

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8553 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

HB

282

FISCAL NOTE

no. 4

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Bill Version: HB 282

(H) Publish Date: 3/24/95

Revision Date:
Title: UNIVERSITY OF ALASKA BOND AUTHORIZATION

Department Affected: University of Alaska
BRU: ALL
Component: ALL

Sponsor:
Requestor:

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY96 | FY97 | FY98 | FY99 | FY00 | FY01 |
|-------------------|------|------|------|------|------|------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|-------------------|--|--|--|--|--|--|
| REVENUE FD SOURCE | | | | | | |
|-------------------|--|--|--|--|--|--|

| FUNDING: (Thousands of Dollars) | FY96 | FY97 | FY98 | FY99 | FY00 | FY01 |
|---------------------------------|------|------|------|------|------|------|
| 1002 FEDERAL FUNDS | | | | | | |
| 1003 GF MATCH | | | | | | |
| 1004 GENERAL FUND | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| OTHER | | | | | | |
| TOTAL FUNDING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| POSITIONS: | FY96 | FY97 | FY98 | FY99 | FY00 | FY01 |
|------------|------|------|------|------|------|------|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Wendy Matheny, Budget Analyst
Division: Statewide Budget Office

Phone: 463-3086
Date: 3/14/95

Approved by: Marylou Burton, Director
Agency: Statewide Budget Office

Date: 3/14/95

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

3

Bill Version: HB 282

(H) Publish Date: 3/24/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Revenue
 Title: University Maintenance BRU: Revenue Ops
 Component: Treasury
 Sponsor: GOV
 Requester: _____ COMPONENT SERIAL NO. 121

Expenditures/Revenues (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 96 | FY 97 | FY 98 | FY 99 | FY 00 | FY 01 |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|----------------------|--|--|--|--|--|--|

| | | | | | | |
|------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| Other | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY95) cost: \$ _____

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

There would be no identifiable revenue or cost impacts resulting from the passage of this legislation over the period covered by this fiscal note.

Prepared by: Bob Baratko Phone: 465-2312
 Division: _____ Date: 3/14/95
 Approved by: _____
 Commissioner: Deborah Vogt Date: 3/14/95
 Agency: Revenue

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FISCAL NOTE

No. 2

Bill Version: HB 282

(1) Publish Date: 3/24/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____
Title: An Act relating to authorizing University of Alaska to issue bonds for purpose of funding maintenance projects.
Sponsor: Rules
Requestor: _____

Department Affected: Administration
BRU: General Services
Component: Purchasing

COMPONENT SERIAL NO. 60

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 96 | FY 97 | FY 98 | FY 99 | FY 00 | FY 01 |
|-------------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CAPITAL EXPENDITURES | 0 | 0 | 0 | 0 | 0 | 0 |
| CHANGE IN REVENUES () | 0 | 0 | 0 | 0 | 0 | 0 |

FUND SOURCE: (Thousands of Dollars)

| | | | | | | |
|--------------------------|-----|-----|-----|-----|-----|-----|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| OTHER | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY 95) cost: \$ -0-

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS: (Attach a separate page if necessary.)

There is no fiscal impact to the Division of General Services.

Prepared by: Dugan Petty, Director
Division: General Services

Phone: 465-2250
Date: _____

Approved by Commissioner: Mark Bover
Agency: Department of Administration

Date: 3/14/95

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ZERO FISCAL NOTE - ADMINISTRATION

FISCAL NOTE

No. 1

Bill Version: HB 282

(H) Publish Date: 3/24/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____
Title: "An Act relating to authorizing University of Alaska to issue bonds for purpose of funding maintenance projects..."
Sponsor: Rules
Requestor: _____

Department Affected: Administration
BRU: Finance
Component: Finance
COMPONENT SERIAL NO. 59

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 96 | FY 97 | FY 98 | FY 99 | FY 00 | FY 01 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|----------------------|---|---|---|---|---|---|
| CAPITAL EXPENDITURES | 0 | 0 | 0 | 0 | 0 | 0 |
|----------------------|---|---|---|---|---|---|

| | | | | | | |
|------------------------|---|---|---|---|---|---|
| CHANGE IN REVENUES () | 0 | 0 | 0 | 0 | 0 | 0 |
|------------------------|---|---|---|---|---|---|

FUND SOURCE: (Thousands of Dollars)

| | | | | | | |
|--------------------------|-----|-----|-----|-----|-----|-----|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| OTHER | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY 95) cost: \$ -0-

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS: (Attach a separate page if necessary.)

There is no fiscal impact to the Division of Finance.

Prepared by: Don Wanie, Director
Division: Finance

Phone: 465-2240
Date: _____

Approved by Commissioner: Mark Boyer
Agency: Department of Administration

Date: 3/14/95

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COMMITTEE COPY

HOUSE COMMITTEE REPORT

(7)
 Date Referred: March 24, 1995 FURTHER REFERRALS: Finance

Date of Committee Action May 2, 1995

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 282

HOUSE BILL NO. 282 FINANCING REPAIR/REHAB OF U AK BLDGS

"An Act relating to the authorization for and the issuance of revenue bonds by the University of Alaska to pay for the costs of repair and rehabilitation of buildings and other structures, excluding student housing and dormitories, of the University of Alaska; expanding the uses of the Alaska debt retirement fund to allow financing of the repair and rehabilitation of University of Alaska facilities; and providing for an effective date."

recommends it be replaced the same title
 with the following committee substitute _____ a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) _____ zero fiscal note(s) University, Revenue
Admin ⁽²⁾ 3/24/95

| SIGNING WITH RECOMMENDATIONS | DP | DNP | NR | AM |
|------------------------------|----|-----|----|----|
| <i>[Signature]</i> | | ✓ | | |
| <i>[Signature]</i> | | | ✓ | |
| <i>[Signature]</i> | ✓ | | | |
| <i>[Signature]</i> | ✓ | | | |
| <i>[Signature]</i> | ✓ | | | |
| <i>[Signature]</i> | ✓ | | | |
| | | | | |
| | | | | |
| | | | | |

CHAIR'S SIGNATURE *[Signature]*

HD 202

TONY KNOWLES
GOVERNOR



P O Box 110001
Juneau, Alaska 99811-0001
(907) 485-3500
Fax (907) 485-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 24, 1995

The Honorable Gail Phillips
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Phillips:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill authorizing the University of Alaska (university) to issue \$45,000,000 in revenue bonds for building maintenance projects at various campuses of the university.

Meeting the long-deferred repair and rehabilitation needs of the university is a priority of my Administration. It is my intent to work closely with the legislature during the remainder of this session and next session to identify other funding sources to meet those needs. If, however, we are not able to provide \$20,000,000 in capital appropriations or other forms of bond authorizations for these purposes through a bill enacted into law by July 1, 1996, this bill will authorize the university to issue revenue bonds to begin addressing the problem. The bill's amendment of AS 37.15.011 is intended to allow for repayment of the debt service to be made from annual legislative appropriations from the Alaska debt retirement fund if necessary.

I urge your early and favorable consideration of this bill.

Sincerely,

Tony Knowles
Governor



Alaska State Legislature
House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

PLEASE PROVIDE
 ALL REQUESTED
 INFORMATION.

SUBJECT OF MEETING:
 HB 282: FINANCING REPAIR/
 Rehab of UA Bldgs.

DATE: APRIL 27

PLACE: Capitol Room 106

| NAME | REPRESENTING | BUSINESS/PERSONAL MAILING ADDRESS | ZIP | (H) PHONE | (W) PHONE | DO YOU WANT TO TESTIFY? | | WHAT SUBJECT/ WHICH BILL? |
|-------------|--------------|-----------------------------------|-----|-----------|-----------|-------------------------|---|---------------------------|
| Wendy Redna | UgA | | | | | Y | N | |
| | | | | | | Y | N | |
| | | | | | | Y | N | |
| | | | | | | Y | N | |
| | | | | | | Y | N | |
| | | | | | | Y | N | |
| | | | | | | Y | N | |
| | | | | | | Y | N | |
| | | | | | | Y | N | |
| | | | | | | Y | N | |

HB

309

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 13, 1995

FURTHER REFERRALS:

Finance

Date of Committee Action: 4/20/95

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 309

HOUSE BILL NO. 309

APPROVE U OF A DEBT FOR STUDENT HOUSING

"An Act approving the University of Alaska's plans to enter into long-term obligations to borrow money from the Alaska Housing Finance Corporation for the acquisition of student housing facilities; and providing for an effective date."

recommends it be replaced with the following committee substitute _____ the same title
 a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal note(s) _____ University

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) _____

| SIGNING WITH RECOMMENDATIONS | DP | DNP | NR | AM |
|------------------------------|----|-----|----|----|
| <i>Wendy Kately</i> | | | | X |
| <i>Tommy...</i> | | | ✓ | |
| <i>Carla B...</i> | | | ✓ | |
| <i>...</i> | ✓ | | | |
| <i>Carla...</i> | | | ✓ | |
| <i>Tom...</i> | | | | X |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

CHAIR'S SIGNATURE

Carla B...

REPRESENTATIVE
TERRY MARTIN

CHAIRMAN
BUDGET & AUDIT COMMITTEE
MEMBER
HOUSE FINANCE COMMITTEE

Alaska State Legislature



MAY 15 - JAN 15 258-8169
716 W. 4TH, SUITE 650
ANCHORAGE, AK 99504

JAN 15 - MAY 15 465-3783
STATE CAPITOL
JUNEAU, AK 99801-1182

HOME 333-6990
355 DONNA DRIVE, #11
ANCHORAGE, AK 99504

Sponsor Statement HB 309

AHFC Loan Approval for the University of Alaska

HB309 is in response to the current shortage of student housing in the University of Alaska statewide system. Specifically, the University of Alaska, Anchorage campus houses only 7% of the full-time student population compared to the national average ranging from 35-50% housing accommodation. Coupled with this shortage is the limited housing at the Juneau campus of the University of Alaska, Southeast, and the absence of any housing at the Ketchikan campus.

Fortunately, the Board of Regents were able to establish a loan agreement with the Alaska Housing Finance Corporation (AHFC) which is defined in the bill. This loan package will effectively curb the student housing crisis at that same time it fulfills the mandate of AHFC to meet the needs of those earning low and moderate incomes. In addition, the University will not have to attempt its own bonding, nor will the State's General Fund be affected.

Whereas the University of Alaska has the ability to repay the principal of the money borrowed from AHFC, it cannot raise housing rates sufficiently to pay market interest rates. This bill solves that problem. Finally, in terms of the affect on AHFC, the financing will not deplete the corporation's capital assets or affect its bond rating.



**University of Alaska Southeast**

Juneau • Ketchikan • Sitka

Office of the Director

Ketchikan Campus

March 14, 1995

The Board of Regents
University of Alaska

We are pleased to bring this proposal for student housing before you. It is a response to documented need in Ketchikan both for our current student body and for potential students from southern Southeast communities who otherwise might find university education beyond their abilities and resources.

This proposal culminates nearly ten years of work, study, and planning. It is coming together now in part because strong support from the not-for-profit and private sectors is available and in part because financial constraints on the university are providing pressure and flexibility to find new ways to tackle continuing problems.

This project is complex, and it will require the cooperation and support of many parties. But if it is successful, as we expect it to be, then it may also be a new model that will facilitate meeting this need elsewhere. To date, over 200 hours of non-university volunteer time – including bankers, housing project developers, architectural firms, modular contractors, and local government planners and engineers – have been spent on this new project design alone.

We are requesting two actions, one immediate and one subsequent, from the Board of Regents:

First, we request approval for initiating the project as required under Regent's policies. This will allow us to spend general funds to document carefully the feasibility of the project, initiate an engineering study of potential campus building sites, and provide the university, lending, and granting agencies with detailed information.

Second, we will request Regents' authorization to release a building site. We expect to request that it be leased with a provision that students have first claim on facility use. When student needs have been met, remaining units may be rented to the non-students. The building site contribution is one of many which will make the project feasible

Sincerely,

A handwritten signature in cursive script that reads "Frances Feinerman".

Dr Frances Feinerman
Director Ketchikan Campus UAS

Project Overview

ASSUMPTIONS:

- ▶ Despite a continuing need for student housing (documented in 1986 and 1990 campus studies), solving the problem through university construction of a campus dormitory or apartment building is not feasible. Fiscal downsizing, changes in university priorities, and lack of statewide policy on extended campus housing prevents adequate state funding for meeting the demand.
- ▶ Placement of students in local homes, the current campus model, is unreliable due to the severe housing shortage (worst in the state), high housing costs (highest in Alaska), and staff time required to find housing and place students.
- ▶ The private sector, on its own, cannot afford to provide housing for students at reasonable cost. Two specific efforts within the last four years collapsed.
- ▶ The cost of construction through normal university channels by itself renders self-supporting projects impractical.
- ▶ There is significant, documented support for an affordable housing program in Ketchikan. And the leaders in this effort see student housing as a viable, visible project that will enhance community interest in future projects.
- ▶ There is a serious need for student housing currently, and available housing in Ketchikan will positively impact the number and success of area students attending college.

THE PROGRAM:

A not-for-profit corporation, including influential community leaders and help from the campus, will be formed in Ketchikan to focus on affordable student housing. This corporation will be wholly separate from the campus, and not accountable to the university. The corporation will apply for Federal Home Loan Grants to serve as up-front funding for the project and will seek out grant and low interest funding from government and private financial agencies. Organizers of this corporation have begun meeting and preparing incorporation papers. The core of this effort has been supported by local banks as part of Community Reinvestment Act responsibilities.

This corporation initially is looking to purchase two modular units (in a dormitory and an apartment configuration) and place them on university property near the campus which is, most important, easily and cheaply accessible to utilities and street access. The primary contribution of the university will be accessible land. This is more than reasonable in that the university will be the primary beneficiary of the project.

The corporation will provide for management and maintenance of the facilities, most likely through a Ketchikan property management firm.

Among construction alternatives being considered is use of university construction classes assisting with assembly of the modular units, foundation preparation, and landscaping.

STUDENT HOUSING NEED SURVEY:

In 1986 and 1990, UAS contracted with Ira Fink and Associates to study student housing needs on the Ketchikan campus. The report, noting demographic characteristics of the campus which complicated the housing issue, concluded, "We now recommend a 12 unit project that could accommodate between 18 and 36 students. If this is not a feasible alternative for the university, UAS Ketchikan should seek Board of Regents concurrence to obtain and operate an existing small apartment project in proximity to the university for the benefit of AS Ketchikan students."

Since then, a number of changes have occurred in the Ketchikan student population. In 1990, 72% of the student population was single; only half of those never married. Fink's conclusion was that parents with children was the primary norm for housing. However, a sample population of full-time students undertaken in March indicates that 68% of current students are single and only 5% of those have children. This bears up under a study of currently enrolled students. In 1989 26% of full-time students (67) were between 18-22 years of age, the next largest group was between 30-39 years of age (25%). This semester, 57% of our 64 full time students are between 18-24 and the next largest group is between 25-29 (23%). This reflects a major demographic change on the campus; we have younger students and more students without children. There is reason to expect this pattern to continue as the campus moves increasingly away from vocational programs in into two-year transfer studies. (The number of Associate of Arts enrollments has increased steadily and significantly since 1986, with 11 students in 1986, 46 in 1990 and 62 now.

The current survey indicates 72% are willing to live with roommates, a significant change from the 1990 study. Currently, 53% of full-time students are living with parents. Fully 6% are living in alternative housing: one out of his camper and a second in a different home each week in an effort to stay in school with the help of friends. Currently, 53% of our full-time students indicated that they would live in student housing if available.

Another important factor for this campus is the ability to house students from neighboring communities. As indicated by attached letters of support, there is considerable interest in transitioning students between small communities and larger universities through an accessible, affordable option. Initial inquiries indicate a probable population each year of 10-15 students out of southern Southeast. Also, regional, short-term vocational and skill training in Ketchikan would be possible were housing available. We estimate a very low vacancy rate by using available units for housing students for short-courses and continuing education efforts.

The need for summer housing for cannery workers and foresters and hostellers tells us that a full summer occupancy would present no difficulties in the current market. These are people who are not able to afford local hotel rates, and the number of low-cost housing units is far exceeded by demand. In addition, 83% of full-time students indicate interest in year-round housing.

PROJECT SITES:

Several campus sites have been reviewed for the construction of student residence halls. The primary considerations for choosing a site are accessibility and cost of development. In addition, impact on future building sites and residential side streets are factors to be considered. The following descriptions are brief summaries of four prospective locations on UAS property.

- The first, and most attractive site measures 135' x 135' and occupies lots 16, 17, and 18. This site is adjacent to the campus parking lot and is accessible from Clinton Court and 7th Avenue and the campus parking lot. The site is large enough to permit residence parking between the buildings.
- The second parcel measures roughly 105' x 135' and occupies lots 22 and 23. Both lots are pie shaped so actual footage is approximate. This site is also located adjacent to the campus at slightly more removal than the primary site, but it is more costly to develop and has higher impact on the residential area.
- The third site measures 150' x 60' and occupies lots 20, 21, and half of 19. This site is also adjacent to the campus parking lot and accessible by Clinton Court, but really allows for only one unit of housing without disrupting the already limited parking area.
- The fourth site was originally the preferred site. It measures roughly 180' x 180' (currently unplatted and unsurveyed) and is accessible from Monroe Street. This location, however, has high development expenses, due in part to construction of 160' access road and utility corridor. It is not cost effective given the current fiscal limitations.

Each identified site is within walking distance of elementary and high schools as well as shopping and postal services. This summer, the city bus service will include a route to and from the campus.

The campus has considered Facilities Planning and Development long-term plans for campus growth. None of the first three proposed sites reflect that long-term development plan; the fourth does. However, considering a 20-30 time frame for the proposed housing, it is unlikely that the university will undertake such classroom development as to be impacted by releasing any of the proposed sites. Two additional classroom sites -- the first choices of FP&C -- are not impacted by this proposal. An expansion of the Ziegler building, long a part of the capital development plan, is proposed for directly behind the current building. A future classroom building, not yet in any concrete planning, would be yet behind that. In addition, the campus has higher priority classroom possibilities to be developed in the Robertson and Hamilton complexes on the waterfront campus.

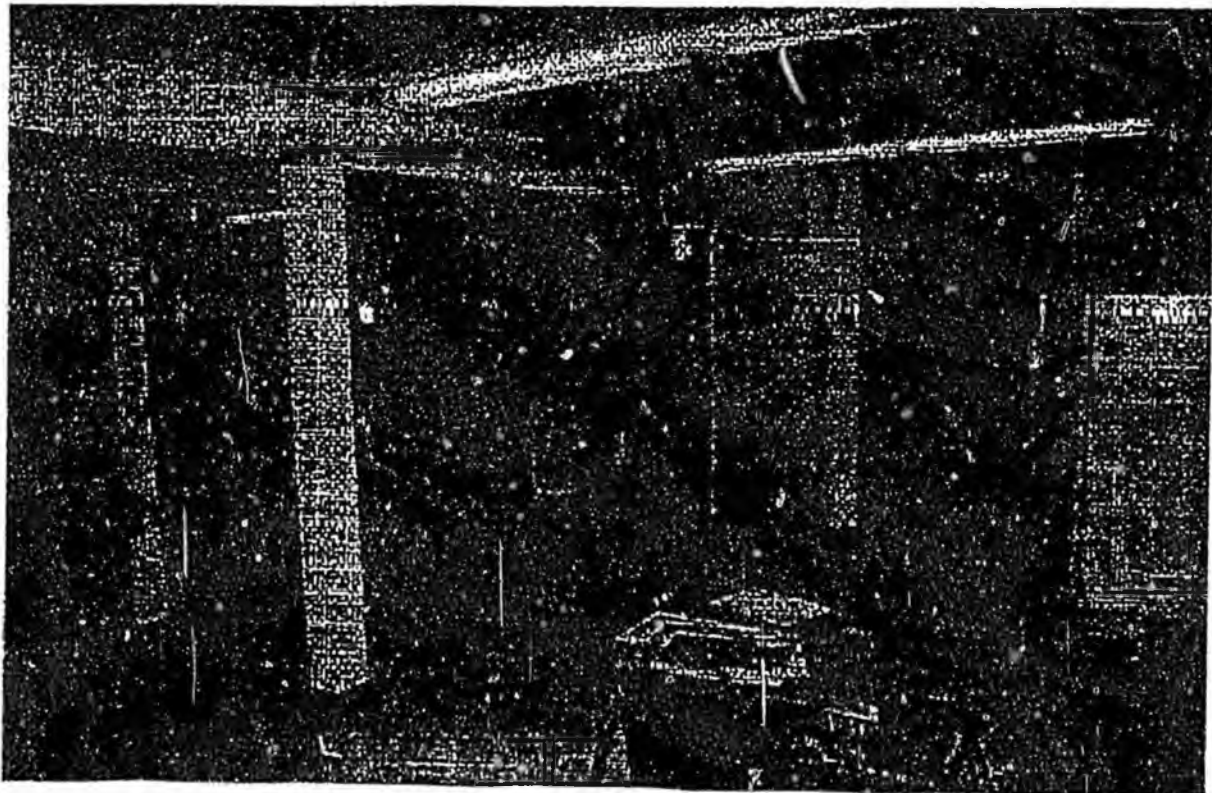
PROJECT SCHEDULE:

It is the intent of the corporation and campus to have housing for the 1996-97 academic year. An engineering review for the sites and a decision regarding a specific site will be accomplished upon approval by the Regents to proceed. A recommendation for provision of a specific site will be made to one of the next two Board of Regents meetings. Engineering through Facilities Planning and Construction for construction on that site will follow to provide guidance to the corporation in appropriate and approved use of the property.

A potential design for the units was begun on a voluntary basis by a private modular facility builder. A copy of plans for a current unit existing in Ketchikan was sent to FP&C for review and recommendation. FP&C returned a schematic apartment layout which was forwarded to the builder for incorporation into a second proposal. Modular construction, if approved, would take approximately four months to build.

The longer task will be to secure adequate financing for the project. This will begin immediately with a \$10,000 grant request to the Federal Home Loan Bank. We expect that the corporation financing package will require a minimum of six months and perhaps a year to develop.

If construction classes can be developed to work with foundations and assembly, such work will be scheduled for next spring semester. That means the financing package must be approved in time to begin site development between January and March, 1996.

Princess Tours**Ketchikan employee housing**

PROJECT COSTS (1995 Dollars)

CONSTRUCTION:

| | |
|--|-------------------|
| Land: | \$150,000 |
| Modular Units (2) | 400,000 |
| Shipping and Placement | 83,000 |
| Site Development | 100,000 |
| (Incl 'ding utility hookups and parking) | <u> </u> |
| | \$733,000 |

OFFSETS:

| | |
|--|----------------|
| Land: Donated by University of Alaska | \$150,000 |
| Construction Classes: UAS | 14,000 |
| Grants: (Banks, government, contractors) | <u>180,000</u> |
| | \$344,000 |

| | |
|----------------------------|-----------|
| FINANCING: (20 years @ 9%) | \$389,000 |
| Setup fees | 11,670 |

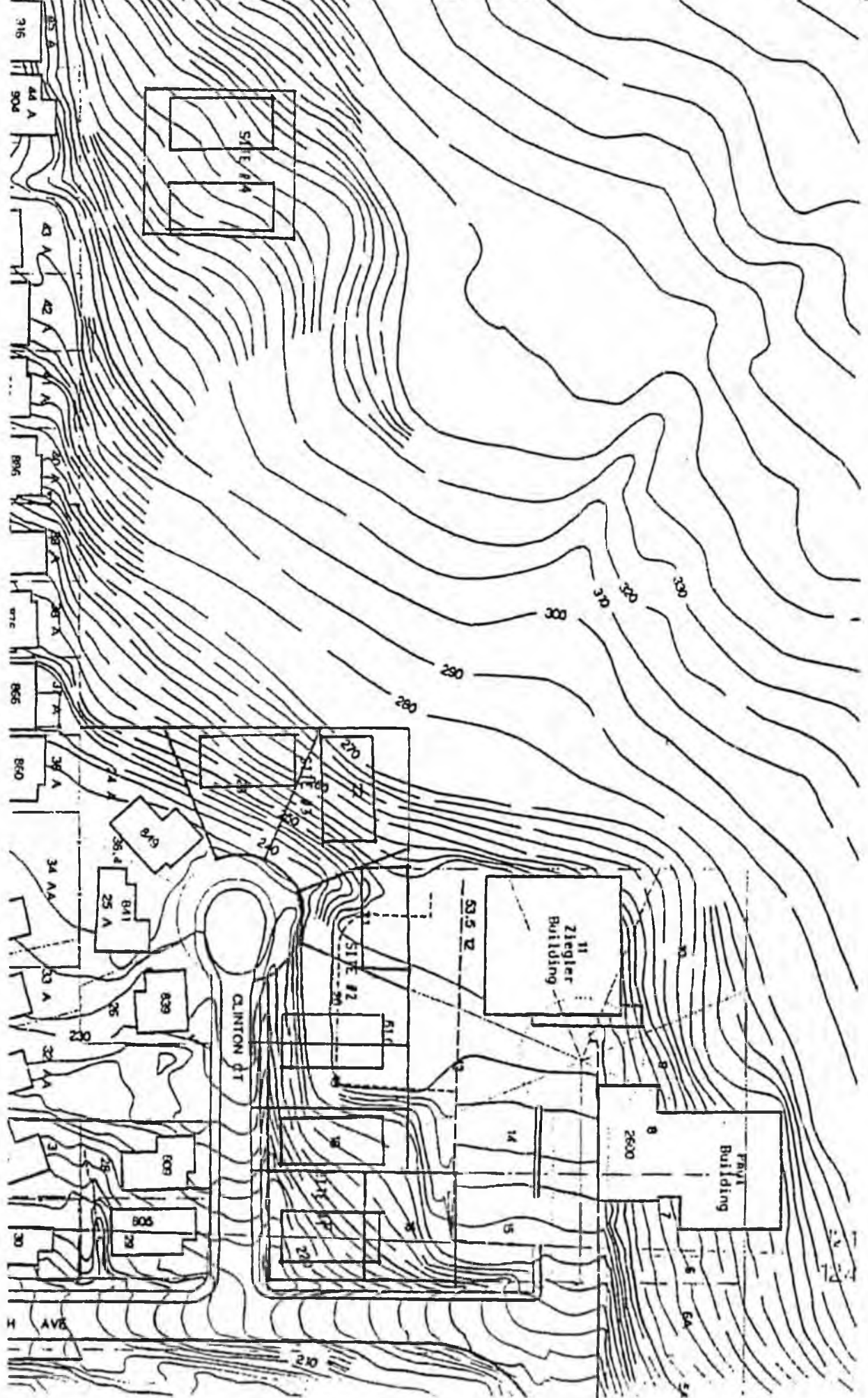
| | |
|--|-----------|
| EQUIPMENT: | \$ 20,000 |
| (Furnishing of Dormitory and two apartments) | |

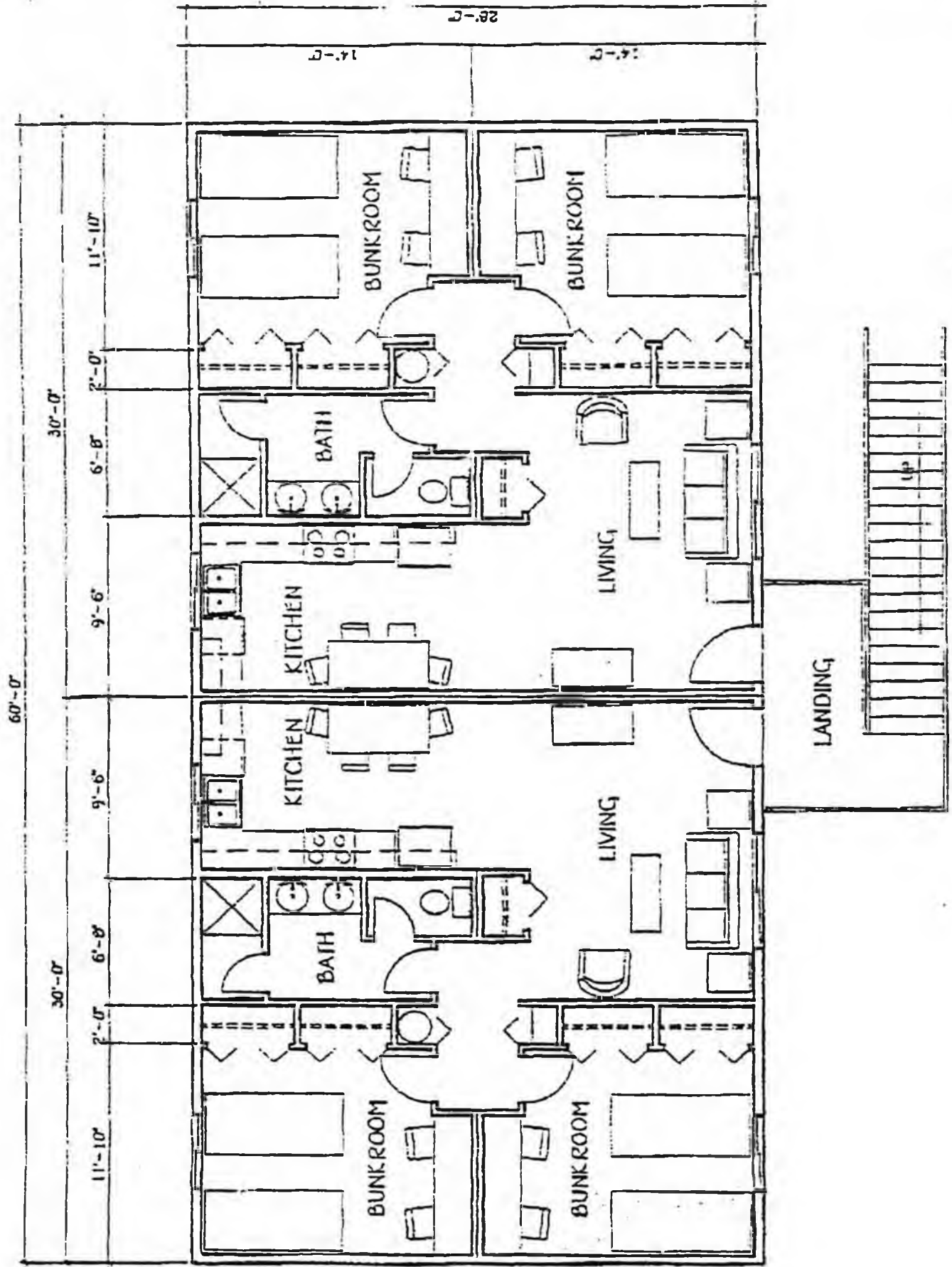
PROJECTED ANNUALIZED REVENUES:

| | |
|---------------------------------|-----------------|
| Apartment (4) | |
| \$750/mo at 95% occupancy | \$34,200 |
| Dormitories (9) | |
| \$600/mo at 85% occupancy | \$55,080 |
| Transcient rentals | |
| 5 persons * 12 weeks @ \$350/wk | <u>\$ 2,100</u> |
| | \$91,380 |

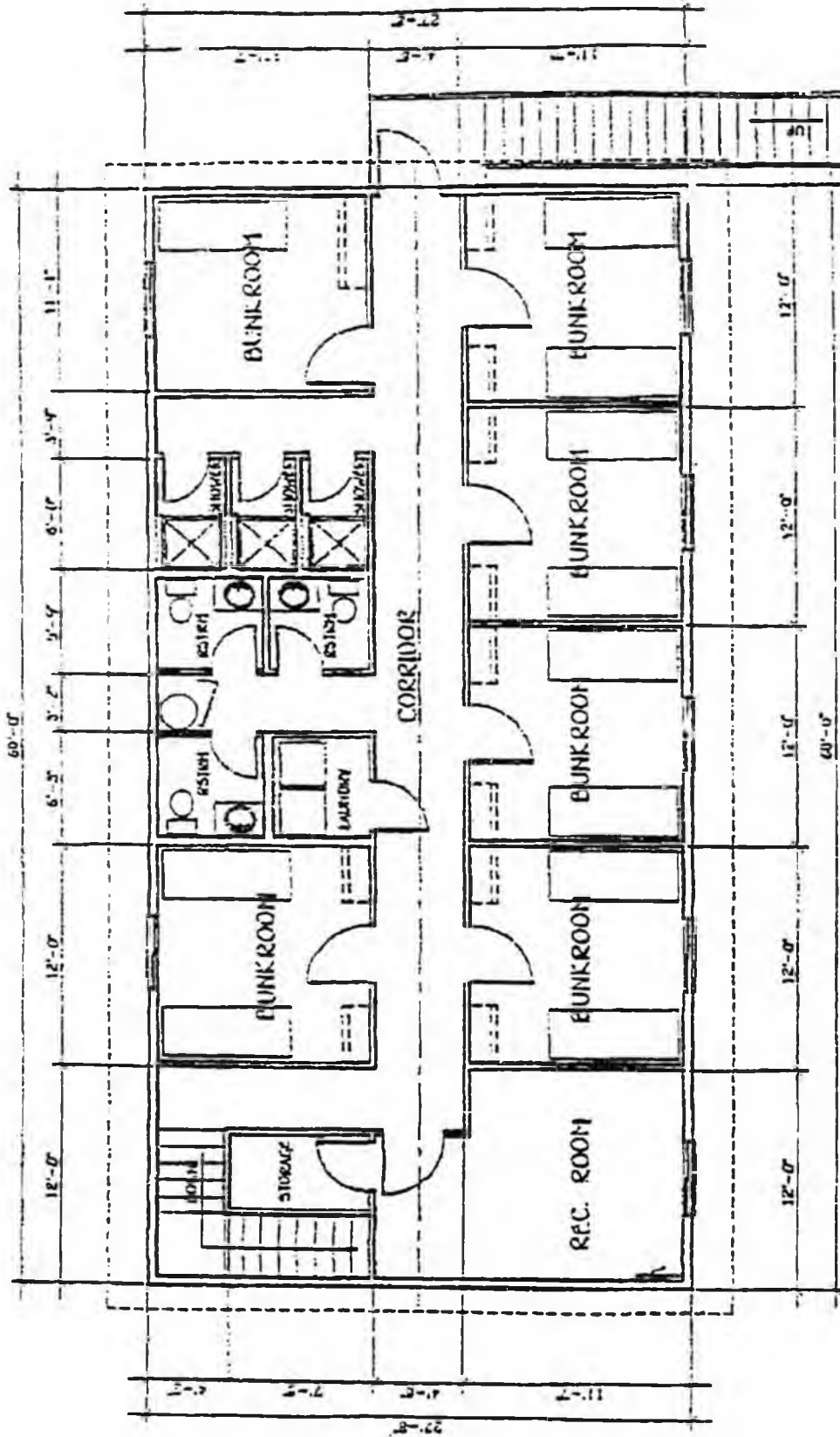
PROJECTED ANNUALIZED EXPENDITUES:

| | |
|--|-------------------|
| Annual Loan Payments | \$ 48,000 |
| Building Management Fees | \$ 9,130 |
| Custodial Contract Fees | \$ 7,200 |
| Building Maintenance | \$ 10,000 |
| (Unused funds to accrue for major maintenance) | |
| Program Management | \$ 5,000 |
| Commodities - General Fund | |
| Utilities (dormitory) | \$ 12,000 |
| Apartment Units born by residents | |
| Dormitory Units recovered by housing fees | |
| | <u> </u> |
| | \$91,330 |

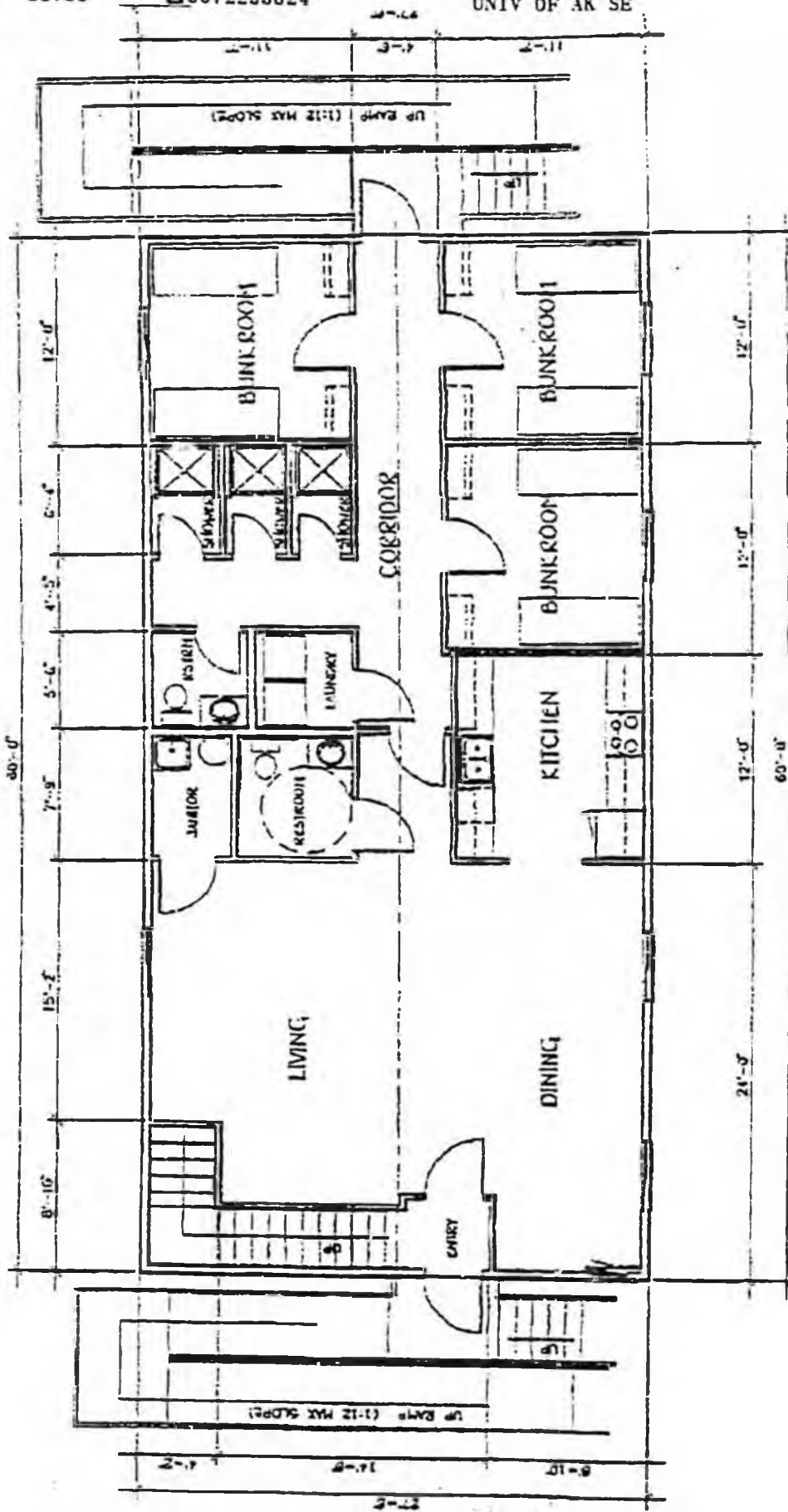




PROPOSED FLOOR PLAN
 26' X 60' TWO STORY APARTMENT BUILDING



SECOND FLOOR PLAN
NOT TO SCALE



FIRST FLOOR PLAN
NOT TO SCALE

Affordability Index

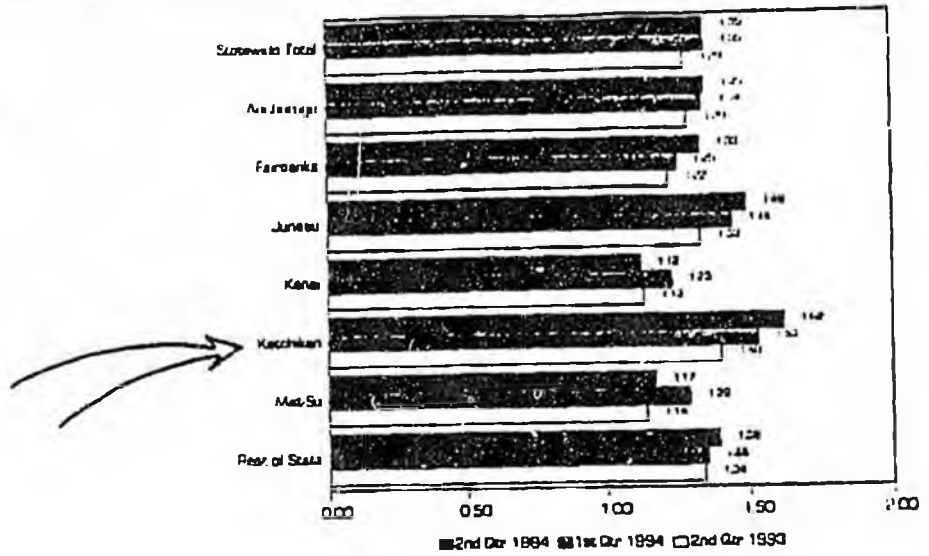
Single-Family Residences, Private and Public Agency Lenders

2nd Qtr 1994 vs Previous Qtr and a year ago

Figure 1-4

Note: Index is the number of earners needed to qualify for an 8.5% mortgage. The 1st Quarter 1994's data is preliminary.

Source: Alaska Department of Labor, Research and Analysis Section.



Average Sales Price

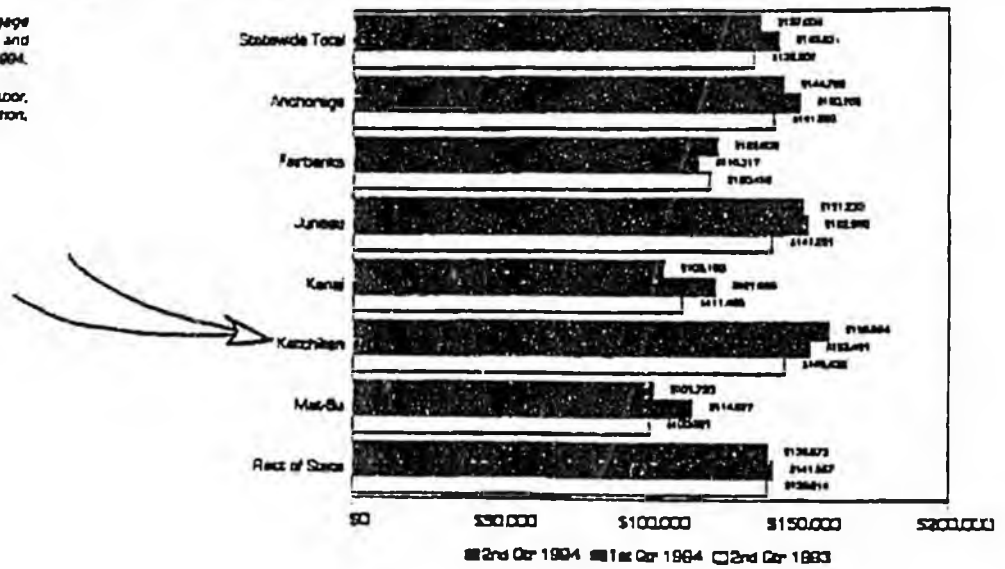
Single-Family Homes

2nd Qtr 1994 vs Previous Qtr and a year ago

Figure 1-1

Note: Based on survey of 13 mortgage lenders in 1993 and 14 in 1994 and 1994.

Source: Alaska Department of Labor, Research and Analysis Section.



Housing crisis must be addressed

Alaska Daily News 12-1-93

(Ketchikan's leaders, primarily those from business and political arenas, are preparing for a workshop called Ketchikan 2004. The leadership workshop will assist in planning Ketchikan's future. Dr. Gerald Roderick of the Roderick Institute of Leadership Skills of Tacoma, Wash., will lead the workshop. The following article is part of a series of pieces written by Ketchikan leaders beginning the thought and debate process in preparation for the workshop. Anyone with questions about the workshop may contact C.L. Cheshire at the Economic Development Center at the University of Alaska Southeast Ketchikan campus.)

By KIM WOLD

The quality of life and economic viability of Ketchikan is threatened by an inadequate supply of housing. Housing costs in Ketchikan are the highest compared to the largest Alaska cities, based upon the American Chamber of Commerce Jacksonville Association study. The high cost of housing contributes to the difficulty of finding and retaining employees. Significant economic stress is placed on family budgets because of high rents and house prices.

Individuals and families on every rung of the economic ladder are faced with the question of affordable housing and limited selection of housing alternatives. Possessing the financial resources to afford housing in Ketchikan is not a guarantee that one will find suitable housing. The housing shortage is evidenced, not so much by individuals camped in doorway shacks, but by individuals and families living in motels, camp sites, or with family and friends until suitable housing can be found.

The demand for housing can be found. The demand for housing exceeds the supply by 400 to 600 units at this time. New home prices start at approximately \$135,000 with three-bedroom, two-bath executive homes having an average value of \$205,000. Single family rentals range from \$800 to \$1,500 per month for two- to three-bedroom units. Two- and three-bedroom apartments typically rent from \$750 to \$1,200 per month. Housing expenses is the largest single item on family budgets in Ketchikan.

Real estate taxes increase the rent on a new apartment in excess of \$100 per month, and now as much as \$375 per month to a house payment.

Our free market system has historically been viewed as being responsive to demand for housing. The market is generally viewed as being elastic, responding to demand by the building of new housing units. However, the market has not been responsive because new development is not financially feasible.

The existing inventory of housing is mostly older and tends to be overpriced relative to the quality of living. Owners

and landlords have been able to take advantage of the excess demand by raising house prices and rental rates beyond the level of affordability. Compounding the problem is the fact that there is a virtual absence of economic incentive to develop new housing units or to renovate existing units.

Due to a number of factors, the market has become incapable of meeting the housing needs of the community. The factors include demographic, economic, government public attitude, lack of utility infrastructure and high construction costs. No single factor is by itself responsible of the housing shortage, but in combination has led to a constrained supply of new housing. Ketchikan's population is growing, and a change in median age, family size, and income levels have increased the demand and the need for certain types of housing.

Transition in the structural makeup of the Ketchikan economy is occurring, which is having an effect upon the housing industry. Economic growth that is currently taking place primarily in the base tourism and support services industries. Job growth in tourism, retailing, and support services is largely viewed as environmentally correct. Nonetheless, they have a significant adverse effect upon the local economy. These particular industries offer comparatively low wages relative to the manufacturing and construction industries. The average work week in the retail sector is 31.1 hours, versus 40 hours in the manufacturing and construction sectors, which compounds the problem of the wage differential. A combination of significantly lower hourly wages and less hours worked per week results in a declining trend for average annual income. Many of these service sector jobs produce annual incomes below the poverty level. This trend appears unstoppable, which increases the demand for low income housing.

Employment in the fish processing, tourism, and hospitality industries is highly seasonal, which creates a wide fluctuation in housing demand from winter to summer. Low wages and seasonal employment make it extremely difficult for the market to provide housing that is affordable as well as economically viable to construct.

Laws, regulations and taxes have put a heavy weight on the shoulders of the housing market. The American Disabilities Act and the Alaska Thermal Energy Standards for Residential Construction have increased construction costs by as much as 10 percent. The residential energy standards have proven to be a burden, as the additional construction

costs cannot be recovered through energy savings, even after allowing for public grants and interest rate discounts.

Multi-family loan programs offered by conventional lenders will not finance apartments in Ketchikan. Multi-family loan programs offered through federal and state agencies are generally not suitable for Ketchikan due to the difficult application process, a lack of a public housing authority, and high overhead costs, even with rents at \$600 per month for a two-bedroom apartment, either are insufficient profits to justify the risk of developing apartments by private investors.

The city and borough have made their contribution to the housing shortage. During the past 10 years, the borough has moved toward requiring larger residential lots outside of the city limits. These zoning changes were in response to on-site septic system failures and privacy concerns of area residents. The result has been increased land costs attributable to site development and off-site road and utility construction. The proliferation of large lots outside the city limits will greatly increase the future cost of extending public water and sewer.

The borough recently traded all of its residential entitlement lands to the State of Alaska. These entitlement lands represented one of the few opportunities of large tract development to meet future housing needs. Currently, the cost of developing a subdivision with roads and utilities exceeds the price that the market is willing to pay for the lots.

Ketchikan Gateway Borough and the City of Ketchikan have virtually eliminated all high density residential zoning within the city limits. This zoning classification is required for any construction having three or more units. The City of Ketchikan is currently considering the down zoning of the Washington Park Subdivision so that no future apartment buildings may be built in this area. The reason of this subdivision will all but eliminate the possibility of low income multi-family development in Ketchikan.

We have all heard about the NIMBY (not in my back yard) syndrome. This public attitude has played a part in increasing the cost of housing. The liberal elite have recognized that through down zoning and blocking new development, existing property values can be increased. Rather than support public policies to create affordable housing

that benefits the community, the elite choose to individually profit from their own investments.

The lack of water and sewer utilities is an impediment to development. Cisterns and on-site septic systems are expensive and, in many cases, fail to provide adequate year-around water supply and safe on-site disposal.

High construction costs are partially attributable to lumber price increases resulting from logging restrictions in the Lower 48. The limited number of local contractors and workers skilled in the employment trades also increases costs. The lack of land and high site development costs further aggravate the problem. The preponderance of single-family construction is built on a specific site, which increases design costs, makes labor less productive, and eliminates volume discounts for material purchases which are enjoyed by larger scale developments.

The housing crisis must be addressed by the community. Concerted efforts by government, the public, and those involved in the housing industry are required to increase the availability of low and moderate income housing. Demographic and economic trends will require changes in public policies. Government must avoid laws and regulations that increase the cost of housing. Additional areas must be zoned for high density residential development. Local tax policies must promote new housing. Public water and sewer extension is necessary to increase the supply of development lands. Businesses should be encouraged to construct housing for their seasonal employees through incentives. A local housing authority should be created to promote and facilitate the development of low-income housing.

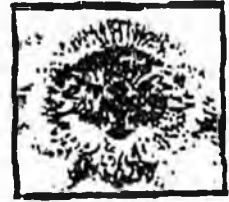
The City of Ketchikan should consider a program to promote low income housing in the Washington Park Subdivision. An innovative approach would have the city donate the Washington Park Subdivision to a public housing authority which, in turn, would utilize federal or state housing programs and subsidies in conjunction with community reinvestment funding. This development holds the potential to create more than 200 units of affordable housing. We cannot afford to miss any opportunity to increase housing availability in Ketchikan. As long as family budgets are stressed by the high cost of housing, there will be corresponding economic and social problems impacting the community.

— (Kim Wold is owner of Alaska Appraisal Associates in Ketchikan.)

KETCHIKAN
204

Southeast Island School District
THORNE BAY SCHOOL

P.O. Box 5, 1010 Sandy Beach Road Thorne Bay, Alaska 99919
(907) 828-3921



March 7, 1995

Karen Jones, Counselor
University of Alaska SE Ketchikan

Dear Ms. Jones:

This is to support the University of Alaska SE Ketchikan in your bid to acquire housing for your out of city students.

Although our annual graduating classes are small, almost every year we have one or more students who would attend at least their first year of college in Ketchikan if reasonably priced student housing was available. As you are likely aware, the cost of living in Ketchikan is one of the highest in the country, a factor that would impact college students less if on-campus housing was provided.

Each year more than half of our graduates pack up and fly off to college, leaving a portion of our graduates who are still in need of additional post-secondary training. Many of these graduates either cannot afford the high cost of education at a major institution or are otherwise tied more closely to their homes than their classmates. Providing on-campus housing in Ketchikan would offer these students a reasonable means of seeking training beyond high school closer to home.

I support the efforts of the University of Alaska SE Ketchikan to acquire housing for your out of city students.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael G. Walker".

Michael G. Walker
Principal



ANNETTE ISLANDS SCHOOL DISTRICT

P.O. Box 7 • Metlakatla, AK 99926

Accredited by Northwest Accreditation Association

High School Principals' Office
(907) 886-6000
FAX: (907) 886-5120

Superintendent's Office
(907) 886-6332
FAX: (907) 886-5130

Elementary Principals' Office
(907) 886-4171

March 7, 1995

Mrs. Karen Jones
University of Alaska, S.E./Ketchikan
2600 Seventh Av.
Ketchikan, Ak.

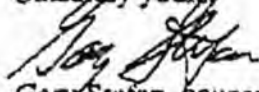
Dear Karen:

Thank you, once again, for taking the time to visit Metlakatla High School and assisting our students with their college planning. Your institution offers a wonderful program for our students and one that I hope they continue to pursue.

As you and I discussed during your visit, the availability of *housing* is of primary concern. This is the first question asked of me during the college selection process. It is my feeling that providing adequate and reasonably priced housing for students attending your institution would be the most essential improvement that could be made. Those of us on this end of the college admission process would heartily agree that providing appropriate housing in Ketchikan would greatly enhance the desirability of attending the University of Alaska, S.E., Ketchikan Campus. For parents and students alike, this would make your school very appealing. It would enhance, greatly, your competitive position relative to the interest many of our students have in attending school down South.

I realize that this is a large task to undertake, but, I think, it is one that will provide dividends for your institution in the years ahead and is, certainly, a very worthwhile endeavor. I hope that this will one day become a reality.

Sincerely yours,


Gary Stefan, Counselor



UAS HOUSING RESOLUTIONS

Whereas the last three fall semesters UAS Juneau Student Housing has had a waiting list of at least 125 students on opening day and

Whereas the local Juneau rental market has a current vacancy rate of less than 1% and

Whereas a substantial number of students choose not to attend UAS because of the lack of available housing and

Whereas as of April 1995 UAS already has a waiting list of 97 students for fall housing, which is substantially higher than a year ago at this time and

Whereas the UAS Juneau Student Housing receives no general fund support and maintains a positive fund balance and

Whereas the UAS Juneau Student Housing has been 100% occupied for the last four years and

Whereas the Board of Regents, in their February meeting, approved the new UAS Juneau 81 bed residence hall design and the debt retirement plan presented.

**University of Alaska Southeast Juneau Campus
Dormatory Housing/Food Service Financing Repayment Plan**

| | | | |
|----------------------------|------------------|---------------|-------------|
| Housing Construction Cost | 3.710 Mil | Interest Rate | 3.0% Annual |
| Food Svc Remodeling Cost | <u>.490 Mil</u> | Loan Period | 25 Years |
| Total Project Costs | 4.200 Mil | Qtrly Pymnt | \$61,541 |

1st Year Payment on Interest Only, Years 2 thru 25 include Amortized Principal from Year 1.

| Yr. | Beginning Available Fund Bal for Debt Svc. | Investment Income on Fund Bal @ 4.0% | Fiscal Year Surplus before Debt Svc. | Less Debt Svc. | Ending Available Fund Balance |
|---------------|--|--------------------------------------|--------------------------------------|----------------|-------------------------------|
| 1996 Combined | \$491,000 | \$19,640 | \$87,895 | (\$126,000) | \$472,535 |
| 1997 Combined | \$472,535 | \$18,901 | \$275,056 | (\$246,164) | \$520,328 |
| 1998 Combined | \$520,328 | \$20,813 | \$283,212 | (\$246,164) | \$578,189 |
| 1999 Combined | \$578,189 | \$23,128 | \$282,786 | (\$246,164) | \$637,939 |
| 2000 Combined | \$637,939 | \$25,518 | \$272,581 | (\$246,164) | \$689,873 |
| 2001 Combined | \$689,873 | \$27,595 | \$252,079 | (\$246,164) | \$723,382 |
| 2002 Combined | \$723,382 | \$28,935 | \$251,100 | (\$246,164) | \$757,253 |
| 2003 Combined | \$757,253 | \$30,290 | \$250,105 | (\$246,164) | \$791,485 |
| 2004 Combined | \$791,485 | \$31,659 | \$249,100 | (\$246,164) | \$826,080 |
| 2005 Combined | \$826,080 | \$33,043 | \$248,084 | (\$246,164) | \$861,043 |
| 2006 Combined | \$861,043 | \$34,442 | \$247,062 | (\$246,164) | \$896,383 |
| 2007 Combined | \$896,383 | \$35,855 | \$246,036 | (\$246,164) | \$932,110 |
| 2008 Combined | \$932,110 | \$37,284 | \$245,009 | (\$246,164) | \$968,239 |
| 2009 Combined | \$968,239 | \$38,730 | \$243,987 | (\$246,164) | \$1,004,792 |
| 2010 Combined | \$1,004,792 | \$40,192 | \$242,971 | (\$246,164) | \$1,041,790 |
| 2011 Combined | \$1,041,790 | \$41,672 | \$241,966 | (\$246,164) | \$1,079,264 |
| 2012 Combined | \$1,079,264 | \$43,171 | \$240,978 | (\$246,164) | \$1,117,249 |
| 2013 Combined | \$1,117,249 | \$44,690 | \$240,008 | (\$246,164) | \$1,155,783 |
| 2014 Combined | \$1,155,783 | \$46,231 | \$239,065 | (\$246,164) | \$1,194,916 |
| 2015 Combined | \$1,194,916 | \$47,797 | \$238,150 | (\$246,164) | \$1,234,699 |
| 2016 Combined | \$1,234,699 | \$49,388 | \$237,272 | (\$246,164) | \$1,275,195 |
| 2017 Combined | \$1,275,195 | \$51,008 | \$236,435 | (\$246,164) | \$1,316,473 |
| 2018 Combined | \$1,316,473 | \$52,659 | \$235,644 | (\$246,164) | \$1,358,612 |
| 2019 Combined | \$1,358,612 | \$54,344 | \$234,907 | (\$246,164) | \$1,401,699 |
| 2020 Combined | \$1,401,699 | \$56,068 | \$234,229 | (\$246,164) | \$1,445,832 |

| | |
|----------------------|-------------|
| Total Loan Payments | \$6,033,936 |
| Total Principal Paid | \$4,200,000 |
| Total Interest Paid | \$1,833,936 |

**UAS Housing/Food Service
20 Yr. Summarized Financial Plan**

| | Fiscal Year 1996 | Fiscal Year 1997 | Fiscal Year 1998 | Fiscal Year 1999 | Fiscal Year 2000 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Housing Summary | | | | | |
| Total Revenues | \$674,126 | \$936,706 | \$1,006,957 | \$1,037,165 | \$1,068,283 |
| Building Operations Expenditures | \$244,155 | \$294,716 | \$303,556 | \$312,663 | \$322,043 |
| Building Maintenance | \$176,607 | \$195,158 | \$208,009 | \$211,649 | \$225,124 |
| Building Renewal/Replacement Reserve | \$69,257 | \$71,440 | \$107,796 | \$121,503 | \$135,656 |
| Total Program Operations & Management | \$118,099 | \$152,219 | \$156,786 | \$161,490 | \$166,335 |
| Total Expenditures | \$608,118 | \$713,533 | \$776,147 | \$807,305 | \$849,158 |
| Net Surplus Available for Debt Repayment | \$66,008 | \$223,173 | \$230,810 | \$229,860 | \$219,125 |
| Food Service Summary | | | | | |
| Total Revenues | \$204,720 | \$481,026 | \$485,836 | \$490,695 | \$495,602 |
| Total Cost of Goods Sold | \$72,322 | \$171,846 | \$173,564 | \$175,300 | \$177,053 |
| Total Other Program Expenditures | \$96,112 | \$228,497 | \$230,782 | \$233,090 | \$235,421 |
| Total Facility Rental | \$14,400 | \$28,800 | \$29,088 | \$29,379 | \$29,673 |
| Total Expenditures | \$182,833 | \$429,143 | \$433,434 | \$437,769 | \$442,146 |
| Net Surplus Available for Debt Repayment | \$21,887 | \$51,883 | \$52,402 | \$52,926 | \$53,455 |
| Combined Housing/Food Svc | | | | | |
| Net Surplus Available for Debt Repayment | \$87,895 | \$275,056 | \$283,212 | \$282,786 | \$272,581 |

**UAS Housing/Food Service
20 Yr. Summarized Financial Plan**

| | Fiscal Year 2001 | Fiscal Year 2002 | Fiscal Year 2003 | Fiscal Year 2004 | Fiscal Year 2005 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Housing Summary | | | | | |
| Total Revenues | \$1,100,331 | \$1,133,339 | \$1,167,338 | \$1,202,359 | \$1,238,429 |
| Building Operations Expenditures | \$331,704 | \$341,655 | \$351,905 | \$362,462 | \$373,336 |
| Building Maintenance | \$248,946 | \$253,302 | \$257,735 | \$262,245 | \$266,835 |
| Building Renewal/Replacement Reserve | \$150,267 | \$165,347 | \$180,909 | \$196,966 | \$213,529 |
| Total Program Operations & Management | \$171,325 | \$176,464 | \$181,758 | \$187,211 | \$192,828 |
| Total Expenditures | \$902,242 | \$936,769 | \$972,307 | \$1,008,885 | \$1,046,527 |
| Net Surplus Available for Debt Repayment | \$198,089 | \$196,570 | \$195,031 | \$193,474 | \$191,902 |
| Food Service Summary | | | | | |
| Total Revenues | \$500,558 | \$505,563 | \$510,619 | \$515,725 | \$520,882 |
| Total Cost of Goods Sold | \$178,824 | \$180,612 | \$182,418 | \$184,242 | \$186,085 |
| Total Other Program Expenditures | \$237,775 | \$240,153 | \$242,554 | \$244,980 | \$247,430 |
| Total Facility Rental | \$29,969 | \$30,269 | \$30,572 | \$30,877 | \$31,186 |
| Total Expenditures | \$446,568 | \$451,034 | \$455,541 | \$460,099 | \$464,700 |
| Net Surplus Available for Debt Repayment | \$53,990 | \$54,530 | \$55,075 | \$55,626 | \$56,182 |
| Combined Housing/Food Svc | | | | | |
| Net Surplus Available for Debt Repayment | \$252,079 | \$251,100 | \$250,105 | \$249,100 | \$248,084 |

UAS Housing/Food Service**20 Yr. Summarized Financial Plan**

| | Fiscal Year 2006 | Fiscal Year 2007 | Fiscal Year 2008 | Fiscal Year 2009 | Fiscal Year 2010 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|--|---------------------|---------------------|---------------------|---------------------|---------------------|

Housing Summary

| | | | | | |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Total Revenues | \$1,275,583 | \$1,313,850 | \$1,353,266 | \$1,393,864 | \$1,435,680 |
| Building Operations Expenditures | \$384,536 | \$396,072 | \$407,954 | \$420,193 | \$432,799 |
| Building Maintenance | \$271,504 | \$276,256 | \$281,090 | \$286,009 | \$291,014 |
| Building Renewal/Replacement Reserve | \$230,612 | \$248,227 | \$266,389 | \$285,109 | \$304,404 |
| Total Program Operations & Management | \$198,612 | \$204,571 | \$210,708 | \$217,029 | \$223,540 |
| Total Expenditures | \$1,085,265 | \$1,125,125 | \$1,166,141 | \$1,208,340 | \$1,251,757 |

| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| Net Surplus Available for Debt Repayment | \$190,318 | \$188,725 | \$187,125 | \$185,524 | \$183,923 |
|--|-----------|-----------|-----------|-----------|-----------|

Food Service Summary

| | | | | | |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Total Revenues | \$526,091 | \$531,352 | \$536,665 | \$542,032 | \$547,452 |
| Total Cost of Goods Sold | \$187,945 | \$189,825 | \$191,723 | \$193,640 | \$195,577 |
| Total Other Program Expenditures | \$249,904 | \$252,403 | \$254,927 | \$257,476 | \$260,051 |
| Total Facility Rental | \$31,498 | \$31,813 | \$32,131 | \$32,453 | \$32,777 |
| Total Expenditures | \$469,347 | \$474,041 | \$478,781 | \$483,569 | \$488,405 |

| | | | | | |
|--|----------|----------|----------|----------|----------|
| Net Surplus Available for Debt Repayment | \$56,744 | \$57,311 | \$57,884 | \$58,463 | \$59,048 |
|--|----------|----------|----------|----------|----------|

Combined Housing/Food Svc

| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| Net Surplus Available for Debt Repayment | \$247,062 | \$246,036 | \$245,009 | \$243,987 | \$242,971 |
|--|-----------|-----------|-----------|-----------|-----------|

**UAS Housing/Food Service
20 Yr. Summarized Financial Plan**

| | Fiscal Year 2011 | Fiscal Year 2012 | Fiscal Year 2013 | Fiscal Year 2014 | Fiscal Year 2015 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Housing Summary | | | | | |
| Total Revenues | \$1,478,750 | \$1,523,113 | \$1,568,806 | \$1,615,870 | \$1,664,346 |
| Building Operations Expenditures | \$445,783 | \$459,156 | \$472,931 | \$487,119 | \$501,732 |
| Building Maintenance | \$296,107 | \$301,289 | \$306,561 | \$311,926 | \$317,385 |
| Building Renewal/Replacement Reserve | \$324,286 | \$344,771 | \$365,874 | \$387,609 | \$409,994 |
| Total Program Operations & Management | \$230,246 | \$237,154 | \$244,268 | \$251,596 | \$259,144 |
| Total Expenditures | \$1,296,422 | \$1,342,370 | \$1,389,634 | \$1,438,250 | \$1,488,255 |
| Net Surplus Available for Debt Repayment | \$182,328 | \$180,743 | \$179,172 | \$177,620 | \$176,091 |

Food Service Summary

| | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Total Revenues | \$552,927 | \$558,456 | \$564,041 | \$569,681 | \$575,378 |
| Total Cost of Goods Sold | \$197,533 | \$199,508 | \$201,503 | \$203,518 | \$205,553 |
| Total Other Program Expenditures | \$262,651 | \$265,278 | \$267,931 | \$270,610 | \$273,316 |
| Total Facility Rental | \$33,105 | \$33,436 | \$33,770 | \$34,108 | \$34,449 |
| Total Expenditures | \$493,289 | \$498,222 | \$503,204 | \$508,236 | \$513,318 |
| Net Surplus Available for Debt Repayment | \$59,638 | \$60,235 | \$60,837 | \$61,445 | \$62,060 |

Combined Housing/Food Svc

| | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|
| Net Surplus Available for Debt Repayment | \$241,966 | \$240,978 | \$240,008 | \$239,065 | \$238,150 |
|---|------------------|------------------|------------------|------------------|------------------|

**UAS Housing/Food Service
20 Yr. Summarized Financial Plan**

| | Fiscal Year 2016 | Fiscal Year 2017 | Fiscal Year 2018 | Fiscal Year 2019 | Fiscal Year 2020 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Housing Summary | | | | | |
| Total Revenues | \$1,714,277 | \$1,765,705 | \$1,818,676 | \$1,873,236 | \$1,929,434 |
| Building Operations Expenditures | \$516,784 | \$532,288 | \$548,256 | \$564,704 | \$581,645 |
| Building Maintenance | \$322,939 | \$328,591 | \$334,341 | \$340,192 | \$346,145 |
| Building Renewal/Replacement Reserve | \$433,043 | \$456,773 | \$481,201 | \$506,344 | \$532,221 |
| Total Program Operations & Management | \$266,918 | \$274,926 | \$283,174 | \$291,669 | \$300,419 |
| Total Expenditures | \$1,539,685 | \$1,592,577 | \$1,646,972 | \$1,702,909 | \$1,760,431 |
| Net Surplus Available for Debt Repayment | \$174,592 | \$173,128 | \$171,704 | \$170,327 | \$169,003 |

| | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Food Service Summary | | | | | |
| Total Revenues | \$581,132 | \$586,943 | \$592,813 | \$598,741 | \$604,728 |
| Total Cost of Goods Sold | \$207,609 | \$209,685 | \$211,782 | \$213,899 | \$216,038 |
| Total Other Program Expenditures | \$276,049 | \$278,810 | \$281,598 | \$284,414 | \$287,258 |
| Total Facility Rental | \$34,794 | \$35,141 | \$35,493 | \$35,848 | \$36,206 |
| Total Expenditures | \$518,451 | \$523,636 | \$528,872 | \$534,161 | \$539,503 |
| Net Surplus Available for Debt Repayment | \$62,680 | \$63,307 | \$63,940 | \$64,580 | \$65,225 |

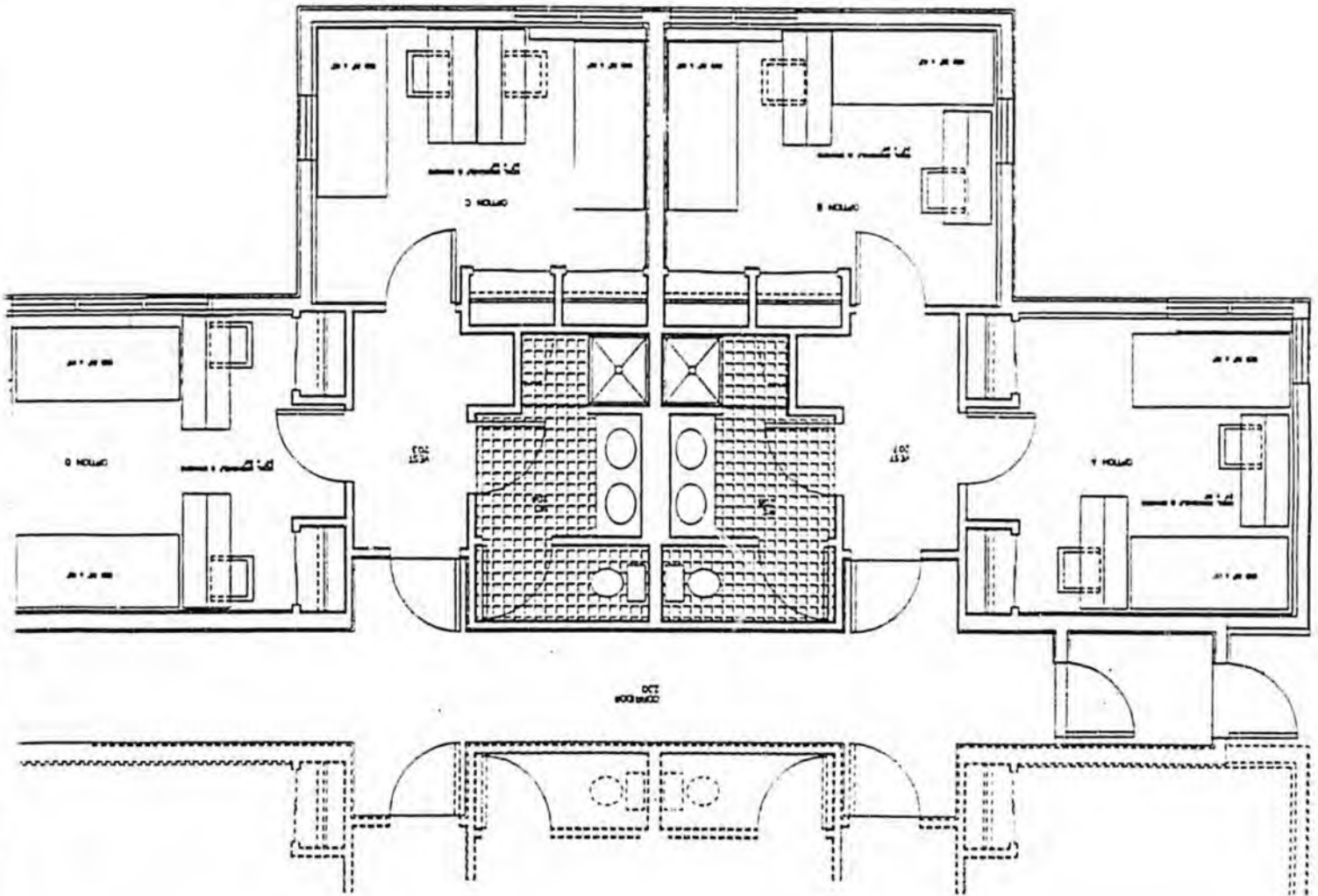
| | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Combined Housing/Food Svc | | | | | |
| Net Surplus Available for Debt Repayment | \$237,272 | \$236,435 | \$235,644 | \$234,907 | \$234,229 |



JUNEAU CAMPUS

UNIVERSITY OF ALASKA SOUTHEAST

STUDENT RESIDENCE HALL



PROJECT PLANNING GUIDE

81 BED STUDENT RESIDENCE HALL

FY96 CIP REQUEST

UNIVERSITY OF ALASKA SOUTHEAST JUNEAU CAMPUS

INTRODUCTION

Enrollment growth at the Juneau campus is being constrained by lack of facilities including insufficient on-campus housing for both single students and students with families. The problem is exacerbated by a rental vacancy rate of 0.8% in the community and the high rental rates that accompany such a low vacancy rate (first quarter 1994 vacancy rates from AHFC). An informal poll of students who planned to attend UAS in the Fall 1992 semester, but who failed to register for classes, indicated that the majority listed financial pressures and lack of affordable housing as reasons for not enrolling.

The existing housing complex, completed in the Fall of 1985, consists of 50 apartments, each capable of housing four students in either single or double bedrooms. However, 11 of the apartments are currently dedicated to families. The result is that about 167 students are routinely housed. For the past three years, at the beginning of the Fall semester, the occupancy rate has been 100% with a substantial waiting list. In an effort to ease the housing shortage, UAS has acquired two older private residences and converted them to housing for UAF graduate students in the fisheries program.

PROPOSED PROJECT

UAS proposes to develop housing for single students in a residence hall format to accommodate 81 students. This will provide a more traditional housing type which will be better suited to the younger student -- a growing component of the total UAS enrollment. The younger student can be expected to more easily make the transition from home to campus in a collective type of housing environment, and can later transfer to apartment style living on campus.

The proposed housing type is more efficient, and more cost effective, than apartment style housing because less floor area is constructed for each student. However, the existing campus food service operation will have to be expanded and the hours extended to accommodate a full meal service program. That work is planned as a separate capital improvement project.

PROJECT DESCRIPTION

The residence hall is anticipated to consist of 42 bedrooms, each housing 2 students except for a single resident advisor bedroom on each floor. Each pair of bedrooms will share a semi-private bathroom. The total floor area is 18,433 GSF arranged in three levels with 14 bedrooms

and 7 bathrooms at each level. Mechanical and electrical services are located in a partial basement. The facility will also include a communal living room, study room, TV room, and some laundry facilities. Other amenities, such as a game room, are available in the existing lodge building nearby.

Major systems and assemblies have been evaluated by several criteria including first cost, operating cost, maintenance, weatherability, vandal resistance, thermal performance, and acoustic performance. Preliminary selections of materials assume the following: stained siding on exterior walls similar in character to existing buildings; metal roofing similar in appearance to existing buildings; two layers of painted gypsum drywall on interior walls; thermal break double casement aluminum windows with insulating glass.

The structural system assumes simple spread footings, wood truss roof framing, metal joists at floors, and walls framed with metal studs. The mechanical system assumes oil fired boilers and distribution of heat through a perimeter baseboard radiation system. The ventilation system will include air-to-air heat exchangers. Like the existing complex, the building will be served by city water and sewer systems.

A site has been selected east of the lodge building. There will be no need for additional parking. Extension of utilities to the site will require approximately 300 foot runs for power, sewer, water and communications.

PROJECT BUDGET

The budget is based on a building cost of \$2,736,000. Site development costs are estimated to be \$209,000, and furnishings and equipment are budgeted at \$192,000.

Design fees, construction contingency, art in public places acquisitions, and project management costs bring the total project budget to an estimated \$3,710,000 in 1995 dollars. UAS is requesting half of the project cost, in the amount of \$1,855,000, as part of the University of Alaska FY96 Capital Improvement Program funded by the state legislature. The remaining cost of the project will be funded by revenue bonds that will be repaid from rent receipts.

PROJECT SCHEDULE

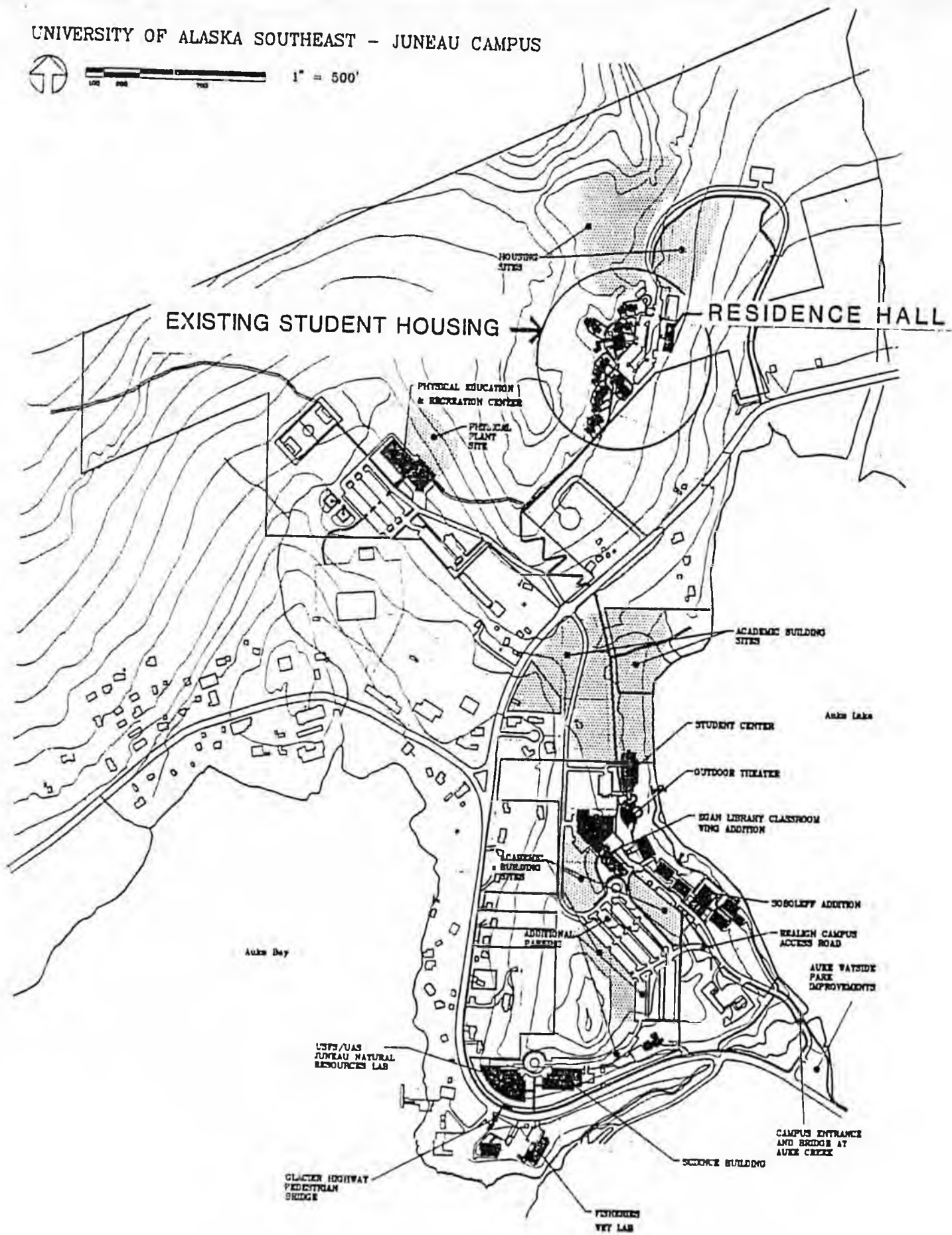
Engineering and architectural design of the facility will be completed in September, 1994, and the project will be released to bidders in May, 1995. Funding of the state supported portion of the project budget is expected in July, 1995, and construction will begin immediately. The facility will be ready for use at the start of the Fall semester in 1996.

October 4, 1994

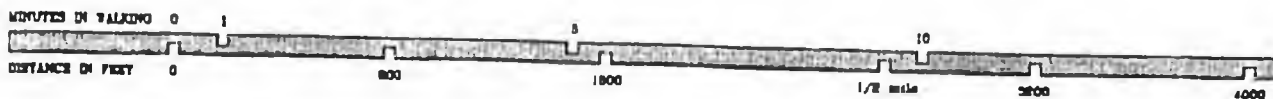
UNIVERSITY OF ALASKA SOUTHEAST - JUNEAU CAMPUS

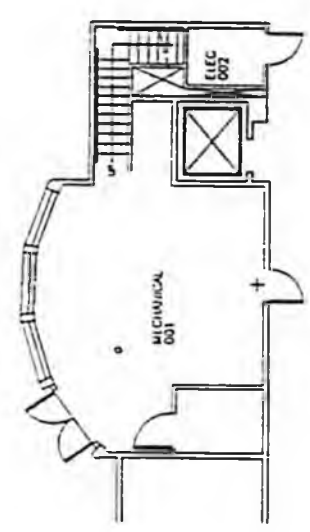
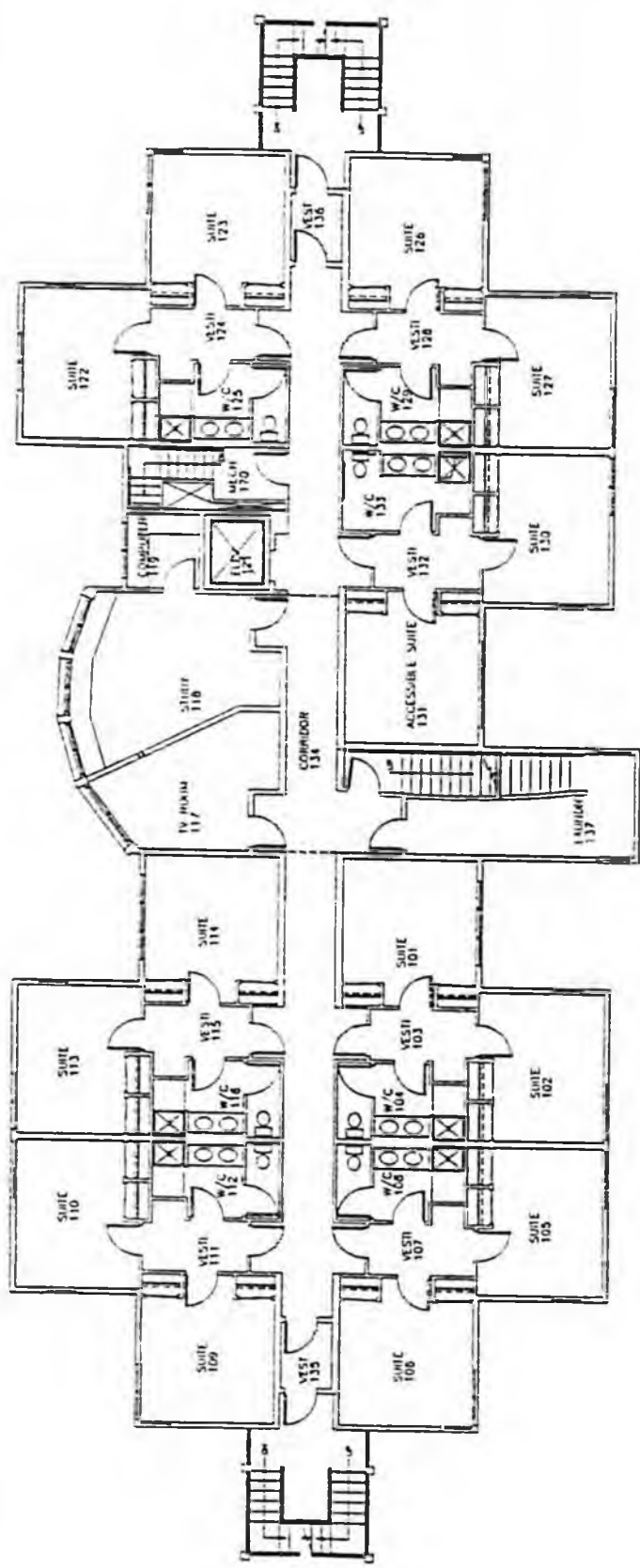



1" = 500'

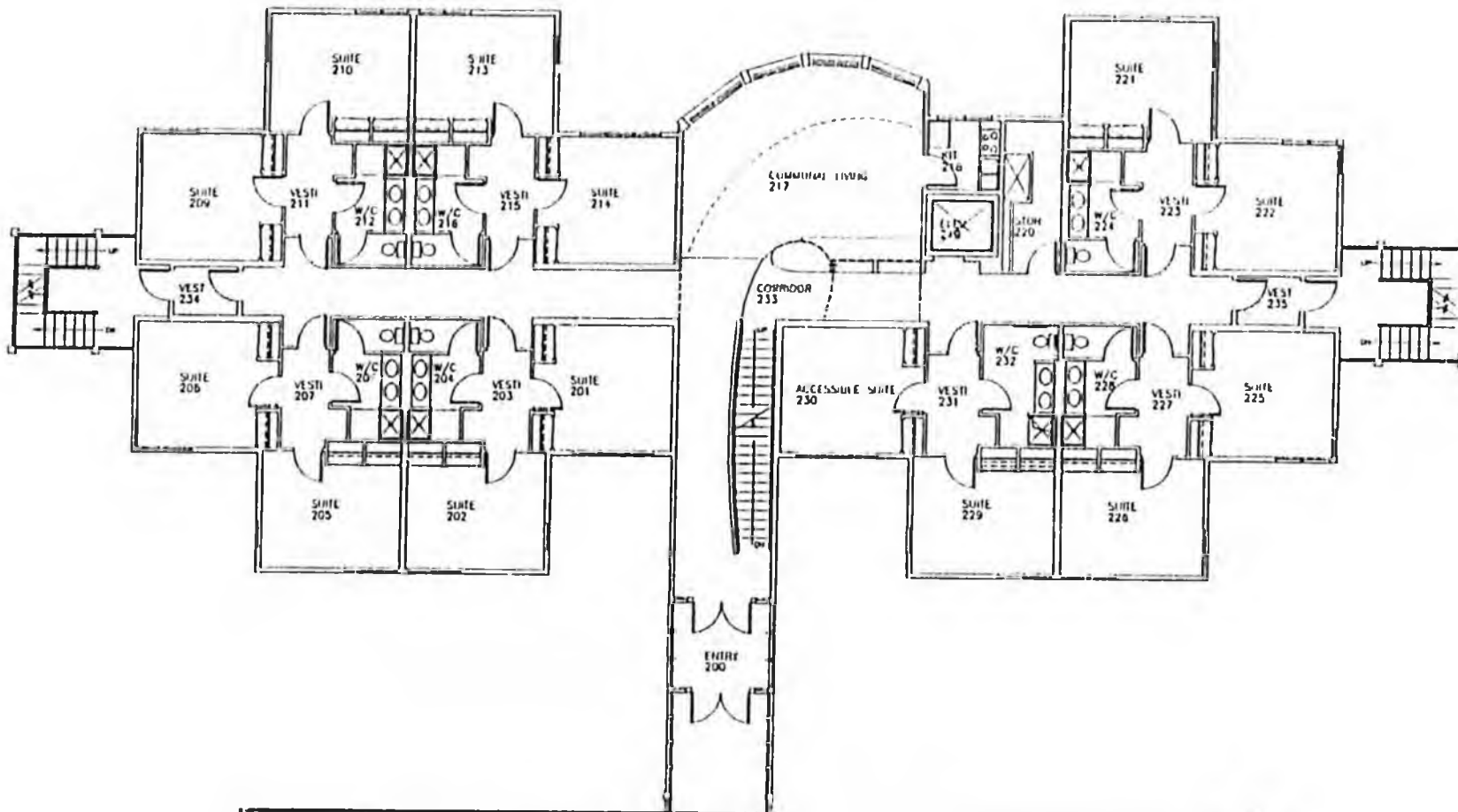


PROPOSED FACILITIES
LONG RANGE DEVELOPMENT SITES



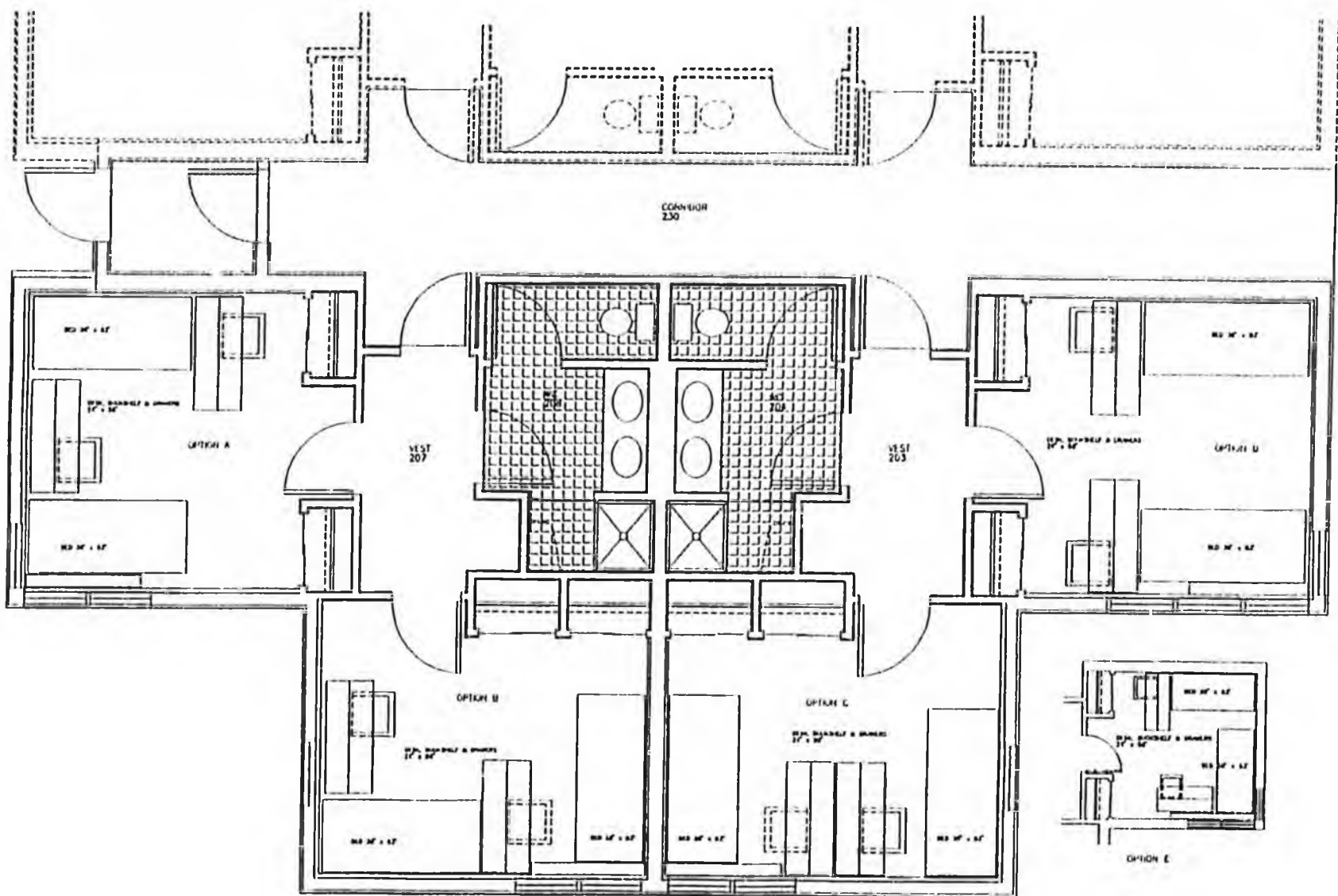



 UNIVERSITY OF ALASKA, SOUTHEAST
 STUDENT RESIDENCE HALL



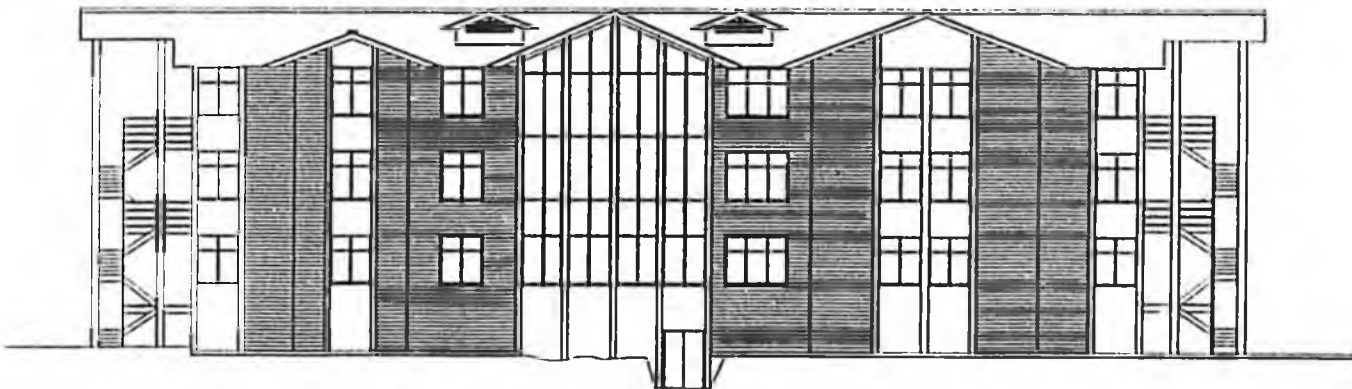
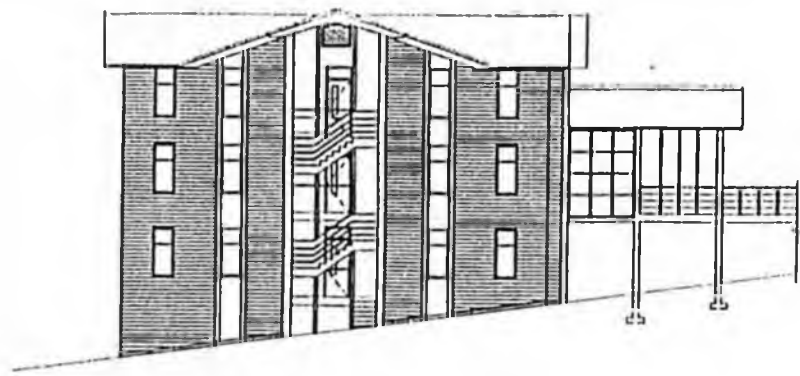
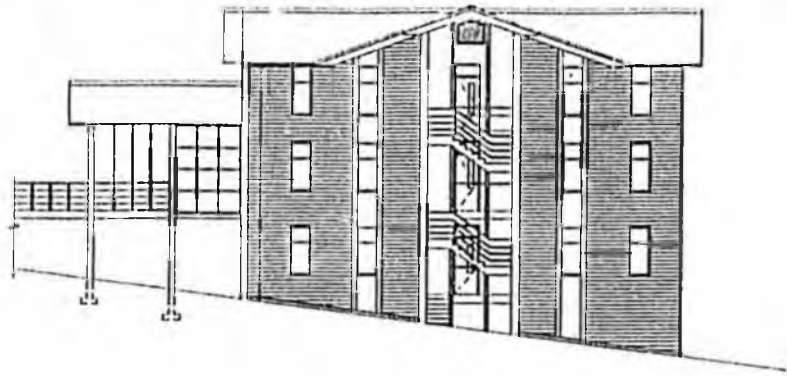
UNIVERSITY OF ALASKA, SOUTHEAST
 STUDENT RESIDENCE HALL

2nd floor



UNIVERSITY OF ALASKA, SOUTHEAST
STUDENT RESIDENCE HALL

Typical
Suite Plan



UNIVERSITY OF ALASKA, SOUTHEAST
STUDENT RESIDENCE HALL

Elevations

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB309

Revision Date:
Title: U OF A - BORROW MONEY FROM AHFC FOR ACQUISITION
OF STUDENT HOUSING FACILITIES
Sponsor: REPRESENTATIVE MARTIN
Requestor:

Department Affected: University of Alaska
BRU: ANCHORAGE, JUNEAU AND
Component: KETCHIKAN CAMPUSES

COMPONENT SERIAL NO. 753,762,765

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY96 | FY97 | FY98 | FY99 | FY00 | FY01 |
|-------------------|-------|---------|---------|---------|---------|---------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | 970.2 | 1,689.1 | 8,483.6 | 8,728.7 | 8,981.5 | 9,239.7 |
| TOTAL OPERATING | 970.2 | 1,689.1 | 8,483.6 | 8,728.7 | 8,981.5 | 9,239.7 |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|-------------------|--|--|--|--|--|--|
| REVENUE FD SOURCE | | | | | | |
|-------------------|--|--|--|--|--|--|

| FUNDING: (Thousands of Dollars) | | | | | | |
|---------------------------------|-------|---------|---------|---------|---------|---------|
| 1002 FEDERAL FUNDS | | | | | | |
| 1003 GF MATCH | | | | | | |
| 1004 GENERAL FUND | | | | | | |
| 1006 GF/MHTIA | | | | | | |
| OTHER | 970.2 | 1,689.1 | 8,483.6 | 8,728.7 | 8,981.5 | 9,239.7 |
| TOTAL FUNDING | 970.2 | 1,689.1 | 8,483.6 | 8,728.7 | 8,981.5 | 9,239.7 |

| POSITIONS: | | | | | | |
|------------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED

Prepared by: Wendy Matheny, Budget Analyst

Phone: 463-3086

Division: Statewide Budget Office

Date: 4/21/95

Approved by:  Marylou Burton, Director

Agency: Statewide Budget Office

Date: 4/21/95

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

UAA Student Housing Alternatives

Alternative: 2
 Total Project: \$30,000,000
 Legislative funding: \$0
 Private gifts: \$1,200,000
 AHFC loan amount: \$28,800,000
 AHFC loan interest: 3.00%
 APU housing HQ included?: No

| Fiscal year | Total housing revenues | Total housing expenses | Available for AHFC payment | AHFC interest payment | AHFC principal payment | AHFC loan balance | Templewood bonds outstanding | Total UAA housing debt outstanding |
|-------------|------------------------|------------------------|----------------------------|-----------------------|------------------------|-------------------|------------------------------|------------------------------------|
| 1996 | | | | \$0 | | \$6,000,000 | \$1,382,559 | \$7,382,559 |
| 1997 | | | | \$180,000 | | \$28,980,000 | \$1,270,587 | \$30,250,587 |
| 1998 | \$6,899,472 | \$5,359,783 | \$1,539,689 | \$869,400 | \$670,289 | \$28,309,711 | \$1,173,281 | \$29,482,992 |
| 1999 | \$7,109,426 | \$5,848,750 | \$1,462,677 | \$849,291 | \$613,385 | \$27,696,326 | \$1,070,331 | \$28,766,657 |
| 2000 | \$7,326,155 | \$5,942,273 | \$1,383,882 | \$830,890 | \$552,992 | \$27,143,334 | \$961,410 | \$28,104,744 |
| 2001 | \$7,547,368 | \$6,248,579 | \$1,300,787 | \$814,300 | \$486,487 | \$26,656,846 | \$848,172 | \$27,503,019 |
| 2002 | \$7,775,211 | \$6,559,898 | \$1,215,313 | \$799,705 | \$415,608 | \$26,241,238 | \$724,250 | \$26,965,489 |
| 2003 | \$8,009,889 | \$6,784,932 | \$1,244,957 | \$787,237 | \$457,720 | \$25,783,518 | \$595,257 | \$26,378,775 |
| 2004 | \$8,251,605 | \$6,975,928 | \$1,275,679 | \$773,506 | \$502,174 | \$25,281,345 | \$458,782 | \$25,740,128 |
| 2005 | \$8,500,569 | \$7,193,033 | \$1,307,536 | \$758,440 | \$549,096 | \$24,732,249 | \$314,391 | \$25,048,640 |
| 2006 | \$8,756,998 | \$7,416,426 | \$1,340,572 | \$741,987 | \$598,605 | \$24,133,644 | \$181,826 | \$24,295,269 |
| 2007 | \$9,021,116 | \$7,646,285 | \$1,374,832 | \$724,009 | \$650,822 | \$23,482,821 | \$0 | \$23,482,821 |
| 2008 | \$9,293,153 | \$7,882,792 | \$1,410,361 | \$704,485 | \$705,876 | \$22,776,945 | | \$22,776,945 |
| 2009 | \$9,573,346 | \$7,955,139 | \$1,618,207 | \$683,308 | \$934,899 | \$21,842,046 | | \$21,842,046 |
| 2010 | \$9,861,940 | \$8,205,519 | \$1,656,421 | \$655,261 | \$1,001,160 | \$20,840,886 | | \$20,840,886 |
| 2011 | \$10,159,185 | \$8,463,133 | \$1,698,053 | \$625,227 | \$1,070,828 | \$19,770,060 | | \$19,770,060 |
| 2012 | \$10,465,342 | \$8,728,186 | \$1,737,156 | \$593,102 | \$1,144,054 | \$18,626,006 | | \$18,626,006 |
| 2013 | \$10,780,676 | \$9,000,891 | \$1,779,785 | \$558,780 | \$1,221,005 | \$17,405,002 | | \$17,405,002 |
| 2014 | \$11,105,462 | \$9,281,466 | \$1,823,997 | \$522,150 | \$1,301,847 | \$16,103,155 | | \$16,103,155 |
| 2015 | \$11,439,985 | \$9,570,134 | \$1,869,851 | \$483,095 | \$1,386,756 | \$14,716,399 | | \$14,716,399 |
| 2016 | \$11,784,534 | \$9,867,128 | \$1,917,407 | \$441,482 | \$1,475,915 | \$13,240,484 | | \$13,240,484 |
| 2017 | \$12,139,411 | \$10,172,683 | \$1,966,728 | \$397,215 | \$1,569,514 | \$11,670,970 | | \$11,670,970 |
| 2018 | \$12,504,925 | \$10,487,045 | \$2,017,880 | \$350,129 | \$1,667,751 | \$10,003,220 | | \$10,003,220 |
| 2019 | \$12,881,393 | \$10,810,484 | \$2,070,929 | \$300,087 | \$1,770,833 | \$8,232,387 | | \$8,232,387 |
| 2020 | \$13,269,145 | \$11,143,200 | \$2,125,946 | \$248,972 | \$1,878,974 | \$6,353,413 | | \$6,353,413 |
| 2021 | \$13,668,518 | \$11,485,517 | \$2,183,001 | \$190,602 | \$1,992,399 | \$4,361,014 | | \$4,361,014 |
| 2022 | \$14,079,860 | \$11,837,690 | \$2,242,171 | \$130,830 | \$2,111,340 | \$2,249,673 | | \$2,249,673 |
| 2023 | \$14,503,530 | \$12,200,000 | \$2,303,531 | \$87,490 | \$2,236,040 | \$13,633 | | \$13,633 |
| 2024 | \$14,939,898 | \$12,572,736 | \$2,367,161 | \$409 | \$13,633 | \$0 | | \$0 |

3/27/95



Alaska State Legislature

House of Representatives
COMMITTEE ON HEALTH, EDUCATION
AND SOCIAL SERVICES

PLEASE! FILL
IN ALL REQUESTED
INFORMATION!

SUBJECT OF MEETING:

HB 309: Approve U of A
debt for student
housing.

DATE: APRIL 20

PLACE: Capitol Room 106

| NAME | REPRESENTING | BUSINESS/PERSONAL MAILING ADDRESS | ZIP | (H) PHONE | (W) PHONE | DO YOU WANT TO TESTIFY? | WHAT SUBJECT/ WHICH BILL? |
|----------------------|-----------------|---|-------|-----------|-----------|-------------------------|---------------------------|
| Marshall Lind | UAS | 11120 Glacier Hwy Juneau | 99801 | | | (Y) N | |
| Bruce Gifford | UAS | 11120 Glacier Hwy | 99801 | | | Y (N) | |
| Dan Fausch/Bill Howe | AHFC/Revised | Anchorage AK | | | | (Y) N | |
| Wendy Redman | AHFC | Uog A | | | | (Y) N | |
| Jack Dalton | UAA | Anchorage, AK | 99508 | | 786-1207 | (X) (N) | |
| Heath Hilgord | ASURF | ASURF c/o Wood Center UAF - Fairbanks AK | 99775 | | 474-6036 | (Y) N | |
| | | | | | | Y N | |
| | AHFC | | | | | Y N | |
| | | | | | | Y N | |
| | | | | | | Y N | |
| | | | | | | Y N | |

HB

318

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 21, 1995

FURTHER REFERRALS:

Judiciary

Date of Committee Action: 3/7/96

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 318

HOUSE BILL NO. 318

MENTAL HEALTH TREATMENT DECLARATIONS

"An Act relating to advance directives for mental health treatment."

recommends it be replaced the same title
 with the following committee substitute _____ a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) H+SS

zero fiscal note(s) _____

| SIGNING WITH RECOMMENDATIONS | DP | DNP | NR | AM |
|------------------------------|-------------------------------------|-----|-------------------------------------|----|
| <i>[Signature]</i> | | | <input checked="" type="checkbox"/> | |
| <i>[Signature]</i> | <input checked="" type="checkbox"/> | | | |
| <i>[Signature]</i> | <input checked="" type="checkbox"/> | | | |
| <i>[Signature]</i> | <input checked="" type="checkbox"/> | | | |
| <i>[Signature]</i> | <input checked="" type="checkbox"/> | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

CHAIR'S SIGNATURE

[Signature]

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 318

Revision Date: _____
 Title: An Act relating to advance directives
 for mental health treatment.
 Sponsor: Toohy, B. Davis
 Requestor: House HESS

Dept. Affected: Health and Social Services
 BRU: MH/DD Services
 Component: Gen Community Mental Hlth Grants
 COMPONENT SERIAL NO. 307
 Sec also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

| OPERATING | FY97 | FY98 | FY99 | FY00 | FY01 | FY02 |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|----------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------|--|--|--|--|--|--|
| CHANGES IN REVENUES () | | | | | | |
|-------------------------|--|--|--|--|--|--|

FUND SOURCE

(Thousands of Dollars)

| | | | | | | |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (please specify) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

Estimate of any current year (FY96) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Leonard Abel, Ph.D.
 Division: MH&DD

Phone: 465-3370
 Date: 03/06/96

Approved by Commissioner: 
 Agency: Department of Health & Social Services

Date: 3/6/96

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Official Business

Alaska State Legislature

HOUSE OF REPRESENTATIVES

REPRESENTATIVE CYNTHIA TOOHEY

State Capitol
Juneau, AK 99801-1182

DISTRICT 13

SPONSOR STATEMENT

HOUSE BILL 318

"An Act relating to advance directives for mental health treatment"

House Bill 318 allows a person to make advance directives regarding his or her mental health treatment in the event that the person's condition makes him or her unable to make treatment decisions. The advance directives would address the use of psychotropic medications, electroconvulsive therapy, and length of short-term admission to a treatment facility.

The declaration containing the advance directives would be made when an individual was of sound mind. That individual could appoint an attorney-in-fact to act on his or her behalf if the individual became incapable. For an attorney-in-fact to act, the individual would need to be considered incapable by a court, by two physicians that include a psychiatrist, or by a physician and a professional mental health clinician. The declaration would become effective only when the individual was determined to be incapable.

The declaration would be effective for three years unless the individual became incapable. In that case, the declaration would remain in effect until the individual was no longer incapable. If an individual is capable, a declaration may be revoked in whole or in part at any time.

The declaration provides the individual the opportunity to make his or her wishes known on the treatments that have worked in the past and that he or she desires in the future as well as treatments that have not worked in the past, or that he or she does not desire in the future. Most importantly, it provides for a substitute decision maker with whom the doctors would consult should the declaration not be specific enough or the doctors are recommending a treatment not specified.

This legislation is based on a similar law in Oregon. They have found that individuals who had fought hospitalization and medication in the past, now were more willing to go to the hospital because they felt their decisions would be heeded.

Among the supporters of House Bill 318 are Charter North, Alaska State Hospital and Nursing Home Association, Southcentral Counseling Center, the Mental Health Association in Alaska, the Mental Health Consumers of Alaska, and the Department of Health and Social Services. Your support would be appreciated.

INTERIM ADDRESS: 716 West 4th Avenue, Suite 330, Anchorage, 99501-2133

SPONSOR STATEMENT

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

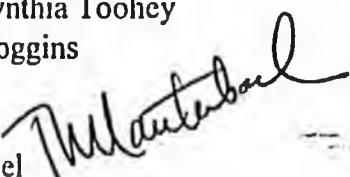
MEMORANDUM

February 6, 1996

FEB 6 1996

SUBJECT: Sectional Summary of HB 318. (An Act relating to advance directives for mental health treatment)

TO: Representative Cynthia Toohey
Attn: Marveen Coggins

FROM: Terri Lauterbach 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Enacts a new article in AS 47.30 under which a person, while still competent, may execute a declaration as to the person's preferences for mental health treatment if the person becomes mentally incompetent. The person may also appoint an attorney-in-fact to make mental health decisions for the person if the person becomes incapable of those decisions. The attorney-in-fact must try to implement the declaration if it states the person's preference for mental health treatment. The declaration is not good for longer than three years, except that if the declarant becomes incompetent during those three years, the declaration stays in effect until the declarant again becomes competent to make decisions.

Section 2. This section adds language to the statutory form for a general power of attorney so that the relationship between a general power of attorney and the power of attorney given under sec. 1 is clear.

Section 3. This section makes the same type of clarification as in sec. 2. It also clarifies that an attorney-in-fact may consent to forms of treatment otherwise not allowed if the attorney-in-fact was appointed under sec. 1 and the declarant under sec. 1 expressed a wish to have those forms of treatment.

Section 4. This section allows a person with a power of attorney that includes decisions relating to mental health treatment for a particular person to be part of the group that helps

Representative Cynthia Toohey

February 6, 1996

Page 2

formulate an individualized treatment plan for that person when the person is a patient in a mental health treatment facility.

Section 5. This section allows an attorney-in-fact to authorize electroconvulsive therapy or aversive conditioning for a person who has authorized the attorney-in-fact to make that choice for the person.

Section 6. This section allows an attorney-in-fact to authorize the use of psychotropic medication for a person who has authorized the attorney-in-fact to make that choice for the person.

Section 7. Technical amendment related to the next section.

Section 8. This section is like sec. 6, but applies in a slightly different statutory context.

TML:klb

96-067.klb



Charter North
Behavioral Health System

2530 DeBarr Road
Anchorage, Alaska 99508
(907) 258-7575 • Fax (907) 277-7844

February 10, 1996

FEB 15 1996

Representative Cynthia Toohey
State Capitol, Room 104
Juneau, Alaska 99801-1182

Dear Representative Toohey:

I am writing in response to your letter regarding House Bill 318. I have reviewed the bill and am in support of the proposed legislation regarding advance directives for mental health treatment.

Please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen M. Cronen".

Kathleen M. Cronen
Chief Executive Officer

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

March 5, 1996

Representative Cynthia Toohey
State Capitol Building
Juneau, Ak 99801-1182

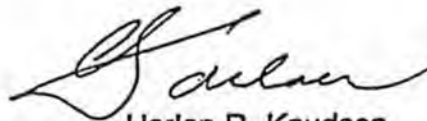
Re: HB 318, Advanced directives for
Mental Health

Dear Representative Toohey:

ASHNHA, representing community hospital and nursing homes from across the state endorses and supports HB 318, advanced directives for mental health treatment.

We support consumer decisions concerning appropriate treatment choices which would carry over when an individual has suffered a decompensation and is no longer of a sound mind. Advanced directives would provide opportunity for communication concerning treatment choices and increase personal responsibility among mentally ill individuals.

Sincerely,



Harlan R. Knudson
President/CEO



Southcentral

COUNSELING CENTER

4020 Folker Street · Anchorage, Alaska 99508

(907) 563-1000
FAX 563-2045

DEC 4 1995

November 29, 1995

Representative Cynthia Toohey
Room 104
State Capitol
Juneau, Ak 99801-1182

Dear Representative Toohey:

This letter is in support of House Bill 318, Declaration for Mental Health Treatment. Mental Health Consumers of Alaska used declaration models from other states to work towards developing legislation that would allow Alaskans to establish a document stipulating the consumer's mental health treatment preferences, much like a living will. The consumer would have this document prepared in the event they are declared mentally incompetent.

The management and staff at Anchorage Community Mental Health Services, Inc., support House Bill 318, and feel that the declaration process would help to empower the consumer. The ACMHS Board of Directors adopted a recommendation in support of the Declaration for Mental Health Treatment at their October 20, 1994, Board meeting.

The Board, management, and staff of Anchorage Community Mental Health Services appreciated your introduction of House Bill 318, and the mental health community applauds your continued support of this bill.

Sincerely,

Ken Taylor
Executive Director

cc: Dorothy Peavey
Mental Health Consumers of Alaska





Working for
Alaska's
Mental
Health

NOV. 27 1995

DEC 1 1995

Mental Health Association in Alaska

4050 Lake Otis Parkway, Suite 202 • Anchorage, Alaska 99508-5221 • (907) 563-0880 • Fax (907) 563-0881

November 24, 1995

Dorothy Peavey, M.S.W.
Executive Director
Mental Health Consumers of Alaska
101 East 9th Avenue, Suite 3-A
Anchorage, Alaska 99501

Re: "An Act Relating to Advance Directives for Mental Health Treatment"
House Bill 318 - Senate Bill 159

Dear Ms. Peavey:

The governing Board of Directors supports the legislation the Mental Health Consumers of Alaska has brought to the attention of Alaskan lawmakers, i.e. House Bill 318 and Senate Bill 159. It is our strong belief that this method of self-advocacy and self-empowerment process in allowing consumers of mental health treatment services the right to pre-plan and direct their caregivers is a matter of basic human rights.

We compliment you personally on the hard work you have invested in this issue. We will stand by you and the Mental Health Consumers of Alaska in assuring this legislation is brought to the attention of the public and those for whom we advocate. Please do not hesitate in listing the Mental Health Association in Alaska as a strong supporter of the Advanced Directives for Mental Health Treatment.

Sincerely;

Janet McGillivray, M.Ed.
CEO/President

Serving Alaska Since 1953

Home of D/ART. Depression/Awareness-Recognition-Treatment Program

FEB 06 1996^{me}

AD

Box 1107

Palmer, Alaska 99645

24 Jan 96

Dear Rep. Toohay,

I am writing in regard to HB 318.

I would like to see HB 318 passed.

This would give me some control over periods of illness when I may not be capable of decision making at the time.

I appreciate your efforts on our behalf.

Sincerely
Mary P. Piccolo

me
FEB 06 1996

Dear Rep Dooney

I am Bi-polar, and very much
in support of HB 318. I've come
along way with the help of mental
health services. My goal is to
remain out of hospitals, but with
this bill, I could make the
choices ahead of time. Getting
out as soon as possible is
very important with a one year
old and a single parent.
She needs me, I need to make
the choices HB 318 will offer.

Thank You

Jaymie Murphy

Jaymie Murphy
2181 Chickaloon
Wasilla AK 99654
907-376-4019

HB

339

HOUSE COMMITTEE REPORT

(9)
 Date Referred: May 8, 1995 FURTHER REFERRALS: State Affairs
Judiciary

Date of Committee Action: 2/15/96

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered: HB 339

HOUSE BILL NO. 339 TERMINATE PARENTAL RIGHTS OF PRISONERS

"An Act relating to the termination of parental rights of incarcerated parents."

recommends it be replaced with the following committee substitute CS HB 339 (HES) the same title
 a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) H+SS zero fiscal note(s) _____

| SIGNING WITH RECOMMENDATIONS | DP | DNP | NR | AM |
|------------------------------|----|-----|----|----|
| <i>[Signature]</i> | ✓ | | ✓ | |
| <i>[Signature]</i> | ✓ | | | |
| <i>[Signature]</i> | | | ✓ | |
| <i>[Signature]</i> | ✓ | | | |
| <i>[Signature]</i> | ✓ | | | |
| <i>[Signature]</i> | | | ✓ | |
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| | | | | |

CHAIR'S SIGNATURE *[Signature]*

9-LS1124VF

Lauterbach

2/13/96

CS FOR HOUSE BILL NO. 339()

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES ROKEBERG, Mulder, Robinson

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to children-in-need-of-aid proceedings, including proceedings to
2 terminate parental rights of incarcerated parents; and providing for an effective
3 date."

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

5 * Section 1. PURPOSE. (a) The purpose of sec. 2 of this Act is to clarify statutes to
6 expressly recognize the Department of Health and Social Service's long-standing interpretation
7 of AS 47.10.010(a)(2)(A) that a parent cannot effectively care for a child unless the parent is
8 both willing and able to care for that child. Section 2 of this Act is expressly intended to
9 overrule the decision by the Alaska Supreme Court in In re S.A. and D.A. (Op. No. 4314,
10 January 26, 1996).

11 (b) The purpose of sec. 3 of this Act is to respond to the Alaska Supreme Court's
12 invitation in A.M. v. State of Alaska, 891 P.2d 815 (Alaska 1995) and Nada A. v. State of
13 Alaska, 660 P.2d 436 (Alaska 1983) to create a statutory basis for making incarceration a factor
14 that can be considered in termination proceedings concerning children in need of aid.

1 * Sec. 2. AS 47.10.010(a) is amended to read:

2 (a) Proceedings relating to a minor under 18 years of age residing or found in
3 the state are governed by this chapter, except as otherwise provided in this chapter, when
4 the court finds the minor

5 (1) to be a delinquent minor as a result of violating a criminal law of the
6 state or a municipality of the state; or

7 (2) to be a child in need of aid as a result of

8 (A) the child being habitually absent from home or refusing to
9 accept available care, or having no parent, guardian, custodian, or relative
10 [CARING OR] willing and able to provide care, including physical abandonment
11 by

12 (i) both parents,

13 (ii) the surviving parent, or

14 (iii) one parent if the other parent's rights and
15 responsibilities have been terminated under AS 25.23.180(c) or
16 AS 47.10.080 or voluntarily relinquished;

17 (B) the child being in need of medical treatment to cure, alleviate,
18 or prevent substantial physical harm, or in need of treatment for mental harm as
19 evidenced by failure to thrive, severe anxiety, depression, withdrawal, or
20 untoward aggressive behavior or hostility toward others, and the child's parent,
21 guardian, or custodian has knowingly failed to provide the treatment;

22 (C) the child having suffered substantial physical harm or if there
23 is an imminent and substantial risk that the child will suffer such harm as a result
24 of the actions done by or conditions created by the child's parent, guardian, or
25 custodian or the failure of the parent, guardian, or custodian adequately to
26 supervise the child;

27 (D) the child having been, or being in imminent and substantial
28 danger of being, sexually abused either by the child's parent, guardian, or
29 custodian, or as a result of conditions created by the child's parent, guardian, or
30 custodian, or by the failure of the parent, guardian, or custodian adequately to
31 supervise the child;

32 (E) the child committing delinquent acts as a result of pressure,

1 guidance, or approval from the child's parents, guardian, or custodian;

2 (F) the child having suffered substantial physical abuse or neglect
3 as a result of conditions created by the child's parent, guardian, or custodian.

4 * Sec. 3. AS 47.10.080(c) is amended to read:

5 (c) If the court finds that the minor is a child in need of aid, it shall

6 (1) order the minor committed to the department for placement in an
7 appropriate setting for a period of time not to exceed two years or in any event past the
8 date the minor becomes 19 years of age, except that the department may petition for and
9 the court may grant in a hearing (A) two-year extensions of commitment that do not
10 extend beyond the minor's 19th birthday if the extension is in the best interests of the
11 minor and the public; and (B) an additional one-year period of supervision past age 19
12 if the continued supervision is in the best interests of the person and the person consents
13 to it; the department may transfer the minor, in the minor's best interests, from one
14 placement setting to another, and the minor, the minor's parents or guardian, and the
15 minor's attorney are entitled to reasonable notice of the transfer;

16 (2) order the minor released to the minor's parents, guardian, or some
17 other suitable person, and, in appropriate cases, order the parents, guardian, or other
18 person to provide medical or other care and treatment; if the court releases the minor,
19 it shall direct the department to supervise the care and treatment given to the minor, but
20 the court may dispense with the department's supervision if the court finds that the adult
21 to whom the minor is released will adequately care for the minor without supervision;
22 the department's supervision may not exceed two years or in any event extend past the
23 date the minor reaches age 19, except that the department may petition for and the court
24 may grant in a hearing

25 (A) two-year extensions of supervision that do not extend beyond
26 the minor's 19th birthday if the extension is in the best interests of the minor and
27 the public; and

28 (B) an additional one-year period of supervision past age 19 if the
29 continued supervision is in the best interests of the person and the person
30 consents to it; or

31 (3) by order, upon a showing in the adjudication by clear and convincing
32 evidence that there is a child in need of aid under AS 47.10.010(a)(2) as a result of

1 parental conduct or incarceration, and upon a showing in the disposition by clear and
2 convincing evidence that the parental conduct or the period of incarceration is likely
3 to continue to exist sufficiently long to seriously damage the parent and child
4 relationship or to cause serious emotional or physical harm to the child if there is
5 no termination of parental rights, terminate parental rights and responsibilities of one or
6 both parents and commit the child to the department or to a legally appointed guardian
7 of the person of the child, and the department or guardian shall report annually to the
8 court on efforts being made to find a permanent placement for the child.

9 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

February 13, 1996

TONY KNOWLES, GOVERNOR

PLEASE REPLY TO:

1031 WEST 4TH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501-1904
PHONE: (907) 269-5100
FAX: (907) 276-3697

KEY BANK BUILDING
100 CUSHMAN ST., SUITE 400
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PHONE: (907) 451-2811
FAX: (907) 451-2846

P.O. BOX 110300-DIMOND COURTHOUSE
JUNEAU, ALASKA 99911-0300
PHONE: (907) 465-3600
FAX: (907) 465-6735

(FAX) 465-2539

Honorable Norman Rokeberg
Alaska State Legislature
State Capitol-Room 110
Juneau, AK 99801

Re: HB 339

Dear Representative Rokeberg:

Per your request, the following is my sectional analysis of the current draft CS for HB 339.

Section 1. Subsections (a) and (b) are included in HB 339 to make clear that this bill is enacted in order to change the rulings of two recent Alaska Supreme Court cases. In both cases, the supreme court gave a literal interpretation of the statutes in question. As discussed in sections 2 and 3, these interpretations frustrate the state's mission to protect children and to place children in permanent homes when remaining with their parents is not possible.

By making clear that it is the intent of the legislature to change these rulings by amending the statutes, the legislature will help avoid later litigation concerning legislative intent. Although this purpose section will not be a part of the codified laws, it will be printed in Volume 14 of the Alaska Statutes, which contains temporary and special acts of the legislature. In addition, the editorial notes at the end of the amended statute will state the session law in which this purpose language can be found. Therefore, courts will be able to easily discover the legislative intent of this bill.

Section 2. This section amends AS 47.10.010(a)(2)(A) to change the ruling in In re S.A. and D.A., (Op. no. 4314, January 26, 1996). In that case, the supreme court held that the phrase "having no parent, guardian, custodian, or relative caring or willing to provide care" in AS 47.10.010(a)(2)(A) meant that even if the parent was not able to care for the child, the state could not seek custody under subsection (A) as long as a parent professed a willingness to provide care. In so holding, the supreme court expressly reversed its previous holdings in other cases, which had interpreted subsection (A) in a way that reads meaning into it, i.e., that if there were no parent, relative, etc., able to care for the child, the state could assume custody of

that child even if the parent expressed a desire to care for the child. It should be noted that the phrase "care or caring" is defined in AS 47.10.990(1) as meaning "to provide for the physical, emotional, mental, and social needs of the child."

By interpreting this phrase of subsection (A) literally, the S.A. case affects many cases, since a great majority of child custody proceedings fall under this phrase of AS 47.10.010(a)(2)(A). Why this phrase is necessary in the overall statutory scheme of AS 47.10.010 is best described by Justice Eastaugh's dissent on pages 20-22 of the S.A. case, which is attached to this letter for easy reference.

To cure this problem, section 2 makes the phrase conjunctive, rather than disjunctive, so that the parent cannot defeat jurisdiction by being willing but not able to care for the child. Section 2 also changes the wording slightly to make clear that the state can obtain custody if the parent is not able to care. Otherwise, under the supreme court's strict interpretation of the statute, a parent could defeat jurisdiction by caring for a child, but in a way that is extremely deficient and harmful to the child. The phrase "willing and able to provide care" makes it more clear that a parent's inability to provide care is the key to state involvement.

Section 1. Section 3 provides substitute language for the original HB 339 and is meant to cure some of the problems discussed when this bill was first before the House HESS committee. By way of background, this section addresses the problems discussed in A.M. v. State, 891 P.2d 815 (Alaska 1995) and Nada A. v. State, 660 P.2d 436 (Alaska 1983). In those cases, the supreme court noted that AS 47.10.080(c)(3) allows termination of parental rights only in those cases in which it can be proven that the child is in need of aid "as a result of parental conduct." It then held that incarceration is not conduct, because incarceration is an involuntary act. Therefore, although a child can be placed in foster care under AS 47.10.010(a)(2)(A) (because incarceration is a form of abandonment), the state cannot terminate parental rights of that parent when the period of incarceration is lengthy because incarceration is not conduct. In both cases the Alaska Supreme Court invited the legislature to amend the statute to change this result.

This section does just that: it allows termination if the child is a child in need of aid "as a result of parental conduct or incarceration." This is an improvement over the original bill because by changing AS 47.10.080(c)(3) directly, it eliminates any argument that incarceration is not conduct. Now either inadequate parental conduct or incarceration satisfies one of the prerequisites to terminating parental rights.

Clearly, a short period of incarceration should not result in a person's parental rights being terminated. The question is what period of incarceration would justify terminating parental rights? This would depend on the circumstances of the individual case. In order to offer some guidance for the courts to determine which cases should result in termination, this section focuses on the effect the incarceration has on the child.

Under this amendment, the state must prove that "the parental conduct or the period of incarceration is likely to continue to exist sufficiently long to seriously damage the parent and child relationship or to cause serious emotional or physical harm to the child if there is no termination of parental rights." Applying the first part of this standard, the court would not terminate the parental rights of an incarcerated parent who has a well-developed relationship with an older child. Conversely, the court could terminate parental rights for the same period of incarceration when the child is too young to have developed much of a relationship before the incarceration began, and the period of incarceration would seriously damage that tenuous relationship.

Alternatively, even if the parent-child relationship remains intact, the court could terminate parental rights if the conduct or incarceration continues to the point that "serious emotional or physical harm" would result if parental rights were not terminated. Assuming the child is in a safe foster home, it is hard to imagine serious physical harm occurring if parental rights were not terminated, unless, for example, the child engages in self-destructive conduct because of the trauma of having no permanent home.

With respect to serious emotional harm there is wide support for the likelihood that a child in perpetual "foster care drift" will suffer extreme emotional harm. For example, if a child fails to form an emotional bond with a parent figure because it is shifted from one temporary placement to another, personality disorders often result. A less dramatic example is that the child often feels unloved and unwanted and tends to think something is wrong with him or her if there is no permanent parental figure. Or the child refuses to accept the authority of the foster parent because he or she is not a "real" parent, which could have emotionally harmful consequences.

It should be noted that by modifying the phrase "likely to continue to exist," this new standard would apply to all termination cases, not just cases involving an incarcerated parent. This should help the court in all cases. For example, assume that the state may be able to prove that a parent is unable to care for a child because of chronic alcoholism, but statistics or an expert witness for the parent shows that the parent will eventually maintain sobriety. This modification makes clear that even though the insobriety may not continue forever, parental rights should be

Honorable Norman Rokeberg
Alaska State Legislature

February 13, 1996
Page 4

terminated if the insobriety continues through enough of the child's minority to cause serious damage to the parent-child relationship or serious emotional or physical harm to the child.

Another change from the original bill is that there is no provision in this section that allows the incarcerated parent to prevent termination of parental rights if adequate provisions for the child's care were made prior to the incarceration. This provision was not included in this section because it is unnecessary. The state would never get custody of the child in the first place if there were another "parent, guardian, custodian, or relative" willing and able to care for the child. See AS 47.10.010(a)(2)(A). It is only in those situations in which there is no other parent, relative or non-relative guardian to care for a child that the state can place the child in foster care and then, if the facts so warrant, seek termination of the incarcerated parent's parental rights.

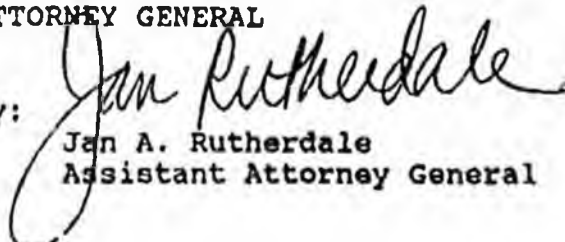
Section 4. Because of the urgent need for this bill, especially section 2 of the bill, this bill provides for an immediate effective date.

I hope this analysis explains the bill to your satisfaction. Please call me if you need additional assistance on this matter.

Sincerely yours,

BRUCE M. BOTELHO
ATTORNEY GENERAL

By:


Jan A. Rutherford
Assistant Attorney General

JAR:pau

Enclosure

cc: Elmer Lindstrom, Special Assistant
Department of Health & Social Services

Kathy Tibbles, Social Services Program Officer
Department of Health & Social Services

Excerpt from Justice Eastaugh's dissent in
In re S.A. and D.A (Op. No. 4314, January 26, 1996).

(B) through (F). Second, it asserts that unlike subsection (A), subsections (B) through (F) set "clear, specific standards for adjudicating a child CINA based on a parent's inability to care." Third, it argues that considering ability to care under subsection (A) "would make subsections (B) through (F) virtually superfluous." Opinion at 11-12.

In my view, these grounds are unconvincing. Both as a matter of statutory construction and common sense, ability to care is and must be relevant to an inquiry under subsection (A).

Alaska Statute 47.10.010(a)(2) contains six subsections which state alternative grounds for finding a child in need of aid. The grounds and subsections are independent, but are not necessarily discrete because more than one ground may apply in a given case.

It is first essential to recognize the evil at which subsection (A) is aimed. Subsection (A) is directed at two basic problems: (1) conduct of the child which deprives the child of available care ("the child being habitually absent from home," i.e., running away, or "refusing to accept available care"); and (2) want of a person (parent, or guardian, custodian, or relative) to provide care to the child ("the child . . . having no parent . . . caring or willing to provide care"). Subsection (A) focuses on the two situations in which the child is deprived of care, the first when the child's acts or omissions prevent delivery of care, and the second when there is no one to deliver care. Subsection (A) thus addresses two different sources of a single fundamental

evil: a failure of care for the child. If the child does not receive the necessary care, there has been a failure of care.

Comparison of subsection (A) with subsections (B) through (F) confirms the legislative scheme. Although those other subsections address what might initially seem to be relatively more specific and harmful hazards, the legislature put subsection (A) on an equal footing with the other subsections as a basis for adjudicating a child in need of aid. We must assume that the legislature considered hazards posed by a failure of care to be equivalent to those addressed in subsections (B) through (F). It is not for us to make explicit or implicit value judgments about whether a child deprived of care is entitled to less protection than one placed in imminent danger. The child deprived of care may ultimately suffer as much as the child who is a victim of more violent but less insidious conditions, and the arrangement of AS 47.10.010(a)(2) suggests that the legislature recognized this.

Subsection (A) does not require that the child be in grave danger. Indeed, under some circumstances a runaway child might fare better outside the home than in it. The subsection specifies physical abandonment as an example of a deprivation of care sufficient to invoke the subsection, but does not require conduct that dramatic for CINA jurisdiction to be appropriate. The physical abandonment example does suggest, however, that the legislature was concerned about relatively serious failures of care, in which the ostensible caregiver has functionally, if not physically, abandoned the child.

Subsection (A) thus contemplates two alternative grounds for finding the child to be in need of aid, one attributable to the child who runs away or refuses care, and the other attributable to persons who should or could care for the child. Common to both grounds is the notion that there will be a fundamental deprivation of care. This notion is important. Notwithstanding past failures, CINA status under subsection (A) is not warranted unless the child will be fundamentally deprived of care in the future. A CINA adjudication therefore requires the court to predict as best it can whether the present failure of care is resolved, and whether the child will henceforth get the necessary care.

It necessarily follows that subsection (A) deals with the delivery and the deprivation of care. That conclusion is irreconcilable with this court's reading of subsection (A), because this court appears to think that willingness to provide care can substitute for delivery of care. Opinion at 11. To the contrary, subsection (A) is concerned with performance, not intentions.

The legislature provided a definition of "care" and "caring" to be applied in disputes under AS 47.10.010(a)(2)(A): "'care' or 'caring' under AS 47.10.010(a)(2)(A) . . . means to provide for the physical, emotional, mental, and social needs of the child." AS 47.10.990(1). We must apply this definition here. The court's contention -- that AS 47.10.010(a)(2)(A) merely requires that an eligible person be willing to care for the child regardless of ability to provide care successfully -- ignores both the express words of this definition, and its implications.

Notice: This opinion is subject to correction before publication in the Pacific Reporter. Readers are requested to bring errors to the attention of the Clerk of the Appellate Courts, 303 K Street, Anchorage, Alaska 99501, phone (907) 264-0607, fax (907) 276-5808.

THE SUPREME COURT OF THE STATE OF ALASKA

IN THE MATTER OF:)
)
S.A.) Supreme Court No. S-6619
)
DOB: 8/4/89)
)
D.A.) Superior Court No.
) 4FA-91-100 CP
)
DOB: 7/18/90)
)
Minors under the Age of)
Eighteen (18) Years.)
)
) [No. 4314 - January 26, 1996]
)
)
N.A.,)
)
Appellant,)
)
v.)
)
STATE OF ALASKA,)
)
Appellee.)
)

Appeal from the Superior Court of the State of Alaska, Fourth Judicial District, Fairbanks, Jay Hodges, Judge.

Appearances: Robert S. Noreen, Michelle McComb, Law Offices of Robert S. Noreen, Fairbanks, for Appellant. Karla Taylor-Welch, Assistant Attorney General, Fairbanks, Bruce M. Botelho, Attorney General, Juneau, for Appellee.

Before: Moore, Chief Justice, Rabinowitz, Matthews, Compton and Eastaugh, Justices.

MATTHEWS, Justice.
EASTAUGH, Justice, with whom COMPTON, Justice, joins, concurring in part and dissenting in part.

N.A. appeals the termination of her parental rights over S.A. and D.A. N.A. originally lost custody of S.A. and D.A. because she was unable to take care of them due to alcohol abuse. N.A. later entered alcohol rehabilitation and has been sober for two years. Nevertheless, the superior court terminated her parental rights.

This case requires us to resolve a conflict in our prior decisions concerning the interpretation of AS 47.10.010(a)(2), the statute which governs when a child may be adjudicated to be a child in need of aid (CINA). We must determine which subsections of AS 47.10.010(a)(2) permit a CINA adjudication based on a parent's or caregiver's inability to care for a child.

1. FACTS AND PROCEEDINGS

N.A. is the mother of two boys, S.A., born August 4, 1989, and D.A., born July 18, 1990. The father of both children is R.S. S.A. and D.A. are developmentally delayed. Their most significant delays are in the area of speech. Until 1992, N.A. abused alcohol. At times, her alcohol abuse made her incapable of taking care of her children.

The State filed a petition for temporary custody of S.A. and D.A. in June 1991. The superior court granted the petition, adjudicated the boys CINA, and committed them to the custody of the Department of Health and Social Services (DHSS). Custody was given to the State because N.A. was unable to take care of the boys at times because of intoxication, and R.S. was in sexual abuse

treatment which prohibited him from having unsupervised contact with children. S.A. and D.A. were eventually placed with foster parents.

In November 1992, N.A., again pregnant by R.S., entered the Dena A. Coy Center for Pregnant Women. N.A. stayed at Dena A. Coy until June 1993. She received alcohol rehabilitation, parenting training, and other services there. N.A. stopped using alcohol near the time she entered Dena A. Coy, and had been sober for two years at the time of trial.

Sh.A., a female, was born to N.A. at Dena A. Coy in May 1993. N.A. has had continuous custody over Sh.A. Social workers who worked with N.A. testified that N.A. is a good parent to Sh.A., and the State admits that N.A. is able to meet Sh.A.'s needs.

After leaving Dena A. Coy, N.A. utilized numerous, extensive services to help her maintain sobriety and improve her parenting skills. She attended Alcoholics Anonymous meetings and received other services to prevent a relapse into alcohol abuse. She regularly worked with several counselors on her parenting.

Despite N.A.'s progress, the State filed a petition for termination of her parental rights over S.A. and D.A. in September 1993, contending that "[t]he boys' needs are great and they need highly skilled parents to raise them in a healthy manner to their potential" and that N.A.'s "gains . . . are not sufficient to parent the boys." The trial took place in August 1994. R.S. relinquished his parental rights at the beginning of the trial.

N.A. and R.S. were no longer in a romantic relationship at the time of trial.

At trial, the State presented three types of evidence in order to make a case that S.A. and D.A. would suffer harm in N.A.'s care. First, the State introduced testimony that the boys' progress in overcoming their developmental delays would lessen under N.A.'s care because N.A. is not able to provide the boys with "structure and consistency." Second, there was evidence that N.A. sometimes disciplines the boys by yelling at them. Third, witnesses for the State testified that they were concerned that S.A. or D.A. could suffer physical injury as a result of encountering an environmental hazard in N.A.'s care. The superior court terminated N.A.'s parental rights over S.A. and D.A.

II. STANDARD OF REVIEW

Under AS 47.10.080(c)(3), a superior court may terminate parental rights only "upon a showing in the adjudication by clear and convincing evidence that there is a child in need of aid under AS 47.10.010(a)(2) as a result of parental conduct and upon a showing in the disposition by clear and convincing evidence that the parental conduct is likely to continue." The superior court found by clear and convincing evidence that S.A. and D.A. are children in need of aid under AS 47.10.010(a)(2)(A) and (C) as a result of conduct by N.A. which is likely to continue. N.A. argues that the superior court erred in making this finding.

In a CINA case, we will overturn the superior court's findings of facts if they are clearly erroneous. We will declare a trial court's findings to be clearly erroneous if a review of the entire record leaves us with a definite and firm conviction that a mistake has been made. See In re T.W.R., 887 P.2d 941, 944 (Alaska 1994); K.N. v. State, 856 P.2d 468, 475 (Alaska 1993). Determinations of law are reviewed de novo. E.g., Langdon v. Champion, 745 P.2d 1371, 1372 n.2 (Alaska 1987).

III. IMMINENT AND SUBSTANTIAL RISK OF SUBSTANTIAL PHYSICAL HARM

We will consider whether the superior court clearly erred by adjudicating S.A. and D.A. CINA under AS 47.10.010(a)(2)(C) (subsection (C)) before discussing AS 47.10.010(a)(2)(A) (subsection (A)). A child can be declared CINA under subsection (C) upon a showing of

the child having suffered substantial physical harm or if there is an imminent and substantial risk that the child will suffer such harm as a result of the actions done by or conditions created by the child's parent, guardian, or custodian or the failure of the parent, guardian, or custodian adequately to supervise the child[.]

(Emphasis added.) A careful and thorough review of the entire record leaves us with a definite and firm conviction that the record cannot support a finding that S.A. and D.A. have suffered substantial physical harm as a result of parental conduct which is likely to continue or that there is an imminent and substantial risk that they will suffer such harm due to conduct by N.A. which is likely to continue.

The evidence presented by the State that N.A. is unable to provide her sons with sufficient "structure and consistency" cannot support a CINA adjudication under subsection (C). The only consequence that the State's witnesses predicted would flow from a failure to give S.A. and D.A. the necessary "structure and consistency" was that the boys would not "meet their potential" or make the kinds of gains in overcoming their developmental delays which they would make otherwise. If S.A. and D.A. would indeed suffer this type of harm under N.A.'s care, the harm would be gradual and not imminent, and it would not be substantial physical harm. The State's witnesses did not identify any concrete physical harms that the boys would suffer as a result of not being supplied with enough "structure and consistency."

Likewise, the testimony that N.A. sometimes disciplines S.A. and D.A. by yelling at them cannot justify a CINA adjudication under subsection (C). According to the State's witnesses, this manner of disciplining the boys could cause them to suffer a loss of self-esteem. The possibility of a gradual loss of self-esteem does not amount to an imminent risk of substantial physical harm.¹

¹ The record does not contain evidence that N.A.'s yelling amounts to severe emotional abuse of the sort that could support a CINA adjudication under AS 47.10.010(a)(2)(B), which permits a CINA finding as a result of

the child being in need of medical treatment to cure, alleviate, or prevent substantial physical harm, or in need of treatment for mental harm as evidenced by failure to thrive, severe anxiety, depression, withdrawal, or untoward aggressive behavior or hostility toward others, and the child's parent,

(continued...)

Finally, some of the State's witnesses had concerns about the physical safety of S.A. and D.A. in N.A.'s care, as the boys are very active and may enter dangerous places in their environment if not watched. But the State introduced no evidence that N.A. was so unaware of potential dangers that it was likely that S.A. or D.A. would be seriously injured as a result of encountering an environmental hazard in her care. The State's witnesses did not testify that the boys were ever in any immediate danger under N.A.'s care; in fact, there was testimony that N.A. removed her sons from potentially dangerous situations. The State only presented testimony that N.A.'s awareness of possible dangers was not as great as that of the social workers observing her, and that N.A. was not able to keep her attention focused on S.A., D.A., and Sh.A. all of the time.² The record in this case thus cannot

¹(...continued)

guardian, or custodian has knowingly failed to provide the treatment.

(Emphasis added.)

² Three of the State's witnesses testified about possible safety risks to the boys with N.A. DHSS social worker Paula Bettano Everts stated that she had safety concerns for the boys, as "the boys are very easy victims because they can't talk," and "the boys' behavior is very unpredictable." Everts expounded that the boys run around a lot and could encounter a physical danger in their environment because N.A. is unable to focus her attention on them all of the time.

Connie Kind, a family consultant who worked with N.A. on parenting skills, stated that "there . . . could be some safety issues" if S.A. and D.A. were placed with N.A. Kind explained that at times she feared that the boys would enter places that were not safe. But Kind also stated that she never saw the boys in "any immediate danger" while under N.A.'s care, and acknowledged that she never saw N.A. "expose her sons to anything that would put them
(continued...)

support a finding that S.A. and D.A. would face an imminent and substantial risk of substantial physical harm as a result of the possibility of encountering a physical hazard in N.A.'s care, and the superior court's CINA adjudication under subsection (C) is reversed.³

IV. ABILITY TO CARE

Since the superior court's CINA adjudication cannot be upheld under subsection (C), we must determine whether it can be

²(...continued)
in physical danger while she was with them." Kind elaborated that her own awareness of potential safety risks was greater than N.A.'s and that Kind "was quicker to react than [N.A.] was sometimes to [potential] dangers."

Lillian Coleman, a counselor who worked with N.A., testified that S.A. and D.A. require constant supervision and at times engage in behavior that raises concerns about their safety. Coleman also testified, however, that N.A. removed the boys from danger when they engaged in risky behavior, and that she never saw N.A. do anything to endanger S.A. and D.A. When asked whether the boys would be at risk if placed in N.A.'s care, Coleman responded, "I don't know."

In addition, Carolyn Cyr, a therapist at Dena A. Coy, testified that N.A. never did anything to jeopardize the safety of her sons during visits. Ruth Evans, one of N.A.'s counselors, stated that the boys would be safe with N.A. N.A. herself testified that supervising S.A. and D.A. required preventing them from "getting into stuff . . . like the medicine cabinet, and running out to the street, and . . . play[ing] with anything that's dangerous, like tools, knives."

³ N.A.'s past alcohol abuse also cannot support the superior court's finding that S.A. and D.A. are CINA under subsection (C) as a result of conduct by N.A. which is likely to continue. N.A. no longer uses alcohol. Cf. In re R.K., 851 P.2d 62, 66-67 (Alaska 1993) (reversing superior court's termination of parental rights where father had once neglected his children, apparently because of alcohol or drug use, but claimed to no longer be using alcohol or drugs; explaining that father's substance use could be monitored).

justified under subsection (A). Subsection (A) permits a child to be declared CINA as a result of

the child being habitually absent from home or refusing to accept available care, or having no parent, guardian, custodian, or relative caring or willing to provide care, including physical abandonment by

- (i) both parents
- (ii) the surviving parent, or
- (iii) one parent if the other parent's rights and responsibilities have been terminated under AS 25.23.180(c) or AS 47.10.080 or voluntarily relinquished[.]

(Emphasis added.) The superior court's decision that S.A. and D.A. are CINA under subsection (A) as a result of parental conduct which is likely to continue is based on a finding that N.A. cannot provide the care required by the boys and cannot meet their needs.⁴ This finding raises the issue of whether a parent's inability to care for a child can support a CINA declaration under subsection (A) if the parent is willing to care for the child.

Our prior decisions conflict in their resolution of this issue. In In re J.L.F., 828 P.2d 166, 170 (Alaska 1992), we stated, without analysis: "While a finding of inability to care

⁴ The superior court stated in its written decision:

The evidence demonstrates clearly and convincingly, however, that [N.A.] is not able to understand and meet the children's significant needs for structure, stability, consistency and nurturing.

The court finds by clear and convincing evidence that the parental conduct which caused the children named above to be children in need of aid is likely to continue if [N.A.]'s parental rights are not terminated. [N.A.] has never demonstrated an understanding of or ability to meet her children's needs.

would be grounds for jurisdiction under subsection (2)(A), that finding must also extend to any relatives who are in fact caring for or willing to assume care." We cautioned, however, that "adjudication under subsection (2)(A) normally would arise under abandonment." Id. at 170 n.9. In A.M. v. State, 891 P.2d 815, 824 (Alaska 1995), and In re T.W.R., 887 P.2d 941, 945 (Alaska 1994), we interpreted J.L.F., again without analysis, as meaning that a CINA adjudication under subsection (A) may be predicated on a parent's lack of ability to care for a child.

But in F.T. v. State, 862 P.2d 857, 861 (Alaska 1993), we rejected an argument that inability to care could support a finding that a child is CINA under subsection (A). We stated, "AS 47.10.010(a)(2)(A) would support a CINA adjudication only if [the child] had no parent, guardian, custodian, or relative caring or willing to provide care. Specifically, the parties' dispute whether [the parent] was willing to provide care." Id. The State argued "that [the parent] could not have been willing to provide care because he was unable to meet [the child's] needs." Id. We rebuffed this argument and the State's "conclusion that if a child has needs a parent cannot meet, then the parent cannot be 'willing to provide care' for that child." Id. We explained that "the State's conflation of willingness to care and ability to satisfy needs leads to absurd conclusions." Id.

We now determine that the approach taken in F.T. is the correct one, and we hold that a parent's or caregiver's inability to care for a child cannot support a CINA adjudication under

subsection (A) if the parent or caregiver is willing to care for the child. Our conclusion is based on the plain language of subsection (A) and a careful examination of the structure and purposes of AS 47.10.010(a)(2) as a whole.

The clear language of subsection (A) covers only willingness to care, not ability to care. Subsection (A) allows a CINA adjudication if there is no "parent . . . caring or willing to provide care." (Emphasis added.) Subsection (A) does not state "having no parent . . . caring and willing to provide care."

The State has argued that subsection (A) covers ability to care because AS 47.10.990(1) states, "'care' or 'caring' under AS 47.10.010(a)(2)(A) . . . means to provide for the physical, emotional, mental, and social needs of the child." See F.T., 862 P.2d at 861 & n.5; J.L.F., 828 P.2d at 169. However, plugging the definition in AS 47.10.990(1) into subsection (A) results in the following: "having no parent . . . providing for the physical, emotional, mental, and social needs of the child or willing to provide for the physical, emotional, mental, and social needs of the child." The statute still would not require ability to care -- willingness is enough.

An analysis of the structure and purposes of the entirety of AS 47.10.010(a)(2) shows that while ability to care is relevant under subsections (B) through (F) of the statute, it is not relevant under subsection (A), for three main reasons. First, the State's interpretation of subsection (A) would permit CINA adjudications based on parenting deficiencies much less severe than

those covered under AS 47.10.010(a)(2)(B)-(F). Second, unlike subsection (A), subsections (B) through (F) set clear, specific standards for adjudicating a child CINA based on a parent's inability to care. Third, permitting ability to care to be considered under subsection (A) would make subsections (B) through (F) virtually superfluous.

The full text of AS 47.10.010(a)(2) states:

(a) Proceedings relating to a minor under 18 years of age residing or found in the state are governed by this chapter, except as otherwise provided in this chapter, when the court finds the minor

(2) to be a child in need of aid as a result of

(A) the child being habitually absent from home or refusing to accept available care, or having no parent, guardian, custodian, or relative caring or willing to provide care, including physical abandonment by

(i) both parents

(ii) the surviving parent, or

(iii) one parent if the other parent's rights and responsibilities have been terminated under AS 25.23.180(c) or AS 47.10.080 or voluntarily relinquished;

(B) the child being in need of medical treatment to cure, alleviate, or prevent substantial physical harm, or in need of treatment for mental harm as evidenced by failure to thrive, severe anxiety, depression, withdrawal, or untoward aggressive behavior or hostility toward others, and the child's parent, guardian, or custodian has knowingly failed to provide the treatment;

(C) the child having suffered substantial physical harm or if there is an imminent and substantial risk that the child will suffer such harm as a result of the actions done by or conditions created by the child's parent, guardian, or custodian or the failure of the parent, guardian, or custodian adequately to supervise the child;

(D) the child having been, or being in imminent and substantial danger of being,

sexually abused either by the child's parent, guardian, or custodian, or as a result of conditions created by the child's parent, guardian, or custodian, or by the failure of the parent, guardian, or custodian adequately to supervise the child;

(E) the child committing delinquent acts as a result of pressure, guidance, or approval from the child's parents, guardian, or custodian;

(F) the child having suffered substantial physical abuse or neglect as a result of conditions created by the child's parent, guardian, or custodian.

Under subsections (B) through (F), only serious forms of parental misconduct can support a CINA adjudication. Subsection (B) deals with failure to provide needed medical treatment. Subsection (C) concerns "substantial physical harm" caused by parental conduct. Subsection (D) addresses sexual abuse. Subsection (E) is about parental encouragement of criminal conduct. And subsection (F) speaks of "substantial physical abuse or neglect." The legislature thus intended for the State to be able to assume custody of minors only to remedy severe parenting deficiencies and prevent significant harm to children.

But the State's reading of subsection (A) would give the State the power to assume custody over children for much less serious types of parental misconduct and harm to children. The State would define ability to care as the ability to provide for the physical, emotional, mental, and social needs of a child, relying on AS 47.10.990(1). See F.T., 862 P.2d at 861 & n.5; J.L.F., 828 P.2d at 169. This interpretation would permit the State to assume custody over any child who had needs the child's parents could not meet. Applied to the facts of this case, the