsible for payment of school construction debt, must wait until after the legislature has acted to know the level of reimbursement they will receive for school debt. The state's annual obligation to school debt reimbursement, which was \$128,986,100 for FY 92, is dropping as bond issues mature, and the total obligation is estimated at over \$791 million, with the last payment due in the year 2014.

The League and its members believe that, in keeping with the constitutional directive, all Alaskans should share the costs, and the benefits, of providing for the education of Alaska's children. A bond issue to fund construction costs of new projects and to guarantee payment of the state's commitment for past projects would help meet this goal.

Therefore, to ensure that the growing need for schools is addressed, the Alaska Municipal League supports the passage of legislation to place before the voters at the general or primary election a bond issue sufficient to fund Priority 1 through 6 school construction needs of the state through FY 94. In addition, if tax-exempt bonds can be issued for the purpose, the ballot measure should include a question on the issuance of bonds to discharge the state's share of existing local school debt in keeping with the commitments made prior to the establishment of the grant program.

Funding for School  
Construction Grant Program  
page 4

Finally, it is critical that something be done in the Second Session of the 17th Alaska State Legislature to address school construction needs. If the legislature and the governor are unwilling to fund Priority 1 through 6 school construction needs in the FY 93 budget or place a ballot measure before the voters, the legislature should reinstate the 80-20 school debt reimbursement program.

S B

3 2 8

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

240 Main Street, Suite 500  
Juneau, Alaska 99801-2101

### MEMORANDUM

February 4, 1992

**SUBJECT:** Residency Requirements for municipal officials and REAA Board Members (SB 328)

**TO:** Senator Paul Fischer

**FROM:** Tamara Brandt Cook  
Director *TBC*

Here is the sectional analysis that you requested.

Sec. 1. An additional requirement is added to the provision setting out qualifications of school board members: that the person must have been a resident of the school district for at least one year before holding office. Note that under AS 14.08.041(b), not amended in this bill, a regional school board member must have the same qualifications as a municipal school district member, so the change in this section affects both REAAs and municipal school districts.

Sec. 2. The residency requirements for elected municipal officials is added as a home rule limitation, so home rule as well as general law municipalities are subject to the restrictions.

Sec. 3. Existing law states that a voter is eligible to be a member of the assembly or council. A cross reference is added to alert the reader to two additional requirements for holding those offices: the first reflects an existing provision permitting a municipality to establish district residency requirements; the second reflects the durational residency requirement added in sec. 5 of this bill.

Sec. 4. Like the section above, a cross reference is added to alert the reader to the durational residency requirement established in sec. 5, this time in the context of the office of mayor.

Sec. 5. A new requirement is added that a candidate for an elected municipal office must have been a resident of the municipality for at least one year before the election is held for that office. Likewise, a person appointed to complete the term of an elected official must have been a resident for at least one year before the

Senator Paul Fischer

February 4, 1992

Page 2

appointment. A municipality is permitted to increase the durational residency requirement by up to one year for the office of mayor or member of the assembly or council. This durational residency requirement does not apply to members of the charter commission charged with preparing a unification charter. With respect to that office, AS 29.06.260 already imposes a one year residency requirement.

Sec. 6. This temporary law provision permits individuals in office on the effective date of the bill to finish their terms.

Sec. 7. Three existing provisions of law dealing with residency requirements are repealed because all elected officials will be, under this bill, subject to the residency requirements imposed under sec. 5.

TBC:gc  
92-099.glc

AMENDMENT

OFFERED IN THE SENATE

TO: SB 328

BY SENATOR FISCHER

Page 2, line 12:

Delete "one year"

Insert "two years"

**Table 1**  
**Alaska Constitutional Provisions and Statutes Requiring Alaska Residency for More Than Thirty Days**

Citation	Short Title	Summary	Residency Duration
<b>Constitution</b>			
Article II Sec. 2	The Legislature – Members Qualifications	Must be a 3–year Alaska resident & a 1–year resident of the district.	3–years
Article III Sec. 2	The Executive – Governor's Qualifications	Must be a 7–year resident and a 7–year U.S. citizen.	7–years
Article III Sec. 7	The Executive – Lieutenant Governor's Qualifications	Qualifications same as those for governor.	7–years
<b>Statutes</b>			
AS 04.11.390	Alcoholic Beverage License	Must have resided in state for at least 1 year to receive license.	1 year
AS 08.04.020	Board of Public Accountancy	Members must be 1–year residents.	1 year
AS 08.48.031	Architects, Engineers & Land Surveyors	Each member of board of registration must be a resident for at least 3 years.	3 years
AS 08.72.040	Board of Examiners in Optometry	4 board members must be 3–year residents who are optometrists.	3 years
AS 14.43.080	Education Scholarship Loan & Grant Program	Tuition waived for relatives of POWs and MIAs who are residents.	1 year
AS 14.43.085	Education – Relatives of Certain Veterans	Residents eligible for benefits if a 1–year state resident with intent to stay.	1 year
AS 14.43.125*	Education Scholarship Loan & Grant Program	Univ. of Alaska scholarships for high school graduates who are residents.	2 years
AS 14.43.750	Family Education Loan	Residents must be physically present in state for 2 years.	2 years
AS 16.05.255	Big game	Personal use by residents takes precedence over nonresident hunting.	1 year
AS 16.05.256	Big game	Board of Game may limit the taking of big game by nonresidents.	1 year
AS 16.05.258*	Subsistence	May limit subsistence taking for benefit of local residents.	1 year
AS 16.05.340*	License and Tag Fees	Nonresidents pay higher fees.	1 year
AS 16.05.341	License and Tag Fees	Hunting and fishing fees waived for residents with disabilities.	1 year
AS 16.05.400	License and Tag Fees	Residents under 16 or over 60 do not need licenses.	1 year
AS 16.05.405	License and Tag Fees	A resident may hunt under for blind resident using that person's license.	1 year
AS 16.05.407	Guide or Outfitter Required	Nonresidents must be accompanied by a guide or relative who is a resident.	1 year
AS 16.05.480*	Commercial Fishing License	Nonresidents pay higher fees.	1 year
AS 16.05.902	Preference for Residents	Residents receive preference for exploration work done by the department.	1 year
AS 16.05.940*	Personal Use & Subsistence Fishing	Must have maintained permanent residence for 1 year (voting too).	1 year
AS 16.10.310*	Commercial Fisheries Loan Act	Provide loans to state residents.	2 years
AS 22.05.070*	Supreme Court Justice	Must be an Alaska resident for 5 years.	5 years
AS 22.07.040	Court of Appeals Justice	Must be an Alaska resident for 5 years.	5 years
AS 22.10.090	Superior Court Judges	Must be an Alaska resident for 5 years.	5 years
AS 22.15.160*	District Judges and Magistrates	Must be an Alaska resident for 5 years.	5 years
AS 26.15.130	Eligibility for Loans – Veterans	Must have been a resident for at least 1 year before enlistment.	1 year
AS 26.15.160	Eligibility for Loans – Territorial Guard	Must have been a resident for at least 1 year before enlistment.	1 year
AS 29.20.140*	Municipal Governing Body Residency Requirements	Municipalities may have 3–year residency requirements for governing body.	3 years
AS 29.20.240	Municipal Residency Requirements for Mayor	Municipalities may have 3–year residency requirement for mayor.	3 years
AS 36.30.170*	Public Contracts – Alaska Bidders Preference	Alaska residents given 5 percent preference.	6 months
AS 38.05.057*	Public Land – Alaska Land Act	Must be a resident of state to participate in lottery.	1 year
AS 38.09.030	Public Land – Homestead Act	Must be resident of state for 1 year to qualify for homestead.	1 year
AS 39.05.065	Public Officers & Employees	Members of the Board of Education must be 3–year residents.	3 years
AS 43.23.005*	Revenue & Taxation – Permanent Fund Dividend	Eligible for dividend if a resident for 12 months prior to April 1.	1 year
AS 43.35.030	Revenue & Taxation – Coin Operated Devices	Must be 1–year resident to operate coin–operated devices.	1 year

Table 1  
Alaska Constitutional Provisions and Statutes Requiring Alaska Residency for More Than Thirty Days

Citation	Short Title	Summary	Residency Duration
AS 44.19.102	State Government – Commission Membership	25 – 60 Alaska residents to serve on the Rural Affairs Commission.	5 years
AS 44.19.167	State Government – Commission Membership	Alaska Women's Commission members must be residents of Alaska.	2 years
AS 44.19.257	State Government – Commission Membership	Science and Engineering Advisory Commission members must be residents.	2 years
AS 44.81.210	Commercial Fishing and Agriculture Bank	Loans are for residents, Alaska businesses or in some cases to nonresidents.	2 years
AS 44.81.250	Commercial Fishing and Agriculture Bank	Commission may sell foreclosed entry permits to Alaska residents.	2 years
AS 47.45.010*	Longevity Bonus	Resident 65 years old and older may receive bonus.	1 year
AS 47.55.020**	Pioneers' Home	May be admitted to the home if 65 years old or older and resident for 15 years.	15 years

\* Annotations in these statutes reference court decisions, attorney general opinions and other relevant information.

\*\* 15-year residency requirement currently being challenged in court.

Source: Alaska Constitution and State Statutes

Prepared by the Legislative Research Agency, December 1991 (92.053A).

S B

3 3 |

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. SB331

Revision Date: \_\_\_\_\_ Department Affected: Education  
 Title: An Act Extending Special Education BRU: Educational Program Support  
 Service Agency: \_\_\_\_\_ Component: Office of Special and Supplemental Services  
 Sponsor: Senator Zharoff  
 Requestor: (S) HESS COMPONENT SERIAL NO. 

	1	6	6
--	---	---	---

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-					

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

REVENUE FUND SOURCE:	-0-					
-------------------------	-----	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME	-0-					
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

See attached.

Prepared By: *Kevin R...* Phone: 465-2970  
 Division: EDUCATIONAL PROGRAM SUPPORT Date: 1/16/92  
 Approved by Commissioner: *Jerry Covey* Jerry Covey  
 Agency: Education Date: 2/9/92

1

ANALYSIS:

SESA's funding is based on \$85 for each special education student in average daily membership, or the equivalent of 2% of the funds appropriated for special education, which ever is greater. The FY93 count to determine SESA's funds is 18,903 which results in an entitlement of \$1,602,608. An increment of \$87,975 would be required to fully fund SESA in FY93 per AS 14.30.650. If special education enrollment continues to increase annually, as it has done historically, there will be additional fiscal implications.

*Tom. Panamart*



**SENATOR FRED F. ZHAROFF**  
**ALASKA STATE LEGISLATURE**

P. O. BOX 405, KODIAK, ALASKA 99615 (907) 486-5250  
DURING SESSION:  
P. O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

1.4

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • TUMAGIN ISLANDS

**MEMORANDUM**

TO: Senator Arliss Sturgulewski, Chair  
Senate HESS Committee

FROM: Senator Fred F. Zharoff

DATE: February 10, 1992

SUBJ: Scheduling of SB 331

*D.O.E.*

*Budget request*

*Low income district sunset*

*How long?*

*General G -*

*4th D.O.G.*

*Schools for*

*have been offered*

This memo is to request the scheduling of SB 331, "An Act extending the Special Education Service Agency; and providing for an effective date."

This bill simply extends the Special Education Service Agency (SESA) for another three years and would make the sunset date for the agency June 30, 1995.

The SESA was created in 1986 and, in my opinion, has proven itself to be a valuable tool in the delivery of special education services to school districts throughout the state. This will be the third sunset review and extension consideration since the creation of SESA.

I would also like to request that SESA's executive director, Chris Robinson, be allowed to participate in the hearing via teleconference from Anchorage.

Back-up information is attached. Thank you for your consideration of this request.

Attachments

1

## POSITION PAPER: DEPARTMENT OF EDUCATION

Division Educational Program Support Bill Number SB 331

Bill Title An Act extending the special education service agency; and providing for an effective date.

Sponsor Senator Zharoff

Position Statement: Explain briefly what the bill does, its impacts and Department's position, i.e., a) support, b) do not support, c) neutral or d) oppose.

SB 331 extends the Special Education Service Agency (SESA) through June 30, 1995. This will enable SESA to continue to provide school districts with the outreach services necessary to ensure that low incidence handicapped children receive an appropriate special education program.

The Department of Education supports the continuation of the Special Education Service Agency.

APPROVED:

Director Edwin E. Westlund Division Educational Program Support

Signature *Ed Westlund* Date 2-12-92

Commissioner/Deputy *Jerry Covey*

Signature *Miss Melba J.C.* Date 2/12/92

# **SPECIAL EDUCATION SERVICE AGENCY**

2217 EAST TUDOR ROAD, SUITE 1 / ANCHORAGE, ALASKA 99507 / PHONE (907) 562-7372 / FAX (907) 562-0545

## **INTRODUCTION AND REFERRAL INFORMATION**

Special Education Service Agency (SESA), a public agency authorized by legislation AS 14.30.600, provides outreach special education services for students experiencing the following handicapping conditions as defined in AS 14.30.350.

- Deaf/Hearing Impairments
- Deaf-Blind
- Serious Emotional Disturbance
- Blind/Visual Impairments
- Autism
- Orthopedic Handicaps
- Other Health Impairments
- Multihandicap
- Severe Mental Retardation
- Traumatic Brain Injury

Services are available to school districts that serve children whose special education needs occur infrequently in the district, who require specialized services not normally available in the school district, and who cannot be easily served by local school district personnel because of the low number of students in the district experiencing those particular needs.

SESA's outreach staff provide technical assistance to the local school district personnel and parents to develop and implement an educational program based on student and local staff needs. Types of assistance available include:

- Evaluation of Student Progress
- Intervention Strategies
- IEP Development
- Training of On-Site Instructional Staff
- Parent/Liaison Training
- Transition Strategies
- Orientation/Mobility Training
- Loan of Specialized Materials/Equipment

Technical assistance can be provided in a number of ways:

- On-Site Visits
- Telecommunication/Technology Systems
- Topical Workshops
- Interagency Coordination

### **Why Low Incidence Handicap Outreach Services (LIHO)?**

It is the philosophy of the LIHO project that local service providers and families can provide on-site quality educational programs with technical assistance from trained specialists.

### **Who Is Eligible for Services?**

Students experiencing low incidence handicaps are those who qualify under the categories listed above. In order for a district to qualify for SESA assistance with students in these categories, it must be unfeasible for the district to provide the service itself because of the small number of such students.

### **Who Can Refer?**

Local school district Special Education Director/Coordinator

**How is a Student Referred?**

A referral requires the completion and forwarding to SESA of a packet for each student which includes:

- (1) "Initial Student Referral" form, approved and signed by the district Special Education Director/Coordinator or designee.
- (2) "Authorization for Mutual Exchange of Information" form signed by parent or guardian.
- (3) Diagnostic information supporting eligibility as indicated on the referral form.

**What Next?**

Qualification for assistance will be determined by the program supervisor. An assigned SESA specialist will contact the Special Education Director to make arrangements for developing a plan of service based on student and local staff needs. This Technical Assistance Agreement will delineate the objectives, activities, timelines and responsibilities for service delivery throughout the school year.

**How Much Does It Cost?**

The Low Incidence Handicap Outreach Program provides services to qualifying students at no cost to school districts or families.

**How Do I Find Out More?**

For additional information, please contact:

Betty Barats, Program Supervisor  
Special Education Service Agency  
2217 E. Tudor Road, Suite 1  
Anchorage, Alaska 99507  
(907) 562-7372

**ALASKA SERVICES TO CHILDREN AND YOUTH WITH DUAL SENSORY IMPAIRMENTS****What is Alaska Services to Children and Youth with Dual Sensory Impairments?**

Alaska services for children with dual sensory impairments is federally funded under Public Law 91-230, Title VI-C, to provide services to children and youth, birth through 21 years of age who experience both vision and hearing impairments. These services are in addition to those provided by schools and other state and local agencies.

**Why Alaska Services to Children and Youth with Dual Sensory Impairments?**

Impairment in sight and hearing deprives children of the two primary senses by which most children learn about their surroundings. Children and youth with both sensory impairments have unique needs in the areas of communication, mobility and other daily activities.

The purpose of Alaska Services for Children and Youth with Dual Sensory Impairments is to provide opportunities for individuals who experience a vision/hearing impairment to live and work as independently as possible by providing training, education, and support to consumers, parents, and service providers.

### **Who Is Eligible for Services?**

Those children and youth (birth through 21 years of age) eligible to receive services through this project funded under Federal CFDA 84.025, "Services for Children and Youth with Dual Sensory Impairments," should meet the following definition:

"The term 'deaf-blind children' means children who have auditory and visual handicaps, the combination of which causes such severe communication and other developmental and educational problems that they cannot be properly accommodated in special education programs solely for the hearing handicapped child or for the visually handicapped child."

### **How is a Child/Youth Referred for Service?**

Referrals may be received from parents as well as educational, medical or social service agencies.

### **What Happens Next?**

Once the referral is received, the Coordinator of Alaska Services for Children and Youth with Dual Sensory Impairments will make contact to arrange for a visit during which a needs assessment will be conducted to identify services which are needed for the individual who is deaf-blind. Subsequent contacts will be conducted to provide these identified services and meet individualized objectives.

### **How Much Does it Cost?**

Children and youth who are registered with this program as having a combination of vision and hearing impairments are eligible for the services described above at no cost to themselves, their parents, or their school districts. Services are designed to supplement services already being provided by school districts and other service agencies.

### **What Areas are Served?**

Services to children and youth experiencing dual sensory impairments are provided throughout the State of Alaska.

### **How Can I Find Out More?**

For additional information regarding services to deaf-blind children in Alaska please contact:

Brenda Jager, Program Coordinator  
Special Education Service Agency  
2217 E. Tudor Rd., Suite 1  
Anchorage, Alaska 99507  
(907) 562-7372

## **BLIND/VISUALLY IMPAIRED - INFANT LEARNING PROGRAM**

### **What Is the Blind/Visually Impaired - Infant Learning Program?**

The Blind/Visually Impaired - Infant Learning Program (B/VI-ILP) is an early intervention and parent training program for children who experience blindness/visual impairment, ages birth to three years.

### **Why B/VI-ILP?**

The basic philosophy of the Infant Learning Program is that early attention to delays in development can set a strong foundation to prevent further delays and encourage sequential development.

### **Who Is Eligible for Screening?**

A child is eligible for screening if he/she exhibits one or more of the following conditions:

- (1) Unable to perform visual tasks appropriate to age or development level;
- (2) Higher than normal chance of developing impaired vision due to such factors as prematurity, heredity, birth trauma;
- (3) Abnormal appearance of the eyes; and
- (4) Known damage to the optical system such as cataracts, optic nerve damage, glaucoma.

### **How Is a Child Referred?**

Referrals can be received from parents as well as local Infant Learning teachers, physicians, social workers, public health nurses and day care centers.

### **What Happens Next?**

A teacher of the visually impaired who is trained in early childhood development will visit the home with the local Infant Learning Program teacher. At this time, an initial functional vision screening will be made. If the child demonstrates a delay in visual functioning, an educationally based intervention program will be planned. Home visits will be made and anyone involved in the care of the child including parents, grandparents and/or babysitters will be shown activities to enhance the child's development. Assistance will also be provided in contacting any other agency who may need to be involved to provide educational or medical assistance.

### **How Much Does It Cost?**

The Blind/Visually Impaired - Infant Learning Program is free to all families regardless of income.

### **What Areas are Served?**

B/VI-ILP provides services throughout the State of Alaska.

### How Can I Find Out More?

If you suspect a child, age birth to three years, to have a visual impairment, please contact:

Tanni L. Anthony, Program Coordinator  
Special Education Service Agency  
2217 E. Tudor Rd., Suite 1, Anchorage, Alaska 99507  
(907) 562-7372

## ASSISTIVE TECHNOLOGY SERVICES

### What are Assistive Technology Services?

During the 1991-92 program year, SESA will begin offering two programs in assistive technology, funded through the State Division of Vocational Rehabilitation and its Assistive Technologies of Alaska project.

SESA's Assistive Technology Equipment Lending Library will loan equipment and devices for use in home, school, and work settings. The Library will also offer consumers and service providers consultation, information and referral to others who may be able to help meet specific needs. The intent of most equipment loans will be to experiment with a device or adaptation to determine its usefulness before purchase. In those instances, the item would be returned and made available for another recipient as soon as its usefulness is determined. In some cases longer term loans may be arranged.

SESA's Augmentative Communications Project will provide additional services to individuals who might benefit from assistive communications technology. For individuals referred, SESA will arrange communications assessments, recommend assistive strategies and devices, and consult with individuals and service providers regarding the use of any equipment obtained. Trial loans from the Equipment Lending Library will be available to individuals served through the Augmentative Communications Program, if the needed equipment is available.

These assistive technology services will utilize and expand upon existing SESA programs and staff and will emphasize interagency cooperation in the delivery of services. A consumer-majority project advisory board will oversee the development and implementation of the project.

### Why Assistive Technology services:

SESA's assistive technology services are part of a state-wide effort to identify consumer needs for assistive technology and to improve its availability and effectiveness. SESA has been provided supplemental federal funds by the Alaska Division of Vocational Rehabilitation to offer these services and to work toward needed changes in the state's response systems.

### Who is eligible for services?

SESA assistive technology information, consultation, and referral services are available to Alaskans of all ages. Equipment loans are available to all Alaskans who would benefit from assistive technology. In most cases, equipment loans will be made through an individual's existing service provider.

### How can I find out more about Assistive Technology services?

Referrals for equipment loans or requests for information may be made by any individual or service provider. Persons desiring service or information should contact the agency directly, or any SESA Education Specialist.

**What happens next?**

The person requesting service will be contacted regarding needed information and service options. Where possible, SESA's staff of itinerant consulting and training specialists will be used to provide local assistance to individuals in rural Alaska.

**How much does it cost?**

At this time, information and lending services will be at no cost to the recipient. However, one of the activities of the project is to study the feasibility of some type of fee system in order to sustain services after the supplemental funds are no longer available.

Although no funds are available to help individuals or service providers purchase equipment for individual ownership, SESA will assist in identifying and soliciting funds from other sources.

**What areas of Alaska are served?**

SESA assistive technology services are available to all Alaskans.

**How can I find out more?**

For additional information regarding the SESA assistive technology lending library and augmentative communications services, please contact:

**Christopher L. Robinson, Executive Director**  
Special Education Service Agency  
2217 E. Tudor Rd., Suite 1, Anchorage, Alaska 99507  
(907) 562-7372

**STATEWIDE EVALUATION TRAVEL TEAM****What are Statewide Evaluation Travel Team Project services?**

The Statewide Evaluation Travel Team (SETT) Project services are funded through the Alaska Department of Health and Social Services.

The purpose of the project is to provide comprehensive child evaluations and program planning for children enrolled in rural Infant Learning Programs. In addition, consultation and support is offered to local service providers and families of identified children. The statewide team coordinates with local and regional agencies in order to offer the best in early intervention services. Six sites are currently targeted for such service delivery. They include Dillingham, Barrow, Cordova/Valdez, Nome, McGrath and Kotzebue.

The statewide travel team includes a pediatric physical therapist, occupational therapist, and speech/language pathologist. The team travels to the target communities to coordinate with the child's parents, local Infant Learning Program teacher, public health nurse, pediatrician, and other professionals as needed to provide comprehensive child evaluation and program planning.

Following the model for team interaction in early intervention, the family is a full member of the collaborative transdisciplinary team.

**Why SETT Project Services?**

The philosophy of the SETT Project is that local service providers and families can build quality intervention services with technical assistance from trained specialists.

**Who Is Eligible for Services?**

Families of special needs children who are enrolled in the Infant Learning Program at one of the identified rural sites are eligible for on-site services.

Eligibility requirements are the same as those for enrollment in an Infant Learning Program according to the Alaskan Health and Social Service eligibility regulations. [Section 47.20.005, AAC 23.080]

**How Is a Child/Family Referred for Services?**

The local Infant Learning Program teacher makes referrals prior to a clinic. A referral constitutes completing and forwarding to SESA, a packet for each child/family which includes:

- (1) Completed "clinic" forms.
- (2) "Authorization for Mutual Exchange of Information" form signed by parents.
- (3) Diagnostic/educational information, as possible, supporting the concern areas in the child's medical and developmental history.

**What Happens Next?**

Upon receipt of the referral, the child will be officially scheduled for a clinic assessment.

**How Much Does It Cost?**

Statewide Evaluation Travel Team Project services are provided at no cost to local Infant Learning Programs and families.

**What Areas of Alaska are Served?**

Services are provided at priority level to the communities of Barrow, Cordova/Valdez, McGrath, Kotzebue, Nome and Dillingham.

**How Can I Find Out More:**

For additional information, please contact:

Jeanne Meinert, Program Coordinator  
Special Education Service Agency  
2217 E. Tudor Road, Suite 1  
Anchorage, Alaska 99507  
(907) 562-7372

## **SERVICE TO LOW-INCIDENCE HANDICAP STUDENTS**

### **What the Law Requires**

Since 1975, children experiencing disabilities, whether physical, emotional, cognitive or perceptual, have been guaranteed the right to an appropriate education as a result of Public Law 94-142, the Education of the Handicapped Act. It is difficult to define *appropriate* since each individual's needs are different; but an *appropriate* education for any student is one from which that student has an opportunity to benefit.

As a result of PL 94-142, any student who meets the criteria for a specific identified handicapping condition is entitled to special treatment from the education community in order to achieve his/her potential to the same extent as a non-handicapped peer. Special Education is not simply the provision of additional teachers or tutors to try and help those students learn the same things that are being presented in the general education classroom. Depending on the severity of the disabling condition, that general information may not be (and frequently is not) appropriate to helping them become successful adults. And that, after all, is what education is all about. Special Education implies different content, approaches and/or materials/equipment to meet the needs and challenges presented by the special needs student.

### **Professional Availability**

The predominant training in Special Education teacher preparation classes addresses the needs of mildly involved students, primarily learning disabled. This makes sense since most of the students in Special Education are mildly involved and experience a learning disability of some kind. Most large schools are able to hire the personnel necessary to provide appropriate educations for these students. Most large schools are even able to hire the personnel necessary to work with the more involved students, even though they are rarer and more difficult to find. However, here in Alaska, we have many small rural/remote schools that do not have the luxury of being able to hire specialists for all the disabling conditions that occur, particularly those that occur infrequently; and no one teacher, even if s/he is trained in addressing the needs of students with low incidence conditions, can possibly know what to do in all situations. That is why the Special Education Service Agency came into being.

As a public, non-profit agency, SESA can hire education specialists with expertise in specific low incidence handicap areas to provide the needed assistance across school district lines. This service model helps assure that all eligible students and staff have access to needed professional knowledge and methods of assistance. It is also a more efficient use of scarce economic and professional resources than would be the case if each district were left to acquire such staff on their own. Education Specialists are exposed to a broad base of needs, situations and collaborative opportunities across the state. By continuously expanding their own skills, they are better able to assist teachers, administrators, paraprofessionals and parents in the local schools and communities. By training local staff in effective techniques and practices, they allow even remote schools to provide the appropriate programs necessary to meet the needs of our very special students.

### The Referral Process

\*A primary teacher in a remote village in western Alaska has ten children in her classroom ranging from Kindergarten to third grade. Nine of the students are Yup'ik Eskimo and one is the child of a Caucasian teacher. Two of the students are functioning significantly below the performance level of their peers and have been identified as *Learning Disabled*.

There is a family in the village with a child who is moderately involved with cerebral palsy and is about to turn three years old. The child is as yet unable to speak but does make vocal sounds in an attempt to communicate. He has little motor control, but some muscle tone and appears alert with eyes following activity within close range.

The primary teacher has never had training to work with special needs students. There is a special education teacher in the school who also teaches secondary math and history half time. Although he is certified in the state of Alaska to teach special education preschool through adult, most of his experience has been at the intermediate and secondary level with mildly impaired students. Not only has he had no experience with more severe disabilities, he has never worked with such young children.

Since this child's birth, the family has received assistance from the Infant Learning Program(ILP). In order to help facilitate a smooth transition into the school system, the ILP teacher has requested a meeting with the school staff and the family to discuss the child's abilities and needs. During the

---

\*This is not a case study, but rather a representation of a typical situation in rural remote Alaska.

## ***SERVICE TO LOW-INCIDENCE HANDICAP STUDENTS***

### **What the Law Requires**

Since 1975, children experiencing disabilities, whether physical, emotional, cognitive or perceptual, have been guaranteed the right to an appropriate education as a result of Public Law 94-142, the Education of the Handicapped Act. It is difficult to define *appropriate* since each individual's needs are different; but an *appropriate* education for any student is one from which that student has an opportunity to benefit.

As a result of PL 94-142, any student who meets the criteria for a specific identified handicapping condition is entitled to special treatment from the education community in order to achieve his/her potential to the same extent as a non-handicapped peer. Special Education is not simply the provision of additional teachers or tutors to try and help those students learn the same things that are being presented in the general education classroom. Depending on the severity of the disabling condition, that general information may not be (and frequently is not) appropriate to helping them become successful adults. And that, after all, is what education is all about. Special Education implies different content, approaches and/or materials/equipment to meet the needs and challenges presented by the special needs student.

### **Professional Availability**

The predominant training in Special Education teacher preparation classes addresses the needs of mildly involved students, primarily learning disabled. This makes sense since most of the students in Special Education are mildly involved and experience a learning disability of some kind. Most large schools are able to hire the personnel necessary to provide appropriate educations for these students. Most large schools are even able to hire the personnel necessary to work with the more involved students, even though they are rarer and more difficult to find. However, here in Alaska, we have many small rural/remote schools that do not have the luxury of being able to hire specialists for all the disabling conditions that occur, particularly those that occur infrequently; and no one teacher, even if s/he is trained in addressing the needs of students with low incidence conditions, can possibly know what to do in all situations. That is why the Special Education Service Agency came into being.

lack of knowledge of the educational needs of this child, but also the time requirements in developing and carrying out a suitable program for him. During a discussion of the types of support systems that will be necessary and available, the ILP teacher suggests that the school contact SESA for training, on-going technical support and program monitoring. A phone call is made and the process has begun.

The teacher is sent a referral packet which consists of a description of the SESA services that are available, a referral form with pertinent information and identified needed support data (medical information, reports from the occupational and physical therapists, etc.), and the authorization for exchange of information with other agencies that must be signed by the parents. Once this information is received by SESA, it is given to an appropriate education specialist who will then contact the school to arrange for a visit. During the first visit, the specialist will spend time observing the child in the school setting and perform a functional assessment of the child's abilities in order to establish a baseline ability from which to work. At that time, the specialist will also meet with the staff and the special education director to develop a Technical Assistance Agreement (TAA) outlining the responsibilities of both the SESA specialist and the school district and to determine the number of SESA visits or other types of technical assistance that will be necessary during the school year. Observations, activity summaries and recommendations are written following each site visit through a formal Student Service Report (SSR). Samples of TAAs and SSRs are available in Appendix C.

As the year progresses, the SESA specialist provides individual and group training for the school professional and paraprofessional staffs; provides materials and equipment to be tried out for effectiveness so the district can make well-selected purchases appropriate to the student's educational needs; assists with the development of IEP goals and objectives; and helped the school connect with outside agencies and funding sources to supplement their programs. As a result, the student can become a participating member of the school community to the greatest extent possible.

On the following pages are listed the types of assistance available to school district personnel and parents under the Low Incidence Handicap Outreach Program.

*SESA Low Incidence Outreach Program*

**CURRENT CASELOAD**  
**June 30, 1991**

*Students Served During 1990-91 School Year*

DISTRICT	B/VI	HI	SED	MH/OH	TOTAL
*Adak Region					
Alaska Gateway			5	8	13
Aleutian Region				1	1
Aleutians East				2	2
*Anchorage					
Annette Island		1			1
Beving Strait	2	2	10	11	25
Bristol Bay				1	1
Chatham	1	1	2	3	7
*Chugach					
Copper River			9	6	15
Cordova	1		1		2
Craig	1		3	1	5
Delta/Greely		2	3	4	9
Dillingham			2	11	13
Fairbanks North Star	1				1
Galena		1			1
Haines				8	8
Hoonah				3	3
Hydaburg		2		1	3
Iditarod	1	1		4	6
Juneau		3	1		4
Kake			2	1	3
Kashunamiut	1		2	13	16
Kenai Peninsula	2			1	3
Ketchikan Gateway	1		1	10	12
Klawock			2	3	5
Kodiak Island		2		7	9
Kuspuk	1		1	7	9
Lake & Peninsula		3	1	4	8
Lower Kuskokwim	5	9			14
Lower Yukon	1		4	3	8
Matanuska-Susitna				1	1
*Nenana					
*Nome					
North Slope			6	6	12
Northwest Arctic		1	1	9	11
Pelican				1	1

Petersburg				1	1
Pribilof				1	1
Railbelt			1	3	4
St. Mary's				1	1
Sitka	3	1	9	2	15
Skagway		1	1	2	4
Southeast Island	1			1	2
Southwest Region	1	1	5	5	12
Tanana			1	1	2
*Unalaska					
Valdez	1	1	1		3
Wrangell		1	2	6	9
Yakutat			3		3
Yukon Flats				5	5
Yukon/Koyukuk			4	7	11
Yupit	2		1	4	7
	<i>B/VI</i>	<i>HI</i>	<i>SED</i>	<i>MH/OH</i>	<i>TOTAL</i>
<b>TOTALS</b>	<b>26</b>	<b>33</b>	<b>84</b>	<b>169</b>	<b>312</b>

\*During the past year SESA has not provided technical assistance to these school districts either because they have not requested it or because they have sufficient qualified staff to meet student needs.

## Discontinuations

FY 91

### *First Quarter*

Blind/Visually Impaired	Hearing Impaired	Seriously Emotionally Disturbed	Multihandicapped/Orthopedically Handicapped
7	1	25	30

**TOTAL = 63**

### *Second Quarter*

Blind/Visually Impaired	Hearing Impaired	Seriously Emotionally Disturbed	Multihandicapped/Orthopedically Handicapped
1	3	14	19

**TOTAL = 37**

### *Third Quarter*

Blind/Visually Impaired	Hearing Impaired	Seriously Emotionally Disturbed	Multihandicapped/Orthopedically Handicapped
1	-0-	1	8

**TOTAL = 10**

### *Fourth Quarter*

Blind/Visually Impaired	Hearing Impaired	Seriously Emotionally Disturbed	Multihandicapped/Orthopedically Handicapped
5	5	5	13

**TOTAL = 29**

## 1990-91 Expenditures

### Budget Information on Table

**Personnel:** Includes all personnel costs: administrative staff, certificated staff, classified staff, and fringe benefits. Fringe Benefits include: Life and Health Insurance, Employment Security Compensation, Workmen's Compensation, Medicare, TRS, and PERS.

**Travel:** Includes all travel and per diem costs. Covers costs of employees traveling to rural sites in Alaska to provide service to school districts. This category covers out-of-state travel for travel that is directly related to grant activities. Also includes necessary board and administrative travel.

**Contractual:** Includes costs for professional, technical, and legal services.

**Rent/Maintenance:** Includes costs for the Class B office facility leased by SESA.

**Equipment:** Includes furniture and major equipment expenditures. Covers the costs of buying new office furniture when needed and any major equipment needed by the grant.

**Commodities:** Includes communication, insurance, office equipment, equipment maintenance, printing, educational materials, office supplies and materials and professional materials.

Personnel	FTE	Salaries	Fixed Cost / Benefits	Total	% of Total Expenses
Admin	1.47	75,981.	16,248.	92,229.	6.4%
Certified	14.75	597,226.	127,840.	725,066.	50.1%
Classified	8.00	160,927.	34,460.	195,387.	13.5%
	24.22	\$834,134.	\$178,548.	\$1,012,682.	70.0%

Other	Amount	% of Total Expenses
Travel	240,579.	16.6%
Contractual	54,182.	3.7%
Rent/Maintenance	58,071.	4.0%
Equipment	2,317.	.2%
Commodities	79,464.	5.5%
	434,613.	30.0%

**Average Cost Per Student Served:**

Total Served During 1990-91 .....	312
Total Program Cost.....	\$1,447,295.
Average Total Cost Per Student.....	\$4,638.
Specialist Travel Costs .....	\$191,813.
Adjusted Program Cost (Total less specialist air fare and per diem)....	\$1,225,482.
Average Cost Per Student Exclusive of Air Fare and Per Diem.....	\$4,024.

## Expenditures by District

FY 91

DISTRICT	ENROLLED	NON-TRAVEL	AIR & PER DIEM	TOTAL COST
Adak Region	0	0	0	0
Alaska Gateway	13	\$52,312.	\$3,649.	\$55,961.
Aleutian Region	1	4,024.	1,116.	5,140.
Aleutian East	2	8,048.	3,122.	11,170
Anchorage	0	0	0	0.
Annette Island	1	4,024.	789.	4,813.
Bering Strait	25	100,600.	28,665.	129,265.
Bristol Bay	1	4,024.	1,126.	5,150.
Chatham	7	28,168.	1,400	29,568.
Chugach	0	0	0	0.
Copper River	15	60,360.	4,863.	65,223.
Cordova	2	8,048.	619.	8,667.
Craig	5	20,120.	7,823	27,943.
Delta/Greely	9	36,216.	3,021.	39,237.
Dillingham	13	52,312.	3,588.	55,900:
Fairbanks North Star	1	4,024.	3,099.	7,123.
Galena	1	4,024.	1,697.	5,721.
Haines	8	32,192.	3,738.	35,930.
Hoonah	3	12,072.	1,400.	13,472.
Hydaburg	3	12,072.	2,312.	14,384.
Iditarod	6	24,144.	3,193.	27,337.
Juneau	4	16,096.	pass through	16,096.
Kake	3	12,072.	4,554.	16,626.
Kashunamiut	16	64,384.	2,623.	67,007.
Kenai Peninsula	3	12,072.	347.	12,419.
Ketchikan Gateway	12	48,288.	4,556.	52,844.
Klawock	5	20,120.	5,822.	25,942.
Kodiak	9	36,216.	6,474.	42,690.
Kuspuk	9	36,216.	6,449.	42,665.
Lake & Peninsula	8	32,192.	1,126.	33,318.
Lower Kuskokwim	14	56,336.	2,923.	59,259.
Lower Yukon	8	32,192.	1,631.	33,823.
Matanuska-Susitna	1	4,024.	personal car	4,024.
Nenana	0	0	0	0.
Nome	0	0	0	0.
North Slope	12	48,288.	8,100.	56,388.
Northwest Arctic	11	44,264.	8,585.	52,849.
Pelican	1	4,024.	628.	4,652.
Petersburg	1	4,024.	7,768.	11,792.
Pribilof	1	4,024.	1,460.	5,484.
Railbelt	4	16,096.	2,995.	19,091.

St. Mary's	1	4,024.	758.	4,782.
Sitka	15	60,360.	10,970.	71,330.
Skagway	4	16,096.	3,638.	19,734.
Southeast Island	2	8,048.	2,265.	10,313.
Southwest Region	12	48,288.	6,251.	54,539.
Tanana	2	8,048.	1,478.	9,526.
Unalaska	0	0	0	0.
Valdez	3	12,072.	1,022.	13,094.
Wrangell	9	36,216.	7,656.	43,872.
Yakutat	3	12,072.	702.	12,774.
Yukon Flats	5	20,120.	3,739.	23,859.
Yukon/Koyukuk	11	44,264.	9,887.	54,151.
Yupit	7	28,168.	2,186.	30,354.
	312	\$1,255,488.	\$191,813.	\$1,447,301

## SPECIAL EDUCATION SERVICE AGENCY

### FY 92 Programs and Revenues

<u>Program</u>	<u>FY92 Budget</u>	<u># FTE's</u>	<u>Funding Source</u>
Low Incidence Handicap Outreach	1,518,775	23.5	AS 14.30.600 (via AK Dept. of Ed.)
Infant Learning Blind & Visually Impaired	207,453	4	AK Dept. Health & Social Services
Infant Learning Statewide Evaluation Travel Team	315,000	4	AK Dept. Health & Social Services
AK Services to Dual Sensory Impaired Children & Youth	134,995	1.5	U.S. Office of Ed. (via AK Dept. of Ed.)
Assistive Technology Equipment Library	49,875	0	AK Div. Voc. Rehab.
Assistive Technology Augmentative Commun.	<u>24,984</u>	<u>0</u>	AK Div. Voc. Rehab.
	2,251,082	33	

## PROPOSED AASB RESOLUTION

Subject: Continuation of the Special Education Service Agency

Submitted By:

PROPONENT:

WHEREAS the State of Alaska has established the Special Education Service Agency for the purpose of providing services for low incidence special education students in school districts; and,

WHEREAS these services are necessary to those districts who have limited numbers of students in this category; and,

WHEREAS the State of Alaska has a legal responsibility for the provision of services to the students; and,

WHEREAS these state-funded services as provided through the Special Education Service Agency will cease upon the scheduled sunset of the Agency;

THEREFORE BE IT RESOLVED that the Association of Alaska School Boards support the continued funding of these services through the Department of Education; and,

THEREFORE BE IT FURTHER RESOLVED that the Association of Alaska School Boards support the continuation of the Special Education Service Agency.

10/07/91

SPECIAL EDUCATION SERVICE AGENCY (SESA)

Board of Directors

KEITH ANDERSON (SECRETARY)

Department of Education  
Division of Vocational Rehabilitation  
P. O. Box F  
Juneau, AK 99811

465-2814 (WK)

*ASSA*

TOM BROWN

Sitka School District  
Box 179  
Sitka, AK 99835

747-8622 (WK)

MARY CATTANACH (TREASURER)

2103 Sortus Way  
Anchorage, AK 99508

278-2287 (WK)

*P*

BOB LOCKE (PRESIDENT)

4133 Aspen Avenue  
Juneau, AK 99801

789-9026 (HM)

DAVID MALTMAN (EX OFFICIO)

Governor's Council for the Handicapped  
and Gifted  
DHSS/Commissioner's Office  
P.O. Box 240249  
Anchorage, AK 99524-0249

561-5335 (WK)

JIM RICH (VICE PRESIDENT)

Office of Special Services & Supplemental Programs  
Department of Education  
P. O. Box F  
Juneau, AK 99811

465-2970 (WK)

*AAASE  
(director)*

TERRY ROVIG

2531 Linda Lane  
Fairbanks, AK 99709

*P*

BRENDA TRUMBLE

Box 136  
Klawock, AK 99925

755-2278 (HM)

*NEA*

BECKY WILBANKS

1194 Holmes Road  
North Pole, AK 99705

479-4221 (WK)  
488-9726 (HM)

# Audit Report

DEPARTMENT OF EDUCATION  
SPECIAL EDUCATION SERVICE AGENCY

November 13, 1991



Audit Control Number

05-1397-92

Division of Legislative Audit  
P.O. Box W, Juneau, Alaska 99811-3300

# LEGISLATIVE BUDGET AND AUDIT COMMITTEE

## DIVISION OF LEGISLATIVE AUDIT

The Legislative Budget and Audit Committee is a permanent, interim committee of the Alaska Legislature. The bipartisan committee is made up of five senators and five representatives, with one alternate from each legislative chamber. The chairmanship of the committee alternates between the two chambers every legislature.

The committee is responsible for providing the legislature with audits of state government agencies. The programs and activities of state government now cost more than \$4 billion a year. Legislators and administrators strive diligently to ensure that state revenues effectively and make government work more efficiently. They need information to evaluate the work of governmental agencies. The audit work performed by the Division of Legislative Audit helps provide that information.

As a guide to all their work, the Division of Legislative Audit complies with generally accepted auditing standards established by the American Institute of Certified Public Accountants and with government auditing standards established by the U.S. General Accounting Office.

Audits are performed at the direction of the Legislative Budget and Audit Committee. Individual legislators or committees can submit requests for audits of specific programs or agencies to the committee for consideration. Copies of all completed audits are available from the Division of Legislative Audit's offices in either Anchorage or Juneau.

### BUDGET AND AUDIT COMMITTEE

Representative Ron Larson, Chairman  
Representative Pat Carney  
Representative Eileen MacLean  
Representative Terry Martin  
Representative Fran Ulmer  
Representative Kay Brown, alternate

Senator Jay Kerttula, Vice Chairman  
Senator Al Adams  
Senator Jim Duncan  
Senator Dick Eliason  
Senator Cur Menard  
Senator Lyman Hoffman, alternate

### DIVISION OF LEGISLATIVE AUDIT

Randy S. Welker, CPA  
Legislative Auditor  
Merl R. Jensen, CPA  
Deputy Legislative Auditor

P.O. Box W  
Juneau, Alaska 99811-3300

(907) 465-3830, Juneau  
(907) 561-1445, Anchorage

# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P. O. Box W  
Juneau, AK 99811-3300  
(907) 465-3830  
FAX (907) 465-2347

November 18, 1991

Members of the Legislative Budget  
and Audit Committee:

According to the provisions of Titles 24 and 44 of the Alaska Statutes, the Division of Legislative Audit is required to conduct a "Sunset" review of the Special Education Service Agency.

Since fiscal year 1988, the sunset review function has been assigned to the Division of Legislative Finance.

As a result, the audit of the Special Education Service Agency was conducted and this report has been prepared by the Legislative Finance Division. We feel this report discharges the Committee's responsibility under Titles 24 and 44. The report is submitted for your review.

A handwritten signature in cursive script that reads "Randy S. Welker".

Randy S. Welker, CPA  
Legislative Auditor  
Division of Legislative Audit

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION  
P.O. BOX WF  
SITKA, ALASKA 99811  
PHONE: (907) 465-3795

November 18, 1991

Members of the Legislative Budget  
and Audit Committee:

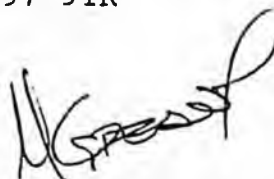
In accordance with the provisions of Titles 24 and 44 of the Alaska Statutes (sunset legislation), the attached report is submitted for your review.

A REPORT ON THE  
DEPARTMENT OF EDUCATION  
SPECIAL EDUCATION SERVICE AGENCY

November 13, 1991

Audit Control Number

05-1397-91R



Mike Greany, Director  
Legislative Finance Division

TABLE OF CONTENTS

	<u>Page</u>
Purpose of the Report . . . . .	1
Organization and Function . . . . .	3
Report Conclusion . . . . .	5
Findings and Recommendations . . . . .	7
Analysis of Public Need . . . . .	9
Appendix:	
A. Schedule of Revenues and Expenditures . . . . .	14
B. Schedule of Estimated Revenues . . . . .	15
C. Current Student Caseload by District . . . . .	16
D. Consumer Satisfaction Ratings . . . . .	18

## PURPOSE AND SCOPE OF THE REPORT

### Purpose

In accordance with the provisions of AS 24.20.271(1) and AS 44.66.050, a review of the Special Education Service Agency (SESA) was conducted to determine whether there is a demonstrated need to continue delivery of educational programs for low-incidence handicapped students in the form it is presently provided.

Alaska Statute 44.66.010(a)(13) specifies that SESA will terminate on June 30 1992, and have one year from that date to conclude its affairs. This report shall be considered during the legislative oversight function to determine whether SESA should be reestablished and, if so, in what form.

### Scope

The functions reviewed included board activity, administration, and program delivery. Our review consisted of analyzing and evaluating the following:

1. Applicable statutes and regulations.
2. Interviews with staff members.
3. Agency policies and procedures.
4. Quarterly and annual statistical reports.
5. Interviews with related service providers.
6. Interviews with Department of Education personnel.
7. Discussions with Board members.
8. Minutes of Board meetings.
9. Revenue and expenditure reports.

(Intentionally left blank)

## ORGANIZATION AND FUNCTION

The Special Education Service Agency (SESA) was created by CH. 112, SLA 1986 and formed as a private, not-for-profit corporation in August 1986. It is governed by a board of directors comprised of five to seven members of the Governor's Council for the Handicapped and Gifted and three members appointed by Alaska Association of Administrators of Special Education, National Education Association, Alaska, and the Alaska Association of School Administrators.

The purpose of SESA's creation was threefold: to assist districts and REAAs to make more special education and related services available to exceptional children; to encourage cooperation between districts and education agencies in making special education programs and services available; and to ensure that qualified specialists are available to assist districts in provision of services to exceptional children.

SESA is providing these services through the following programs:

### Low-Incidence Handicapped Outreach Project

SESA aids rural school districts in providing special education needs through itinerant education specialists. SESA's primary target group has been students, ages 3-21 years, with low incidence handicaps: i.e., mentally retarded, hard of hearing, deaf, visually handicapped, blind, seriously emotionally disturbed, orthopedically impaired, other health impaired, and multi-handicapped.

### Blind/Visually Impaired Infant Learning Program

This is an early intervention and parent training program for children throughout the State, from birth to three years, who have visual impairments. This is accomplished by providing specialists for parents and infant learning teachers to assist them in the provision of services to infants who are blind or are at risk of a visual impairment.

### Services to the Deaf/Blind

SESA has obtained federal funds to provide special services to deaf/blind (vision and hearing impaired) children and youth ages 0-21. Services include assistance in obtaining qualified evaluators, coordination of service providers, counselling families and teachers, and individual and group inservice training for staff and family members.