

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8864 SENATE HEALTH EDUCATION & SOCIAL SERVICES

ANALYSIS (cont.):

The GF Program Receipts transferred to the AFDC component are used in place of GF Match funds.

Assumptions:

We assume that the GF Program Receipt funds transferred from CSED to the AFDC program offset AFDC GF Match funds dollar-for-dollar.

Calculations:

CSED projects the following amounts of increased GF Program Receipts to be transferred to the AFDC Component as a result of this legislation:

FY 96: 425.0

FY 97- FY 01: 850.0 per year

FISCAL NOTE

No. 1

Bill Version: SB116

BI (S) Publish Date: 3/7/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Department of Law
 Title: "...administrative establishment of paternity and BRU: Legal Services
establishing paternity by affidavit...child support enforcement..." Component: Operations
 Sponsor: Rules by Request of the Governor
 Requester: Governor's Office/OMB COMPONENT SERIAL NO. 0093

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)

FUND SOURCE	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
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: \$ 0.0

POSITIONS

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill would allow the Child Support Enforcement Division to administratively determine the paternity of children. The bill also amends AS 18.50.160, relating to the identification of parents on birth certificates by voluntary acknowledgement.

The bill establishes a procedure by which CSED may determine paternity administratively, without resort to the courts. Under the proposed statute changes, CSED may initiate an administrative proceeding to determine paternity upon application of the child's mother or guardian or upon application of the State of Alaska or of another state. The proceeding is initiated through service of a Notice of Paternity and Financial Responsibility, together with an administrative order requiring the parties to submit to genetic testing. Unless paternity is admitted or the alleged father fails to respond to the notice, CSED's determination of paternity will be based upon the results of the genetic testing and other evidence. In conjunction with the paternity proceeding, CSED also may establish the amount of the support obligation, which CSED is already permitted to

Prepared by: Richard I. Pegues, Director Phone: 465-3672
 Division: Administrative Services Division Date: 3/6/95
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 3/6/95
 Agency: Department of Law

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FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO.

ANALYSIS CONTINUATION:

do under existing law.

Through an appeal process, the bill safeguards the alleged father's rights with respect to the determination of paternity. Once CSED has issued its findings of paternity, the alleged father may request a formal hearing, after which the alleged father also will be entitled to judicial review if a timely appeal is filed with the superior court.

CSED does not require the Department of Law's assistance in CSED's administrative proceedings, except in extreme circumstances. Consequently, the bill will not have a fiscal impact for the Department of Law.

SB

117

State of Alaska
Independent Living Council
Tony Knowles, Governor

701 E. Tudor Road ♦ Anchorage, Alaska 99503-7445 ♦ (907) 562-5000 V/TDD
♦ Fax: (907) 563-0140 ♦

March 6, 1995

An Open Letter to Duane French and Other Interested Persons

Constance E. Anderson
Chair
Juneau

Dan LaBrosse
Vice Chair
Fairbanks

Nugget Hiatt
Secretary
Anchorage

Rae Baggen
Treasurer
Sitka

James R. Burron
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Derrill Johnson
Juneau

Stan Ridgeway
Juneau

Earl W. Westphal
Sterling

John A. Woodward
Anchorage

Roger Wright
Kotzebue

Patrick Reinhart
Executive Director
Anchorage

This letter is in response to Duane French's cover article in the Winter, 1995 issue of Access Alaska Update. If you have not seen the article, you are encouraged to obtain a copy and read it carefully.

Dear Duane:

As you know, Dan LaBrosse and I serve as Vice Chair and Chair, respectively, of the State Independent Living Council. We recently read your cover article in the Winter 1995 Access Alaska Update. We believe it contains many inaccuracies, biases, and omissions, and would like to set the record straight.

The newly formed State Independent Living Council (SILC) has been operating for just over a year now. The Governor made appointments in October 1993, and the SILC had its first meeting in January 1994.

The questions as posed in the newsletter article are used again to facilitate accurate and objective responses.

"Why haven't I heard about the meetings of the SILC??"

In fact, the public is well-informed about SILC meetings. The SILC advertises all regularly scheduled quarterly meetings in the Anchorage *Daily News*, the Juneau *Empire*, and the Fairbanks *Daily News-Miner*. Meetings are advertised approximately 10 days in advance, and the

Alaska. Discussions with consumers about consumer choice and consumer control made it clear to the SILC that consumers are not unanimous in wanting Access Alaska to speak *for* them, nor do they unanimously share Access Alaska's concerns. It was clear to the SILC that many consumers, in particular those in areas of the state other than Anchorage, deeply resented Access Alaska's self-appointed advocacy role on their behalf. After all, independent living is about consumer choice and consumer control. Self-advocacy is a desirable goal of most, if not all, consumers the SILC has heard. The SILC could not in good conscience ignore this input.

Despite concerns about submittal of the plan prior to SILC approval, federal regulations allowed this to take place. States were allowed to submit independent living plans before full SILC approval, in order to meet the deadline. The plan is a living document, and can be amended or modified, so it was not a concern to the federal Rehabilitation Services Administration nor to the SILC if the plan was submitted before approval at a regularly scheduled meeting.

The SILC worked closely with DVR and RSA staff in ensuring that the Plan met the federal criteria. The "order of priorities" in Title VII relates to the provision of federal funds for those Centers (Access Alaska and SAIL), and the Plan did not change federal funding allocation to either Center. Funding available from other sources was the funding over which the SILC had discretion in allocating resources. To do that, the State Plan, in Section 10, followed Title VII. The use of Part B, Chapter 1 funds is outlined in this Section, noting that *all are optional*. The States *may* use Part B funds to: provide resources to the SILC; provide independent living services to individuals with significant disabilities; expand and improve independent living services; support operation of CILs; support activities to increase capacity to develop approaches or systems for providing IL services; to conduct studies and analyses; train regarding IL philosophy; and provide outreach to unserved or

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

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State of Alaska
Independent Living Council
Tony Knowles, Governor

701 E. Tudor Road ♦ Anchorage, Alaska 99503-7445 ♦ (907) 502-5006 V/TDD
♦ Fax: (907) 503-0140 ♦

March 6, 1995

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advertisement shows the general agenda for the meeting and the scheduled time and place for public participation. Local independent living centers and other organizations are sent information about SILC meetings. Working committee meetings, such as negotiating team meetings, in the past were not advertised, but that practice was changed at the direction of the Chair. The public has always been welcome at any meeting of the SILC or its committees. Minutes are available to the public without charge after approval by the SILC. In addition, the SILC began a practice of using a court reporter to document its activities during regularly scheduled quarterly meetings. These transcripts are also available to the public, at a cost. Names, addresses, and telephone numbers of SILC members are also public information, are widely distributed, and remain readily available. All of the members of the SILC are available for questions from any concerned entity.

None of the activities of the SILC are secretive. The SILC, composed primarily of individuals who had no experience with governor-appointed Boards, Commissions, or Councils, joined other similar entities in learning about and incorporating the requirements of the Open Meetings Law into its activities. The SILC followed closely the advice and opinions of Attorney General staff in ensuring its activities meet the Open Meetings Law requirements, and has completely rectified inadvertent errors that occurred in the past.

"Who is responsible for what the SILC has done?"

The entire SILC votes on all official actions. Access Alaska has been an active advocate for concerns about the State Plan. All of Access Alaska's input and comments are part of the public record. The SILC received a great deal of public testimony when drafting the State Plan, and a major focus of many consumers was the need to ensure that independent living services were provided on a statewide basis; not just in Anchorage, and not just with Access

Alaska. Discussions with consumers about consumer choice and consumer control made it clear to the SILC that consumers are not unanimous in wanting Access Alaska to speak *for* them, nor do they unanimously share Access Alaska's concerns. It was clear to the SILC that many consumers, in particular those in areas of the state other than Anchorage, deeply resented Access Alaska's self-appointed advocacy role on their behalf. After all, independent living is about consumer choice and consumer control. Self-advocacy is a desirable goal of most, if not all, consumers the SILC has heard. The SILC could not in good conscience ignore this input.

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The SILC worked closely with DVR and RSA staff in ensuring that the Plan met the federal criteria. The "order of priorities" in Title VII relates to the provision of federal funds for those Centers (Access Alaska and SAIL), and the Plan did not change federal funding allocation to either Center. Funding available from other sources was the funding over which the SILC had discretion in allocating resources. To do that, the State Plan, in Section 10, followed Title VII. The use of Part B, Chapter 1 funds is outlined in this Section, noting that *all are optional*. The States *may* use Part B funds to: provide resources to the SILC; provide independent living services to individuals with significant disabilities; expand and improve independent living services; support operation of CILs; support activities to increase capacity to develop approaches or systems for providing IL services; to conduct studies and analyses; train regarding IL philosophy; and provide outreach to unserved or

underserved populations. The Interim State Plan does all of these things.

The SILC and DVR are neither irresponsible nor divisive. Irresponsibility and division come from attempts by uninformed and uncooperative individuals to sabotage an approved state plan, a politicization of issues instead of a cooperative and collaborative effort, a perpetuation of inaccuracies, and an infusion of time and money into opposition, instead of service delivery to individuals with disabilities.

Why wasn't the public more involved?

The SILC could probably not have done this any better. Public input obtained by the SILC was considerable, continued at each meeting, and is often effective and appropriate. Written public input is incorporated into the public record. In fact, the SILC has erred by allowing public comment almost to the point of being unable to proceed with the business of the SILC. I believe this should not continue. The first purpose of the SILC meetings is the business at hand. Appropriate mechanisms for public comment must continue to be available, but inappropriate comments, interruptions from the floor, and other rude and disrespectful behavior should not be tolerated at SILC meetings. This has occurred in the past, and has subjected members of the SILC to unnecessary abuse and disrespect.

Don't SILC members have some ethical standard they must follow?

Of course. The State Plan is responsive to consumer needs statewide, and the SILC members responded to this in appropriate, professional fashion. SILC members conform to the Executive Branch Ethics Act, and training and information has been consistently provided to ensure that SILC activities remain

appropriate to the intentions of this Act. *Distribution of funding statewide, ensuring support for and service delivery to cross-disability groups, was and remains the goal of the State Plan.* The Chair did not vote on any matters concerning the agency for which she serves as Executive Director. A Chair votes only to break a tie, and must abstain from even that vote if a conflict of interest arises. The Chair follows this procedure without fail. The Vice-Chair abstains from voting on any matter that might be construed to affect the agency he serves. The federal regulations, in specifying the composition of the SILC, place representatives of agencies in a position of potential conflict of interest, and SILC members have been careful to abstain from any official action of the SILC that might be construed as a conflict of interest. Again, the SILC has been the recipient of clear legal advice from the Attorney General's office in this area, and continues to seek legal advice as appropriate and necessary.

Isn't Title VII written in a pretty straightforward manner and easy to understand?

Yes. Title VII materials were distributed to all SILC members, and to any other interested party. Some SILC members have attended Title VII training. The statement in Duane's article that he would "bet that not one of the SILC members actually read Title VII" . . . is a bet several SILC members would win. My personal well-thumbed copy is evidence enough.

Why would SILC members make things worse for people with disabilities rather than better?

The mission of the SILC is to provide statewide independent living services to individuals with significant disabilities. The SILC is primarily composed of persons with disabilities. Greed and corruption have not been evident in SILC activities. The SILC

struggled a great deal to meet the needs of as many consumers as possible, across all disability groups, and in all geographic regions of the state. During the public input process, the SILC heard from many consumers with visual or hearing disabilities that their needs were not being met. The State Plan, as currently implemented, was designed to meet the needs of *ALL* Alaskans with significant disabilities.

Systems change begins with consumer refusal to any longer accept the status quo of one agency or one service area being the only game in town. Extensive public input to the Plan and during Council meetings demonstrates this is no longer the case. Ensuring consumer choice is and remains a major focus of the Plan.

SILC records show that *many* persons and entities, including Access Alaska, advocated to establish a full-time Executive Director position. The Governor and DVR provided the SILC with a mechanism to establish this position in as independent a fashion as possible. Suddenly, Access Alaska criticizes the SILC's actions in filling this position. *Contrary* to your opinion, the DVR staff person in the past spent *far more* than 5% of her time on SILC activities. The requirements of developing the state plan and coordinating SILC activities have been extremely demanding. The SILC survived without an Executive Director only because of the tremendous dedication of the SILC members, the willingness of the Executive Committee members to commit a great deal of time, and the commitment and expertise of *several* VR staff, including the Director, the Deputy Director, and *many* others. The commitment and integrity of everyone involved in SILC activities have always been in evidence.

Any reduction in funding to Access Alaska increases funding available to both ensure service delivery on a statewide basis and to provide specialized services for the deaf and the blind, two disability

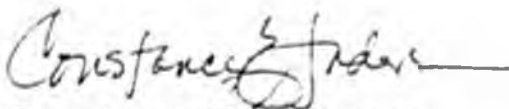
groups that were traditionally unserved and underserved by Centers for Independent Living in Alaska. For the first year of SILC operations, the SILC was funded jointly by Access Alaska, SAIL, and DVR, with a total of \$70,000 budgeted. DVR expended all of the funds committed; SAIL expended more than its commitment, and the SILC has been unable to obtain final expenditure information from Access Alaska, in spite of repeated requests. For the second year, the interim plan provided funding directly to the SILC. This funding is a combination of Part B funds and State Independent Living Funds. As is clearly outlined in the Plan, the largest portion of the SILC's expenditures are for SILC travel and meeting expenses, staff travel, administrative costs, and SILC and staff training. The focus of the Resource Allocation Plan directly interfaces with the State Plan Independent Living Objectives outlined in Attachment 9 of the Plan. These issues were identified through the independent living needs assessment and public input, and most specifically upon the public input and needs assessment provided by individuals with disabilities. These issues were repeatedly stressed by respondents and participants as key to the full inclusion of people with disabilities in all aspects of community life. Your article stated that the "remaining amount of the \$200,000 (of Part B) funds was used to fund deaf services. . .and services for persons who are blind." The Resource Allocation Plan clearly shows that *all Part B monies and all State IL monies are distributed among all service providers included in the Plan, which of course includes Access Alaska. Access Alaska Anchorage and Access Alaska Fairbanks, combined, receive more than \$400,000 in funding from these sources alone.* There is nothing that precludes Access Alaska from using these funds for housing modifications and assistive technology purchases to directly benefit consumers. No other agency receives funding at such a high level from Part B and State IL monies. Access Alaska was not forgotten in the resource allocation plan.

Many people take exception to your statement that the "horrible job

D. French
Page 8
March 6, 1995

done by the SILC has hurt all Alaskans with disabilities." We believe that your divisiveness, inaccuracies, lack of cooperation, and repeated attempts to sabotage the mission of the SILC hurt all Alaskans with disabilities. However, we know you to be a committed individual who has many skills that could help us in our common efforts to expand and improve independent living services in Alaska. The SILC is taking proactive steps to ensure that all Alaskans with significant disabilities receive the benefits of independent living. Cooperation and collaboration are essential. We would like nothing better than for you to reconcile with the SILC and lend your expertise and energy to moving us all forward. We hope we can put our differences behind us and work together to enrich the lives of Alaska's disability community.

Sincerely,



Constance E. Anderson
Chair



Dan LaBrosse
Vice Chair

Senator Lyda Green
State Capitol
Juneau, AK 99801-1182

State Independent Living Council
701 E. Tudor Road, Ste. 280
Anchorage, AK 99503-7445

SUBJECT: "An Open Letter to Duane French and Other
Interested Persons"

This letter is in response to Duane French's cover article in the Winter, 1995 issue of Access Alaska Update. If you have not seen the article, you are encouraged to obtain a copy and read it carefully. The article is about the State Independent Living Plan, and we believe it contains many inaccuracies, biases, and omissions, and would like to set the record straight.

SENATE BILL NO. 117

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY SENATOR HALFORD

Introduced: 3/8/95
Referred: HES, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a statewide independent living council and clarifying its
2 relationship with existing agencies; and providing for an effective date."

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

4 • Section 1. AS 47.80.030 is amended to read:

5 Sec. 47.80.030. GOVERNOR'S COUNCIL ON DISABILITIES AND
6 SPECIAL EDUCATION. There is established the Governor's Council on Disabilities
7 and Special Education. For budgetary purposes, the council is located within the
8 Department of Health and Social Services but is the interdepartmental planning and
9 coordinating agency of the Department of Health and Social Services, the Department
10 of Education, and other departments that deliver services to persons who are gifted or
11 experiencing a disability. In addition, except as provided in AS 47.80.300 -
12 47.80.330, the council is the state planning council and interagency coordinating
13 council for purposes of federal laws relating to persons who are gifted or experiencing
14 a disability.

2. → Finance → compensation

#1

1. → spell out dismissal standard (can only be dismissed for cause)

1 * Sec. 2. AS 47.80 is amended by adding new sections to read:

2 ARTICLE 4A. STATEWIDE INDEPENDENT LIVING COUNCIL.

3 Sec. 47.80.300. STATEWIDE INDEPENDENT LIVING COUNCIL. There
4 is established the Statewide Independent Living Council. For budgetary purposes, the
5 council is located in the Department of Education. The Department of Education shall
6 provide reasonable and necessary professional and technical assistance when requested
7 by the council.

8 Sec. 47.80.310. COMPOSITION; TERMS; COMPENSATION. (a) The
9 governor shall appoint members to the council who meet the applicable requirements
10 of 29 U.S.C. 796d after soliciting personal applications and after soliciting
11 recommendations from the public, from organizations representing a broad range of
12 individuals experiencing disabilities, and from organizations interested in individuals
13 experiencing disabilities. The council shall select a chairperson from among its voting
14 members.

15 (b) The members shall be appointed to staggered terms of three years, except
16 that a person appointed to fill a vacancy shall be appointed for the remaining years of
17 the prior member's term. A member may not serve more than two consecutive full
18 terms.

19 (c) Members of the council who are not state employees are entitled to per
20 diem and travel expenses as authorized for members of boards and commissions under
21 AS 39.20.180. In addition, if required by federal law, a member is entitled to

22 (1) reimbursement of the necessary expenses of attending council
23 meetings and performing council duties, including expenses for child care and personal
24 assistance services;

25 (2) compensation of \$150 for each day of performing council duties
26 and each day spent traveling to attend a council meeting if the member is not
27 employed or must forfeit wages from other employment in order to perform council
28 duties or travel to a council meeting.

29 Sec. 47.80.320. POWERS AND DUTIES. (a) The council shall perform the
30 duties set out in 29 U.S.C. 796d in a manner that will maximize the state's receipt of
31 federal financial assistance for independent living services and centers of independent

1 living for residents with severe disabilities, including the following duties:

2 (1) joint development of the state plan required under 29 U.S.C. 796c
3 and evaluation of the implementation of the plan;

4 (2) development of a plan for the provision of resources, including staff
5 and personnel, that may be necessary to carry out the council's functions with funds
6 from the federal government and other public and private sources; and

7 (3) coordination of the council's activities with other state agencies that
8 address the needs of specific disability populations and issues under federal law.

9 (b) The council may

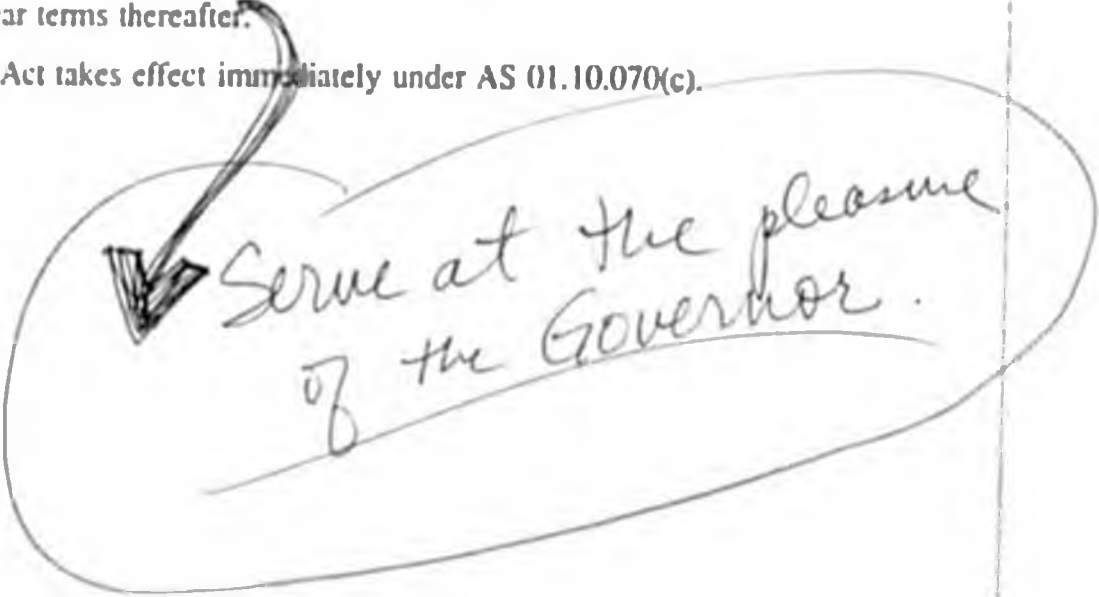
10 (1) hold hearings and forums as determined by the council to be
11 necessary to carry out its duties;

12 (2) solicit and accept money or other resources on behalf of the state
13 from any public or private source.

14 Sec. 47.80.330. DEFINITION. Notwithstanding AS 47.80.900, in
15 AS 47.80.300 - 47.80.320, "council" means the Statewide Independent Living Council
16 established under AS 47.80.300.

17 • Sec. 3. Notwithstanding AS 47.80.310, enacted by sec. 2 of this Act, the governor shall
18 appoint the initial members of the Statewide Independent Living Council so that approximately
19 equal numbers of the members have terms of one, two, and three years in order to achieve
20 staggered three-year terms thereafter.

21 • Sec. 4. This Act takes effect immediately under AS 01.10.070(c).



Serve at the pleasure
of the Governor.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 117

Revision Date: _____

Department Affected: Education

Title: Statewide Independent Living Council

BRU: Vocational Rehabilitation

Sponsor: Senator Halford

Component: Independent Living Rehabilitation

Requester: Senate HESS Committee

COMPONENT SERIAL NO. 203

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	56.5	56.5	56.5	56.5	56.5	56.5
TRAVEL	26.0	26.0	26.0	26.0	26.0	26.0
CONTRACTUAL	54.3	54.3	54.3	54.3	54.3	54.3
SUPPLIES	4.1	4.1	4.1	4.1	4.1	4.1
EQUIPMENT	1.7	1.7	1.7	1.7	1.7	1.7
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	142.6	142.6	142.6	142.6	142.6	142.6

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

(Thousands of Dollars)

1002 Federal Receipts	128.3	128.3	128.3	128.3	128.3	128.3
1003 GF Match	14.3	14.3	14.3	14.3	14.3	14.3
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	142.6	142.6	142.6	142.6	142.6	142.6

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY95) impact: \$ _____

ANALYSIS: (Attach a separate page if necessary.)

To be eligible to receive federal funds for independent living services, Alaska must establish a Statewide Independent Living Council. On October 26, 1994, Governor Hickel established the Council by Administrative Order No. 149. Senate Bill 117 formally establishes this council in statute. Funding for this council and other independent living services is included in the *Rehabilitation Act Amendments of 1992, Title VII*. The state currently receives approximately \$900,000 under this Act.

Please see the attached sheet for further analysis.

Prepared by: Stan Ridgeway, Deputy Director Phone: 465-6932

Division: Vocational Rehabilitation Date: March 16, 1995

Approved by Commissioner: Shirley Holloway

Agency: Education Date: March 16, 1995

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To be eligible to receive federal funds for independent living services, Alaska must establish a Statewide Independent Living Council. Funding for this program is included in the *Rehabilitation Act Amendments of 1992, Title VII*.

Funds, allotted under Part B of *Title VII*, are disbursed to Alaska as a minimal allotment state which means that Alaska will receive not less than \$275,000 for independent living services. The state must match Part B funds by 10%.

In addition, Part C of *Title VII* entitles Alaska to receive not less than \$533,330 in federal funds designated for centers for independent living. There are currently two Alaska centers which receive these funds directly from the federal government under Part C. In FY95, a total for \$602,900 was awarded to two Alaskan independent living centers. Access Alaska received \$301,000 and Southeast Independent Living (SAIL) received \$301,900 from this federal source.

The funding for the independent living program in FY95 is as follows:

Funding Source	Amount (in thousands)
Federal Part B	\$ 283.8
Part B Required State Match	39.1
Federal Part C	602.9
State General Funds	563.4
TOTAL	\$ 1,489.2

The Independent Living Council expenses are funded with Part B and state general funds. The total Council budget is \$142,600, which is 9% of the total funds available. The state Division of Vocational Rehabilitation retained \$10,600 (.7% of the total) for grant monitoring. The remainder of the funds, \$1,336,000 is granted to statewide non-profit organizations for direct consumer services.

Without a Statewide Independent Living Council the state will not be eligible to receive either Part B or Part C federal funds under *Title VII of the Act* resulting in a lost of approximately \$900,000 in federal funds.

TONY KNOWLES, GOVERNOR

DEPARTMENT OF EDUCATION
OFFICE OF THE COMMISSIONER

GOLDBELT PLACE
801 WEST 10TH STREET, SUITE 200
JUNEAU, ALASKA 99801-1894
(907) 465-2300
FAX (907) 465-4156

March 16, 1995

The Honorable Rick Halford
Alaska State Senate
State Capitol, Room 508
Juneau, AK 99801-1182

Re: Senate Bill 117
Establishment of a State Independent Living Council

Dear Senator Halford:

The Department of Education and the Division of Vocational Rehabilitation (DVR) support Senate Bill 117. In order for Alaska to continue receiving federal funds for independent living services, the state must establish in statute a statewide independent council. The Rehabilitation Act of 1973 as Amended in 1992 states in Title VII, Sec. 705 "Statewide Independent Living Council:"

(a) Establishment - to be eligible to receive financial assistance under this chapter, each state shall establish a Statewide Independent Living Council (referred to in this section as the "Council"). The council shall not be established as an entity within another state agency.

We support your efforts in submitting this legislation. For your information I have enclosed a copy of the Alaska Independent Living Council's mission statement, responsibilities and goals as contained in the statewide independent living plan.

If we can be of more assistance in your efforts, please contact me or Stan Ridgeway, Deputy Director, DVR, at 465-6932.

Sincerely,



Shirley J. Holloway, Ph.D.
Commissioner

Enclosure

ALASKA INDEPENDENT LIVING COUNCIL

Mission

To promote consumer control, peer support, self-help, self-determination, equal access, and individual and system advocacy, in order to maximize the leadership, empowerment, independence, and productivity of individuals with disabilities.

Responsibilities

1. Jointly developing and submitting the State Plan for Independent Living, in conjunction with the Alaska Division of Vocational Rehabilitation.
2. Monitoring, reviewing and evaluating the implementation of the State Plan.
3. Coordinating activities with the Alaska Vocational Rehabilitation Advisory Council and other councils that address the needs of specific disability populations and issues.

Goals

1. To develop, implement, monitor and evaluate a coordinated and unified statewide service delivery system for independent living.
2. To develop a statewide network of centers for independent living.
3. To maximize working relationships and collaborative ventures for the provision of independent living services.
4. To develop and implement public awareness and outreach activities.

STATE OF ALASKA - OFFICE OF THE GOVERNOR
Boards and Commissions Office

Membership Roster

(181) INDEPENDENT LIVING COUNCIL

Member	Appointed	Reappointed	Term Exp.
Constance E. Anderson Independent Living Center Representative 8800 Glacier Highway, Suite 238 Juneau, AK 99802 Home Phone - (907) 780-6085 Work Phone - (907) 789-9665 FAX - (907) 789-9747	10/01/93		10/01/96
Rae A. Boggan Community Rehabilitation Program Representative P.O. Box 6064 Sitka, AK 99835 Home Phone - (907) 747-4742	10/01/93		10/01/96
James R. Burton Community Rehabilitation Program Representative 1169 Hoss Avenue Fairbanks, AK 99709 Home Phone - (907) 479-8118 Work Phone - (907) 474-7249	10/01/93		10/01/95
Bernadine J. Graham Advocate 4131 East 20, No. 33 Anchorage, AK 99508 Home Phone - (907) 337-7914	10/01/93		10/01/95
Nugget A. Hiatt Advocate 1706 Bartlett Drive Anchorage, AK 99507 Home Phone - (907) 562-1706	10/01/93		10/01/94
Demill Johnson Division of Mental Health and Developmental Disabilities Rep. DHSS, Div. of Mental Health P.O. Box 110620 Juneau, AK 99811-0620 Work Phone - () 465-3370	10/01/93		10/01/96
Dan LaBrosse Community Rehabilitation Program Representative 1405 Kellum Fairbanks, AK 99701 Home Phone - (907) 488-6980 Work Phone - (907) 456-5913	10/01/93		10/01/94
José A. Lopez Nieves Family Member With Disability F.O. Box 7204 Bethel, AK 99559 Home Phone - (907) 543-5683 Work Phone - (907) 543-5500	10/01/93		10/01/95
Patrick Reinhart Community Rehabilitation Program Representative P.O. Box 110005 Anchorage, AK 99511-0065 Home Phone - (907) 346-1798 Work Phone - (907) 563-2658	10/01/93		10/01/94

STATE OF ALASKA - OFFICE OF THE GOVERNOR
Boards and Commissions Office

Membership Roster

(181) INDEPENDENT LIVING COUNCIL

Member	Appointed	Reappointed	Term Exp.
Stan Ridgeway Division of Vocational Rehabilitation Rep. 801 West Tenth Street, Suite 200 Juneau, AK 99801-1894 Work Phone - (907) 465-8932	10/01/93		10/01/96
Earl W. Westphal Advocate P.O. Box 288 Sterling, AK 99672 Home Phone - (907) 282-6061	10/01/93		10/01/96
John A. Woodward Community Rehabilitation Program Representative 2200 Sunrise Drive Anchorage, AK 99508 Home Phone - (907) 278-1159	10/01/93		10/01/94
Roger Wright Independent Living Program Representative P.O. Box 209 Kotzebue, AK 99752 Home Phone - (907) 442-3021	10/01/93		10/01/95



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

ADMINISTRATIVE ORDER NO. 149

Walter J. Hickel, Governor of the State of Alaska, under the authority of art. III, secs. 1, 16, and 24, of the Alaska Constitution and AS 44.19.145(c), hereby establish by Administrative Order the Alaska Statewide Independent Living Council (council).

Section 1. PURPOSE

The council shall serve as the Statewide Independent Living Council for Alaska required for the receipt of federal financial assistance under 29 U.S.C. 796d, as amended as of July 1, 1994.

Section 2. DUTIES

The council shall perform the duties set out in 29 U.S.C. 796d, to allow the receipt of federal financial assistance in Alaska for independent living services and centers for independent living for Alaskans with severe disabilities. The council may hold hearings or forums in Alaska as the council determines necessary to carry out its duties.

Section 3. MEMBERSHIP; TERMS

The Governor will appoint members to the council who meet the applicable membership requirements set out in 29 U.S.C. 796d. A term of a member will be three years unless the appointment is to fill a vacancy for the remaining years of a prior member's term. A member may not serve more than two consecutive full terms.

Section 4. CONTACT AGENCY

The Alaska Department of Education will serve as lead contact agency for the council. The Alaska Department of Education shall provide reasonable and necessary professional and technical assistance requested by the council.

This Order takes effect immediately.

Dated at Juneau, Alaska this 26 day of October, 1994.

A handwritten signature in cursive script that reads "Walter J. Hickel".

Walter J. Hickel
Governor



ALASKA DIVISION of EDUCATIONAL REHABILITATION

Rehabilitation Act of 1973
as Amended by
The Rehabilitation Act
Amendments of 1992

29 USC 701-744

proper disbursement of and accounting for funds paid to the State under this chapter;

(4)(A) maintain records that fully disclose -

(i) the amount and disposition by such recipient of the proceeds of such financial assistance;

(ii) the total cost of the project or undertaking in connection with which such financial assistance is given or used; and *(iii)* the amount of that portion of the cost of the project or undertaking supplied by other sources;

(B) maintain such other records as the Commissioner determines to be appropriate to facilitate an effective audit;

(C) afford such access to records maintained under subparagraphs (A) and (B) as the Commissioner determines to be appropriate; and

(D) submit such reports with respect to such records as the Commissioner determines to be appropriate;

(5) provide access to the Commissioner and the Comptroller General or any of their duly authorized representatives, for the purpose of conducting audits and examinations, of any books, documents, papers, and records of the recipients that are pertinent to the financial assistance received under this chapter; and

(6) provide for public hearings regarding the contents of the plan during both the formulation and review of the plan.

(n) The plan shall establish a method for the periodic evaluation of the effectiveness of the plan in meeting the objectives established in subsection (d), including evaluation of satisfaction by individuals with disabilities.

Sec. 705. Statewide Independent Living Council

(a) To be eligible to receive financial assistance under this chapter, each State shall establish a Statewide Independent Living Council (referred to in this section as the "Council"). The Council shall not be established as an entity within another State agency.

(b)(1) Members of the Council shall be appointed by the Governor or the appropriate entity within the State responsible for making appointments, within 90 days after the date of enactment of the Rehabilitation Act Amendments of 1992. The appointing authority shall select members after soliciting recommendations from representatives of organizations representing a broad range of individuals with disabilities and organizations interested in individuals with disabilities.

(2) The Council shall include -

(A) at least one director of a center for independent living chosen by the directors of centers for independent living within the State; and

(B) as ex officio, nonvoting members -

(i) a representative from the designated State unit; and

(ii) representatives from other State agencies that provide services for individuals with disabilities.

(3) The Council may include -

(A) other representatives from centers for independent living;

(B) parents and guardians of individuals with disabilities;

(C) advocates of and for individuals with disabilities;

(D) representatives from private businesses;

(E) representatives from organizations that provide services for individuals with disabilities;
and

(F) other appropriate individuals.

(4) The Council shall be composed of members -

(A) who provide statewide representation;

(B) who represent a broad range of individuals with disabilities;

(C) who are knowledgeable about centers for independent living and independent living services; and

(D) a majority of whom are persons who are -

(i) individuals with disabilities described in section 7(8)(B); and *(ii)* not employed by any State agency or center for independent living.

(5)(A) Except as provided in subparagraph (B), the Council shall elect a chairperson from among the membership of the Council.

(B) In States in which the Governor does not have veto power pursuant to State law, the Governor shall designate a member of the Council to serve as the chairperson of the Council or shall require the Council to so designate such a member.

(6)(A) Each member of the Council shall serve for a term of 3 years, except that -

(i) a member appointed to fill a vacancy occurring prior to the expiration of the term for which the predecessor was appointed, shall be appointed for the remainder of such term;
and

(ii) the terms of service of the members initially appointed shall be (as specified by the appointing authority) for such fewer number of years as will provide for the expiration of terms on a staggered basis.

(B) No member of the Council may serve more than two consecutive full terms.

(7) Any vacancy occurring in the membership of the Council shall be filled in the same manner as

the original appointment. The vacancy shall not affect the power of the remaining members to execute the duties of the Council.

(c) The Council shall -

(1) jointly develop and submit (in conjunction with the designated State agency) the State plan required in section 704;

(2) monitor, review, and evaluate the implementation of the State plan;

(3) coordinate activities with the State Rehabilitation Advisory Council established under section 105 and councils that address the needs of specific disability populations and issues under other Federal law;

(4) ensure that all regularly scheduled meetings of the Council are open to the public and sufficient advance notice is provided; and

(5) submit to the Commissioner such periodic reports as the Commissioner may reasonably request, and keep such records, and afford such access to such records, as the Commissioner finds necessary to verify such reports.

(d) The Council is authorized to hold such hearings and forums as the Council may determine to be necessary to carry out the duties of the Council.

(e)(1) The Council shall prepare, in conjunction with the designated State unit, a plan for the provision of such resources, including such staff and personnel, as may be necessary to carry out the functions of the Council under this section, with funds made available under this chapter and part C of title I and from other public and private sources. The resource plan shall, to the maximum extent possible, rely on the use of resources in existence during the period of implementation of the plan.

(2) Each Council shall, consistent with State law, supervise and evaluate such staff and other personnel as may be necessary to carry out the functions of the Council under this section.

(3) While assisting the Council in carrying out its duties, staff and other personnel shall not be assigned duties by the designated State agency or any other agency or office of the State, that would create a conflict of interest.

(f) The Council may use such resources to reimburse members of the Council for reasonable and necessary expenses of attending Council meetings and performing Council duties (including child care and personal assistance services), and to pay compensation to a member of the Council, if such member is not employed or must forfeit wages from other employment, for each day the member is engaged in performing Council duties.

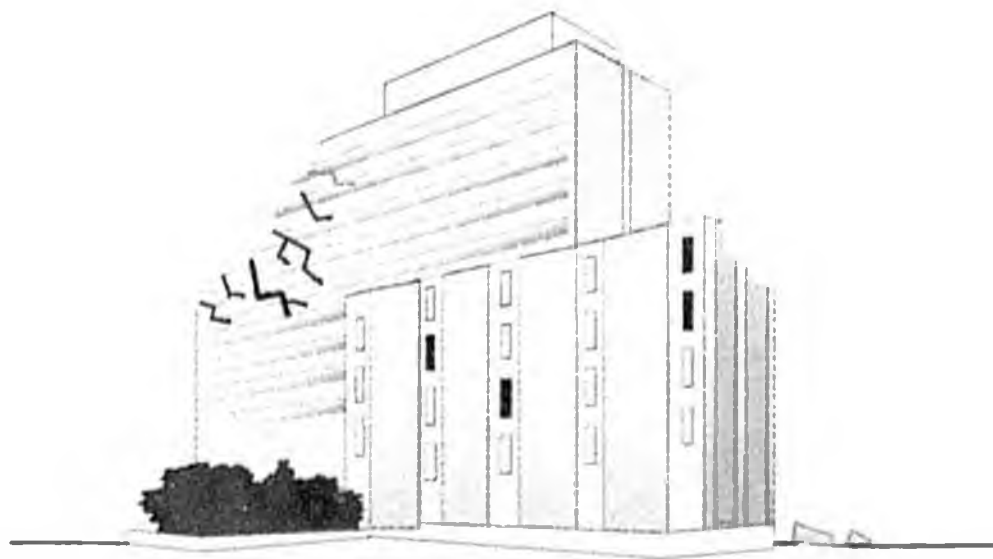
(g) To the extent that a State has established a Council before September 30, 1992, that is comparable to the Council described in this section, such Council shall be considered to be in compliance with this section. Within 1 year after the date of enactment of the Rehabilitation Act Amendments of 1992, such State shall establish a Council that complies in full with this section.

Sec. 706. Responsibilities of the Commissioner

(a)(1) The Commissioner shall approve any State plan submitted under section 704 that the Commissioner determines meets the requirements of section 704, and shall disapprove any such plan

SB

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University of Alaska Deferred Maintenance

Prepared by
Statewide Office of Facilities
January 1995

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**Position Paper
on
Deferred Maintenance
University of Alaska**

The University of Alaska Board of Regents continues to have deferred maintenance as its top funding priority. Years of inadequate maintenance budgets have resulted in numerous facility system failures that are disrupting programs, increasing operational expenses and jeopardizing safety. Premature facility failure will result if these conditions are not addressed. The state of Alaska has invested hundreds of millions of dollars in university infrastructure, representing over 40 percent of all state facilities. If the state does not move quickly to resolve the growing maintenance problems, the value of this significant investment will be lost and replacement unfeasible.

The University of Alaska's first capital request using the title "Deferred Maintenance" was in FY91, wherein the university requested \$3.8 million and received \$2.3 million. Prior to that time, there were numerous requests for repair, deferred maintenance, remodeling, renovation and code compliance. In the eleven years between FY83 and FY94, \$338.0 million was requested, but only \$99.0 million was received, through the legislative appropriation process.

The causes of the deferred maintenance backlog are as follows:

1. From 1980 to 1994, the university's total plant asset increased by 243 percent and increased in size by 145 percent in terms of square footage. During this period of rapid expansion, the operating budgets for building operation, maintenance and renewal remained relatively flat. There were few incremental increases in operating budgets for new structures coming on-line. This reduced the amount available for maintenance and renewal and replacement. The result is a current shortfall in building maintenance systemwide of \$3.8 million and for building renewal and replacement, \$5.8 million.
2. Utility rates increased, from 1980 to 1994, approximately 3 percent per year. Increments to budgets, as a rule, did not keep pace with these increases.
3. University buildings have continued to age. As buildings pass the 20-year mark, the amount needed for building system renewal and replacement climbs rapidly. A 20-year old building with a replacement cost of \$10.0 million needs twice as much for renewal and replacement retrofitting as a 10-year old building valued at \$10 million. The Fairbanks campus, with an average building age of 24.4 years, has 157 buildings 20 years of age or older. The UAA Anchorage campus has seven buildings that are 20 years or older; the Juneau campus has three buildings past 20 years; and the Ketchikan campus has two buildings past 20 years. If renewal and replacement is not funded annually, systems wear out, then become deferred maintenance problems.

4. In FY86, approximately \$1.4 million was removed from the maintenance category and put into maintaining the academic programs at UAF. This was quickly rectified. By FY87 maintenance budget was back to pre-86 levels in absolute dollars. There has only been one major increase to plant maintenance since: at UAF in FY94, approximately \$1.0 million was added to plant maintenance.

5. The methods of quantifying deferred maintenance and operating budget needs for maintenance and renewal and replacement have just been developed in the last five years. At this point in time, it is still an emerging discipline. National expert Dr. Harvey Kaiser reports that there is very little consistency nationally on how campuses budget for maintenance and renewal and replacement. In summary, the federal government did a study, and the results were that the total operations and maintenance for facilities cost from 2 to 4 percent of the plant value. Nationally, colleges and universities have a plant value estimated at \$300.0 billion, but deferred maintenance is estimated to be a \$60.0 billion problem, of which \$20.0 billion is judged critical, i.e., 20 percent of replacement value is deferred maintenance backlog; 7 percent of replacement value is critical. At UA, \$157.5 million, or 19 percent, of replacement value is viewed as critical deferred maintenance.

Plant Valuation

The university has used a method of plant valuation based on the original capital investment as well as other major capital investments that have been added to the facility over the years. An escalation factor derived from the Means Cost Data is applied each year to escalate the value of the buildings to today's replacement value. Infrastructure has been included in the calculation only if it was part of the original building construction. Complete historical records of stand-alone infrastructure investments are not available. Attachment A shows the value of UAF, UAA and UAS, based on new construction for each building type. The results show a slightly higher value. For operating budget calculations, it has been agreed to continue using the original values escalated to current year.

Past Funding

In FY94, the university received \$14,239,600. It was distributed as follows:

UAA	\$ 1,714,600
UAS	\$ 450,000
UAF	\$ 12,075,000

Attachment B shows the projects that have been accomplished with these funds.

Summary

The University of Alaska is aggressively pursuing allocating operating funds to prevent deferred maintenance from growing. Policies are drafted so that in three years the operating budget will have sufficient funds to maintain the buildings according to the formula requirement. A six-year plan for full funding of renewal and replacement operating funds is also drafted. If this plan is realized, sufficient funds will be in place to replace buildings systems on a scheduled basis by 2001. This will be accomplished through reallocation and appropriation.

National experts predict that approximately 5 years are needed from the identification of the funding source to the completion of the backlog of deferred maintenance. Phased funding, with a guaranteed source of funding future phases is essential and a logical solution to funding the backlog.

The current deferred maintenance backlog is \$157,455,382. The previous total of \$153.8 million, reported in the spring of 1993, did not include the infrastructure in all cases. Recognition of the need for upkeep of infrastructure has resulted in part of the increase. Causes of deferred maintenance shown in Items 1, 2, 3 and 4 above contributed to this increase as well. With such underfunding, more systems have worn out and new projects have been identified. Attachment C shows the projects submitted by MAUs for proposed bond funding. Summaries of projects by MAU by campus by building are shown in Attachments D through F.

Action

After many years of failure in securing a cash solution to the deferred maintenance problem, the university is seeking a bonding option that would involve the issuance of University of Alaska and AHFC bonds. While a cash solution would be best, current state finances suggest this is not a likely option. The proposed legislation authorizes the issuance of \$75 million in bonds with the expectation that the balance of the deferred maintenance backlog will be addressed in future years. With AHFC's mandate to provide financing for state housing projects, they are charged in the legislation with the issuance of \$30 million for the university's housing facilities. The balance of the bonds, \$45 million, would be issued as university bonds for use on non-housing projects. While the legislation anticipates general fund appropriations for the annual debt service, there is no obligation that such appropriations be made. The university bonds will be secured by a pledge of non-general fund university receipts. In the event appropriations for annual debt service are not made in future years, the university will make debt payments from university receipts and adjust other university programs appropriately.

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Campus Value Based on New Construction by Building Type

	Fairbanks Campus						Anchorage Campus						Juneau Campus						
	Area	Percent of Assign.	Distribution of Non Assign.	Value		Current Value	Area	Percent of Assign.	Distribution of Non Assign.	Value		Current Value	Area	Percent of Assign.	Distribution of Non Assign.	Value		Current Value	
				Total Area	Per Sq. Foot					Total Area	Per Sq. Foot					Total Area	Per Sq. Foot		Total Area
Assignable																			
Classroom	52,017	3.1%	27,571	78,588	200	15,917,592	85,915	7.5%	31,731	97,188	200	19,429,198	18,418	7.9%	5,288	73,804	200	4,780,813	
General Use	171,792	10.3%	80,775	287,037	200	52,407,455	81,145	8.5%	39,795	122,540	200	24,507,838	11,490	4.8%	3,389	14,850	200	2,970,015	
Health Care	3,460	0.2%	1,834	5,294	300	1,580,178	889	0.1%	410	1,275	300	382,453	150	0.1%	44	194	300	58,160	
Laboratory Use	202,571	18.6%	103,074	470,595	200	141,178,544	194,446	22.1%	92,130	288,578	300	85,972,288	48,031	20.8%	14,048	82,077	300	18,073,080	
Office	288,210	17.4%	152,707	440,872	200	88,194,419	215,158	24.5%	101,844	317,103	200	63,420,572	34,384	14.6%	10,028	44,373	200	8,884,551	
Residential	381,181	23.0%	202,040	583,221	150	87,483,181	129,211	13.7%	58,857	177,188	150	26,575,174	23,885	31.4%	21,513	85,078	150	14,201,884	
Special Use	174,304	10.5%	82,388	288,692	250	68,072,912	78,120	8.9%	37,014	115,134	250	28,783,453	1,153	0.5%	337	1,490	250	372,544	
Study	110,517	6.7%	58,579	169,095	200	33,819,030	87,880	7.7%	32,209	100,189	200	20,037,881	24,080	14.5%	8,988	44,048	200	8,808,235	
Support	100,284	6.7%	84,957	245,241	200	49,048,104	49,248	5.6%	22,324	72,587	200	14,518,410	12,285	5.7%	3,885	17,170	200	3,433,989	
Unassigned	8,045	0.4%	3,204	9,249	200	1,849,815	3,255	0.4%	1,590	4,845	200	968,925	0	0.0%	0	0	200	0	
Total Assignable	1,884,951						878,444						234,488						
Non Assignable																			
Bldg. Serv. Area	54,184						27,390					2,732							
Circulation Area	374,398						209,910					27,880							
Mechanical Area	187,588						49,880					14,577							
Structural Area	200,565						128,113					24,777							
Total Non Assignable	877,123						415,213					598							
Total	2,521,884		877,123	2,521,884			1,294,657		1,294,657			235,086		235,086					
Current Value Calc.						528,159,230						284,814,773						87,154,091	
Infrastructure						87,722,247						28,481,477						9,818,281	
Total Current Campus Value						605,881,477						313,296,250						97,972,372	
Current Value (B)*						485,050,547						211,180,200						84,214,573	
Infrastructure						87,722,247						28,481,477						9,818,281	
Total Current Campus Value						572,772,794						239,661,677						94,032,854	

* Current values calculated using R.S. Means prices and placement cost listed in the university's space database.

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**DEFERRED MAINTENANCE EXPENDITURES
AS OF
AUGUST 1994**

**UNIVERSITY OF ALASKA ANCHORAGE
FY94 DEFERRED MAINTENANCE (CAPITAL)**

	<i>PROJECT TITLE</i>	<i>BUDGET</i>	<i>EXPENDED/ OBLIGATED</i>	<i>STATUS</i>
661461	AI FUME HOOD EXHAUST MODIFICATIONS	683,507.00	683,507.00	Complete 9/30/94
661463	AI KPC BOILER REPLACEMENT MCLANE BLDG.	383,848.00	27,395.00	Award in Process
661466	AI PRIMARY POWER	487,500.00	487,500.00	Complete 9/30/94
661467	AI BLDG. K INTERIOR REPLACEMENT	836,933.00	836,900.00	Complete 9/30/94
661469	AI SHORT BLDG. REVISIONS	184,045.00	184,045.00	Complete 9/30/94
		<u>61,714,633.00</u>	<u>61,378,347.00</u>	

**UNIVERSITY OF ALASKA FAIRBANKS
FY94 DEFERRED MAINTENANCE (CAPITAL)**

	<i>PROJECT TITLE</i>	<i>BUDGET</i>	<i>EXPENDED/ OBLIGATED</i>	<i>STATUS</i>
	AJHC HV SWITCHGEAR	6350,000.00	6300,344.32	In construction
	ROOF RECONSTRUCTION PHASE II	9,080,584.00	8,710,700.08	In construction
	MUSEUM CHILLER	176,000.00	176,393.04	Complete
	GREENING FLOOR	100,000.00	520.47	Re Bid October 1994
	HAZMAT EXTERIOR	100,000.00	98,807.03	Project in Final Close Out
	MOORE/BARTLETT/SKARLAND UPGRADE	826,000.00	649,719.16	Project in Final Close Out
	UTIL LATHROP VAULT	50,000.00	49,803.14	Complete
	UTIL BOILER 2 ID FAN	127,438.00	127,438.81	Complete
	UTIL HV UPGRADE	183,000.00	182,843.02	Complete
	UTIL ASH SYSTEM	210,000.00	214,932.01	Complete
	UTIL VENT PHASE I	19,000.00	14,892.06	Complete
	UTIL BOILER ID FAN	126,000.00	124,743.17	Complete
	WOOD CENTER EXTERIOR	76,000.00	0.00	Project to Bid Feb. 1995
	CAMPUS-WIDE ALARM REPORTING	300,000.00	39,040.85	Project in Design
	CAMPUS-WIDE ROADWAY/PARKING	23,000.00	22,500.00	Complete
	CAMPUS-WIDE LUST	176,000.00	17,812.53	Project on-going as identified
	HEADBOLT HEATERS	40,000.00	30,740.84	Complete
	AFES AG HVAC	76,000.00	48,852.44	second project in design
	PALMER HOUSING HEATING	30,000.00	29,810.93	Complete
	BETHEL WINDOW/DOOR	56,000.00	48,623.99	Complete
	NORTHWEST ELECTRICAL UPGRADE	135,000.00	122,777.91	Complete
	TV - BURNELL HOUSE FLOORING	8,000.00	6,846.44	Complete
		<u>612,076,000.00</u>	<u>610,932,011.60</u>	

**UNIVERSITY OF ALASKA JUNEAU
FY94 DEFERRED MAINTENANCE (CAPITAL)**

	<i>PROJECT TITLE</i>	<i>BUDGET</i>	<i>EXPENDED/ OBLIGATED</i>	<i>STATUS</i>
	KETCHIKAN, ROBERTSON BLDG BOAT SHOP ROOF & CORRIDOR RECONSTRUCTION	183,200.00	180,300.00	Complete
	FIRE MARSHALL MANDATES		10,380.00	Complete
	UNDERGROUND TANKS, TESTING/REPLACEMENT	19,800.00	0.00	Tanks Tested OK
	HAMILTON PARKING LOT REPAIRS	1,600.00	950.00	Complete
	KETCHIKAN, HEAT, ELEC, VENT, REPAIR, REPLACE HAMILTON & ROBERTSON CODE EMERGENCY LIGHT & ELECTRICAL REPAIR	335,600.00	20,558.00	Broken into smaller projects Under Construction
	PAUL, ZIEGLER, HAMILTON, ROBERTSON MECH REPAIRS			162,480 est. To Be Its Bid
	PAUL, ZIEGLER, ELECTRICAL			22,000 est. To Be Its Bid
		<u>4460,000.00</u>	<u>6124,188.00</u>	

ATTACHMENT B

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University of Alaska Deferred Maintenance

	Non-Residential Projects	Residential Projects
Anchorage Campus	8,172,400	3,100,533
Kodiak College	696,200	
Kenai Peninsula Campus	713,000	
Mat-Su Campus	753,200	
PWS Community Campus	752,000	53,000
University of Alaska Anchorage	11,086,800	3,153,533 *
Fairbanks Campus	26,717,687	22,878,522
Bristol Bay Campus	79,500	
Chukchi Campus	122,000	
Interior Campus	549,000	
Kuskokwim Campus	350,000	150,000
Northwest Campus	71,000	
AFES Fairbanks	665,000	
AFES Mat-Su	225,000	
Palmer Research Center	365,000	
Seward Marine Center	240,000	
University of Alaska Fairbanks	29,384,187	23,028,522 *
Juneau Campus	1,058,300	542,800
Ketchikan Campus	383,800	
Sitka Campus	300,000	
University of Alaska Southeast	1,742,100	542,800 *
Total Deferred Maintenance	42,213,087	26,724,855 *
Bond Issuance Costs	750,000	525,000 *
Required Debt Reserve	2,036,913	2,750,145 *
Total Bond Issue	45,000,000	30,000,000

* Pending final agreement with AHFC on issuance costs and reserve requirements.

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**University of Alaska Anchorage
FY95 Deferred Maintenance
Bond Request By Campus By Building**

Campus	Building Name	Non-Residential Projects	Residential Projects	Cumulative by Campus
AC	K	2,654,050		2,654,050
AC	SHORT	1,677,650		4,331,700
AC	CAS	3,840,700		8,172,400
AC	STUDENT HOUSING NO. 1		849,357	9,021,757
AC	STUDENT HOUSING NO. 2		433,127	9,454,884
AC	STUDENT HOUSING NO. 3		416,827	9,871,711
AC	STUDENT HOUSING NO. 4		414,827	10,286,538
AC	STUDENT HOUSING NO. 5		414,827	10,701,365
AC	STUDENT HOUSING NO. 6		400,408	11,101,773
AC	TEMPLEWOOD A		72,060	11,173,833
AC	TEMPLEWOOD B		41,140	11,214,973
AC	TEMPLEWOOD C		14,490	11,229,463
AC	TEMPLEWOOD D		14,490	11,243,953
AC	TEMPLEWOOD E		14,490	11,258,443
AC	TEMPLEWOOD F		14,490	11,272,933
	Anchorage Campus Totals	8,172,400	3,100,533	11,272,933
KOC	BENNY BENSON	440,100		440,100
KOC	VO-TECH	256,100		696,200
	Kodiak Campus Totals	696,200		696,200
PWSCC	SITE, PWSCC	105,000		105,000
PWSCC	GROUDEN-HARRISON	647,000		752,000
PWSCC	SITE, PWSCC HOUSING		53,000	805,000
	Prince William Sound Comm. College Totals	752,000	53,000	805,000
MSC	KERTTULA	753,200		753,200
KPC	MCLANE	713,000		713,000
	Total University of Alaska Anchorage	11,086,800	3,153,533	14,240,333

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**University of Alaska Fairbanks
FY95 Deferred Maintenance
Bond Request By Campus By Building**

Campus	Building Name	Non-Residential Projects	Residential Projects	Cumulative By Campus
FC	AHRC	1,400,000		1,400,000
FC	ATKINSON	110,000		1,510,000
FC	BALLAINE PARKING LOT	960,000		2,470,000
FC	BARTLETT HALL		2,504,856	4,974,856
FC	BUNNELL BUILDING	1,940,000		6,914,856
FC	CHANCELLOR'S RESIDENCE		40,660	6,955,516
FC	CHANDALAR 714		176,089	7,131,585
FC	CHANDALAR 715		104,482	7,236,067
FC	CHANDALAR 716		159,127	7,395,194
FC	CHANDALAR 717		104,482	7,499,676
FC	CHATANIKA 707		116,789	7,616,465
FC	CHAPMAN YUKON DRIVE	40,000		7,656,465
FC	COAL LAB	25,000		7,681,465
FC	COLUMBIA CIRCLE SEWER MAIN	255,000		7,936,465
FC	COLVILLE 709		72,884	8,009,349
FC	COLVILLE 710		95,609	8,104,958
FC	COLVILLE 711		118,855	8,223,813
FC	COMMONS PLAZA	41,000		8,264,813
FC	DUCKERING	1,386,000		9,650,813
FC	ELVEY	1,878,000		11,528,813
FC	FINE ARTS (FS311, FS312, FS313)	2,014,000		13,542,813
FC	GEIST MUSEUM	1,137,000		14,679,813
FC	GRUENING	1,442,000		16,121,813
FC	GARDEN APARTMENTS I		34,588	16,156,401
FC	GARDEN APARTMENTS II		43,562	16,199,963
FC	HARWOOD HALL		1,563,510	17,763,473
FC	HESS VILLAGE 753		435,198	18,198,671
FC	HESS VILLAGE 754		852,695	19,051,366
FC	HESS VILLAGE 755		506,260	19,557,626
FC	HESS VILLAGE 756		226,220	19,783,846
FC	HESS VILLAGE 757		347,438	20,131,284
FC	HESS VILLAGE 758		527,531	20,658,815
FC	HESS VILLAGE 759		283,477	20,942,292
FC	HESS VILLAGE 760		502,236	21,444,528
FC	HESS VILLAGE 761		283,477	21,728,005
FC	HESS VILLAGE 762		347,438	22,075,443
FC	IRVING I	1,237,000		23,312,443
FC	IRVING II	948,952		24,261,395
FC	LATHROP HALL		2,070,348	26,331,743
FC	MCINTOSH HALL		1,016,906	27,348,649
FC	MOORE HALL		2,443,777	29,792,426
FC	NERLAND HALL		1,363,459	31,155,885

**University of Alaska Fairbanks
FY95 Deferred Maintenance
Bond Request By Campus By Building**

<u>Campus</u>	<u>Building Name</u>	<u>Non-Residential Projects</u>	<u>Residential Projects</u>	<u>Cumulative By Campus</u>
FC	O'NEILL	2,276,000		33,431,885
FC	PATTY CENTER	844,000		34,275,885
FC	PLAZA	76,000		34,351,885
FC	RASMUSON LIBRARY	1,570,000		35,921,885
FC	SAC 774		349,756	36,271,641
FC	SAC 775		161,757	36,433,398
FC	SAC 776		293,111	36,726,509
FC	SIGNERS' HALL	340,000		37,066,509
FC	SKARLAND HALL		1,289,550	38,356,059
FC	STEVENS HALL		1,153,208	39,509,267
FC	STUART HALL		897,991	40,407,258
FC	TANANA DRIVE ROADWAY	983,000		41,390,258
FC	TILLY COMMONS	2,488,058		43,878,314
FC	SOUTH UPPER DORMS	107,000		43,985,314
FC	UTILITIES	610,000		44,595,314
FC	WALSH HALL		927,019	45,522,333
FC	WHITTAKER	274,286		45,796,619
FC	WICKERSHAM HALL		1,484,197	47,280,816
FC	WOOD CENTER	2,167,393		49,428,209
FC	YUKON DRIVE	188,000		49,596,209
	Fairbanks Campus Totals	26,717,687	22,878,522	49,596,209
AF	AFES FAIRBANKS	665,000		665,000
BB	BRISTOL BAY CAMPUS (FS006)	79,500		79,500
CC	CHUKCHI CAMPUS (CC101)	122,000		122,000
IC	RED BUILDING	209,000		209,000
IC	SWINE/GREENHOUSE	90,000		299,000
IC	DOWNTOWN CENTER	250,000		549,000
	Interior Campus Totals	549,000		549,000
KU	VOC-TECH BUILDING	164,000		164,000
KU	KU101-104	150,000		314,000
KU	KU104	36,000		350,000
KU	JOHN SACKETT HALL		150,000	500,000
	Kuskokwim Campus Totals	350,000	150,000	500,000
MV	MATSU AFES	225,000		225,000

**University of Alaska Fairbanks
 FY95 Deferred Maintenance
 Bond Request By Campus By Building**

Campus	Building Name	Non-Residential Projects	Residential Projects	Cumulative By Campus
NW	BOOKSTORE (NW009)	5,000		5,000
NW	EMILY BROWN BLDG (NW008)	20,000		25,000
NW	BOAT SHOP STORAGE BLDG (NW014)	6,000		31,000
NW	ARTHUR NAGOZUK BLDG (NW001)	15,000		46,000
NW	SATELLITE B	25,000		71,000
	Northwest Campus Totals	71,000		71,000
PL	OFFICE/LAB (PL101)	365,000		365,000
SE	DOCK	30,000		30,000
SE	YELLOW LAB (SE102)	60,000		90,000
SE	DONALD W HOOD (SE105)	50,000		140,000
SE	MARINE SCIENCES (SE103)	30,000		170,000
SE	HOOD/K M RAE (SE105, SE106)	50,000		220,000
SE	K M RAE CENTER (SE106)	20,000		240,000
	Seward Marine Center Totals	240,000		240,000
Total University of Alaska Fairbanks		29,384,187	23,028,522	52,412,709

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**University of Alaska Southeast
FY95 Deferred Maintenance
Bond Request By Campus By Building**

Campus Building Name		Non-Residential Projects	Residential Projects	Cumulative by Campus
JC	Soboleft	22,700		22,700
JC	Marine Core	240,000		262,700
JC	Whitehead	30,000		292,700
JC	Hendrickson	165,000		457,700
JC	Student Housing		542,800	1,000,500
JC	Anderson	157,300		1,157,800
JC	Auke Lake	133,300		1,291,100
JC	Bill Ray	107,200		1,398,300
JC	Jones (Day Care)	125,000		1,523,300
JC	Stover (Physical Plant Offices)	19,000		1,542,300
JC	Juneau	58,800		1,601,100
	Juneau Campus Totals	1,058,300	542,800	1,601,100
KET	Ziegler	20,000		20,000
KET	Paul	147,000		167,000
KET	Paul/Ziegler/Robertson	216,800		383,800
	Ketchikan Campus Totals	383,800		383,800
SC	332	300,000		757,700
Total University of Alaska Southeast		1,742,100	542,800	2,284,900

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**FY95 Deferred Maintenance
MAU Summary**

	Non-Residential Projects	Residential Projects	Total Projects
University of Alaska Anchorage	35,687,661	4,127,485	39,815,146
University of Alaska Fairbanks	82,580,500	30,782,714	113,363,214
University of Alaska Juneau	3,710,222	566,800	4,277,022
University of Alaska Deferred Maintenance Total	121,978,383	35,476,999	157,455,382

ALASKA STATE CHAMBER OF COMMERCE

Resolution 95-10

University of Alaska Deferred Maintenance

WHEREAS, the University of Alaska has been unable to fund its needs for maintenance and code compliance since FY83; and

WHEREAS, during the past 12 years the amount received for the above purposes has been approximately 38% of the necessary funds requested from the legislature by the board of Regents; and

WHEREAS, the need for deferred maintenance in parts of the system is so severe that further delay will adversely impact teaching, research, and public service; and

WHEREAS, the University of Alaska Board of Regents has given this need its highest priority; and

WHEREAS, the Alaska State Legislature has addressed this problem, with the House passing enabling legislation and the Senate looking favorably on the issue, yet letting it die in committee at the end of the 1994 session;

THEREFORE BE IT RESOLVED that the Alaska State Chamber of Commerce give active support for legislation providing for a method of funding deferred maintenance for the University of Alaska statewide system as expressed in the University of Alaska prioritized capital budget for 1995.

ADOPTED

December 9, 1994

BY Pamela Neal

Pamela Neal
President

BY Paul Richards

Paul Richards
Chair, Board of Directors

SB 121 UNIVERSITY OF ALASKA DEFERRED MAINTENANCE
BY SENATORS HALFORD, Sharp, Miller, Pearce

The University of Alaska Board of Regents continues to have deferred maintenance as its top funding priority. Years of inadequate maintenance budgets have resulted in numerous facility system failures that are disrupting programs, increasing operational expenses and jeopardizing safety. Premature facility failure will result if these conditions are not addressed. The state of Alaska has invested hundreds of millions of dollars in university infrastructure, representing over 40 percent of all state facilities. If the state does not move quickly to resolve the growing maintenance problems, the value of this significant investment will be lost and replacement unfeasible.

After years of insufficient funding, the University's deferred maintenance backlog has grown to \$157,455,382. Every campus in the system has deferred maintenance projects, although the majority are at the Fairbanks campus. UAF is the oldest campus in the state, with an average building age of nearly 25 years. A summary of the deferred maintenance projects by major administrative unit is:

University of Alaska Anchorage (Campuses: Anchorage, Kenai, Kodiak, Homer, Mat-Su, Prince William Sound)	\$ 39,815,146
University of Alaska Fairbanks (Campuses: Fairbanks, Bethel, Nome, Kotzebue, Kodiak, Seward, Dillingham, Palmer)	\$113,363,214
University of Alaska Southeast (Campuses: Juneau, Sitka, Ketchikan)	\$ 4,277,022

Of the total deferred maintenance backlog, approximately \$35 million is for residential facilities, and the balance is for classrooms, offices, and laboratories.

Many misperceptions exist about the deferred maintenance problem, including the myth that the University systematically reallocated funds from maintenance accounts, thus creating the problem through bad management. The causes of the deferred maintenance backlog are as follows:

1. From 1980 to 1994, the university's total plant asset increased by 243 percent and increased in size by 145 percent in terms of square footage. During this period of rapid expansion, the operating budgets for building operation, maintenance and renewal remained relatively flat. There were few incremental increases in operating budgets for new structures coming on-line. This reduced the amount available for maintenance and renewal and replacement. The result is a current shortfall in building maintenance systemwide of \$3.8 million and for building renewal and replacement, \$5.8 million.

contact:

Wendy Redman
University Relations
463-3086/474-7582

Post-it® Brand 24 mm x 35 mm (1 1/2" x 1 3/8")	
To: Senate Staff	From:
Co: Committee	Co:
Dist: SB 121	Phone:
Fax: 465-3805	Fax:

By: Valerio Themien
 Nanci A. Jones
 Hank Hove
 Dan LaSota
 Layna St. John
 Cheryl Kilgore
 Hank Bartos
 Jim Sampson, Mayor

Introduced: 03/08/95
 Substituted: 03/08/95
 Adopted: 03/08/95

RESOLUTION NO. 95-018

A RESOLUTION URGING THE GOVERNOR AND LEGISLATURE TO PROVIDE FUNDS TO ADDRESS THE UNIVERSITY OF ALASKA'S \$157 MILLION BACKLOG OF DEFERRED MAINTENANCE

WHEREAS, the University of Alaska Fairbanks serves as the site for 60 percent of the University of Alaska system's buildings and 90 percent of these are more than 20 years old; and

WHEREAS, the University's facilities have seriously deteriorated, adversely affecting the University's mission and Alaska's investment in higher education; and

WHEREAS, the lack of proper maintenance has unnecessarily increased the University's operating costs, created serious health and life-safety concerns and adversely affected the University's enrollment; and

WHEREAS, University students have cited their housing, buildings and classroom conditions as the University of Alaska Fairbanks' main deficiency and the University of Alaska Board of Regents has made capital improvement-maintenance its highest priority for the past two years; and

WHEREAS, the current deferred maintenance backlog is \$156,890,981 and, in order for the university to continue to function and to serve the needs of the students and faculty, the maintenance projects backlogged must be undertaken; and

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska



**SB 121 UNIVERSITY OF ALASKA DEFERRED MAINTENANCE
BY SENATORS HALFORD, Sharp, Miller, Pearce**

The University of Alaska Board of Regents continues to have deferred maintenance as its top funding priority. Years of inadequate maintenance budgets have resulted in numerous facility system failures that are disrupting programs, increasing operational expenses and jeopardizing safety. Premature facility failure will result if these conditions are not addressed. The state of Alaska has invested hundreds of millions of dollars in university infrastructure, representing over 40 percent of all state facilities. If the state does not move quickly to resolve the growing maintenance problems, the value of this significant investment will be lost and replacement unfeasible.

After years of insufficient funding, the University's deferred maintenance backlog has grown to \$157,455,382. Every campus in the system has deferred maintenance projects, although the majority are at the Fairbanks campus. UAF is the oldest campus in the state, with an average building age of nearly 25 years. A summary of the deferred maintenance projects by major administrative unit is:

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Of the total deferred maintenance backlog, approximately \$35 million is for residential facilities, and the balance is for classrooms, offices, and laboratories.

Many misperceptions exist about the deferred maintenance problem, including the myth that the University systematically reallocated funds from maintenance accounts, thus creating the problem through bad management. The causes of the deferred maintenance backlog are as follows:

1. From 1980 to 1994, the university's total plant asset increased by 243 percent and increased in size by 145 percent in terms of square footage. During this period of rapid expansion, the operating budgets for building operation, maintenance and renewal remained relatively flat. There were few incremental increases in operating budgets for new structures coming on-line. This reduced the amount available for maintenance and renewal and replacement. The result is a current shortfall in building maintenance systemwide of \$3.8 million and for building renewal and replacement, \$5.8 million.

contact:

Wendy Redman
University Relations
463-3086/474-7582

2. Utility rates increased, from 1980 to 1994, approximately 3 percent per year. Increments to budgets, as a rule, did not keep pace with these increments.
3. University buildings have continued to age. As buildings pass the 20 year mark, the amount needed for building system renewal and replacement climbs rapidly. A 20 year old building with a replacement cost of \$10.0 million needs twice as much for renewal and replacement retrofitting as a 10 year old building valued at \$10 million. The Fairbanks campus, with an average building age of 24.4 years, has 157 buildings 20 years of age or older. The UAA Anchorage campus has seven buildings that are 20 years or older; the Juneau campus has three buildings past 20 years; and the Ketchikan campus has two buildings past 20 years. If renewal and replacement is not funded annually, systems wear out, then become deferred maintenance problems.
4. In FY86, approximately \$1.4 million was removed from the maintenance category and put into maintaining the academic programs at UAF. This was quickly rectified. By FY87 maintenance budget was back to pre-86 levels in absolute dollars. There has only been one major increase to plant maintenance since: At UAF in FY94, approximately \$1.0 million was added to plant maintenance.
5. The methods of quantifying deferred maintenance and operating budget needs for maintenance and renewal and replacement have just been developed in the last five years. At this point in time, it is still an emerging discipline. The federal government did a study, showing that the total operations and maintenance for facilities cost from 2 to 4 percent of the plant value. Nationally, colleges and universities have a plant value estimated at \$300 billion, but deferred maintenance is estimated to be a \$60 billion problem, of which \$20 billion is judged critical, i.e., 20 percent of replacement value is deferred maintenance backlog; 7 percent of replacement value is critical. At UA, \$156 million, or 19 percent, of replacement value is viewed as critical deferred maintenance.

In FY95 the University operating budget is the same as it was in FY94 -- \$169 million. During the same decade, student enrollment has increased by 20%, inflation has decreased purchasing power by 20%, and demands for expensive technology enhancements have placed tremendous strain on the University operating budget. Therefore, while it is true that the University did not diminish its operating maintenance funds during the past decade, neither were they able to make sufficient increases in the budgets to keep pace with inflation and aging facilities.

During the past three years, the University of Alaska has aggressively pursued the allocation of operating funds to prevent deferred maintenance from growing. Policies are in place that require the campuses to secure, through new appropriations or reallocation of existing resources, sufficient funds to maintain the buildings according to the formula requirement. A six-year plan for full funding of renewal and replacement operating funds is also in place. These allocations will be in place by 2001 and will assure sufficient funds to replace building systems on a scheduled basis.

The University's future is tied to resolving the backlog of deferred maintenance and legally mandated code corrections. For the past three years, the University has been seeking legislative support to address the problem. Proposals for cash and/or bonding have been put forward, all to no avail. While policy issues are involved with the determination of a funding source, it is crucial that the problem be addressed in a significant way this session. National experts predict that approximately 6 years are needed from the identification of the funding source to the completion of the backlog of deferred maintenance. Phased funding, with a guaranteed source of funding future phases is essential and a logical solution to funding the backlog.

Post-it™ BRAND TAPE FOR HOLDING TOGETHER PAGES	
To <i>Senate Hess</i>	From
Co. <i>Committee</i>	Co.
Dept <i>SB 121</i>	Phone #
Fax # <i>465-3805</i>	Fax #

By: Valerie Themien
 Nanci A. Jones
 Hank Hove
 Dan LaSola
 Layne St. John
 Cheryl Kilgore
 Hank Bartos
 Jim Sampson, Mayor

Introduced: 03/08/95
 Substituted: 03/08/95
 Adopted: 03/08/95

RESOLUTION NO. 95-018

A RESOLUTION URGING THE GOVERNOR AND LEGISLATURE TO PROVIDE FUNDS TO ADDRESS THE UNIVERSITY OF ALASKA'S \$157 MILLION BACKLOG OF DEFERRED MAINTENANCE

WHEREAS, the University of Alaska Fairbanks serves as the site for 60 percent of the University of Alaska system's buildings and 90 percent of those are more than 20 years old; and

WHEREAS, the University's facilities have seriously deteriorated, adversely affecting the University's mission and Alaska's investment in higher education; and

WHEREAS, the lack of proper maintenance has unnecessarily increased the University's operating costs, created serious health and life-safety concerns and adversely affected the University's enrollment; and

WHEREAS, University students have cited their housing, buildings and classroom conditions as the University of Alaska Fairbanks' main deficiency and the University of Alaska Board of Regents has made capital improvement-maintenance its highest priority for the past two years; and

WHEREAS, the current deferred maintenance backlog is \$156,860,961 and, in order for the University to continue to function and to serve the needs of the students and faculty, the maintenance projects backlogged must be undertaken; and

MAR 14 '95 05:50PM FINED CLERK'S OFFICE

P. 3/5

PASSED AND APPROVED THIS 8TH DAY OF MARCH, 1995.

Hank Bartos
Hank Bartos
Presiding Officer

ATTEST:

Mona Lisa Craxler
Mona Lisa Craxler, CMCAAE
Municipal Borough Clerk

Ayas: Lujan, Hackettmiller, Jones, Novu, LaSota, St. John, Thermen, Kilgore and Bartos
Nays: None

S B

1 2 3

SB 123 - SECTIONAL BILL ANALYSIS

Revised 3/16/95

Section 1-- increases the annual borrowing maximum for college and university undergraduate and graduate students. The University of Alaska, which receives 60% of the ASLs, recently increased the tuition rates for all levels of study. Over the past 10 years, the University of Alaska has increased tuition by 140%, and during that same time, there have been no increase in loan limits. Loan limits for career education programs were adjusted to reflect costs relative to program length. The number of financial aid sources available for graduate students has dwindled, while the cost of education has increased at a steady pace. National statistics show that graduate/professional students repay their loans in the greatest numbers.

Section 2 -- changes guarantee fee to origination fee to more accurately describe the fee being assessed -- to offset for loan losses to the Revolving Loan Fund due to death, permanent and complete disability, bankruptcy, or default of the borrower.

Section 3 -- clarifies the Commission's authority to ensure the financial and administrative capability of an institution participating in the ASL. This section strengthens consumer protection and protects the ASL fund from unnecessary losses due to defaults and school closures.

Section 4 -- sets the borrowing maximum at a **dollar** amount rather than the **number of loan years** that a borrower is eligible. This is a more flexible and practical means of tracking student eligibility.

Section 5 -- eliminates the drain on the Revolving Loan Fund resulting from interest-free deferment periods. Under sections 9 and 13, the State of Alaska would pay the interest subject to appropriations.

Section 6 -- amends the terms of repayment of the ASL as follows:

- a) the traditional 12-month grace period prior to the beginning of repayment is reduced to six months.
- b) a minimum monthly payment of \$50 per month is established.
- c) the number of years required to repay the loan is extended to fifteen years.

Section 7 -- simplifies the procedure for collection of the origination fee.

Section 8 -- eliminates requirement for certified or registered mail thus eliminating an unnecessary cost of administration. Once a loan is in a default status, the borrower will be notified by mail to the most recent address provided by the borrower.

Section 9 -- alters the following terms and conditions involving student loan deferments:

- a) interest on the loan will continue to accrue during periods of deferment as provided in Section 5;
- b) the six years of military deferment is reduced to three years; and
- c) borrower must be totally disabled to qualify for a medical deferment.

In order to move the Alaska Student Loan Program toward a self-sustaining, actuarially sound basis, these changes are essential.

Section 10 -- clarifies when a borrower's accrued interest will be paid by the State of Alaska.

Section 11 -- reduces administrative expenses by eliminating the need for continued renewal of a hardship deferment.

Section 12 -- extends the due diligence period on a loan from 120 to 180 days. This allows the borrower an additional 60 days to recover from temporary financial problems and prevent the loan from being declared in default.

Section 13 -- conforms with changes made in Section 5 and 9.

Section 14 -- provides consistency with changes made in Sections 2, 7 and 19, and allows the ACPE to set the origination fee amount by regulation, but not to exceed five percent of the loan amount. Additionally the fee is to be deducted from the disbursement rather than added to the principal and then deducted.

Section 15 -- contains technical amendments and amends the residence requirement to comply with a court decision reducing the residency requirement from two year to one year. The allowable absence length for military service is reduced from six to three years.

Section 16 -- allows a student to borrow on the student's own behalf in the ASL program at the same time a parent or spouse borrows on the student's behalf in the Family Education Loan program (FEL). The total amount borrowed in both programs cannot exceed the student's cost of attendance.

Section 17 -- makes incarcerated persons ineligible for ASL funds because of the person's inability to repay the loan.

Section 18 -- gives delinquent student loans priority, behind child support enforcement, for garnishment of wages.

Section 19 -- provides consistency with sections 7 and 14.

Section 20 -- caps the level in the Teacher Scholarship Loan (TSL) program to \$37,500 rather than the number of years of borrowing. This is consistent with changes in the ASL program in Section 4.

Section 21 -- consistent with the change in Section 16, allows a TSL recipient to borrow on the student's own behalf while a family member also borrows on the student's behalf.

Section 22 -- technical amendment: repeal of duplicitous language for graduate loan limits that is now covered in Section 1 of this bill.

Section 23 -- consistent with the change in Section 12, extending the due diligence period on the Family Education Loan from 120 to 180 days.

Section 24 -- clarifies that a loan obtained illegally by a person who does not meet the eligibility criteria must be paid in full upon demand.

Section 25 -- allows the ACPE to target funds administered as part of the Western Interstate Commission on Higher Education's (WICHE) Professional Student Exchange Program, and eliminates the specific categories previously in statute. This change would make possible the allotment of these funds in accordance with over-all needs of Alaskans.

Section 26 -- allows the ACPE to initiate user fees from non-accredited Postsecondary institutions, outside of Alaska, that wish to receive the proceeds of ASL loans. The fees would ensure that the state does not subsidize the review of outside institutions.

Section 27 -- repeals limits on the amount of loans that can be awarded in any one year; repeals separate section for graduate loan limits; and enables a family member to borrow a loan for a student at the same time the student is borrowing an ASL or TSL as referenced in Sections 16 and 21 of this bill.

Section 28 -- provides the Commission with interim authority to promulgate regulations to implement this bill.

Section 29 -- clarifies that loans disbursed after June 30, 1995 will be obligated to pay interest during deferments as referenced in Section 5.

Section 30 -- provides for an immediate effective date to promulgate regulations referenced in Section 28.

Section 31 -- provides for an effective date of this bill at the beginning of the fiscal year.

CONFERENCE COMMITTEE
ON SB 123 (Student Loans)

The conference committee worked from the CS SB 123 (Fin) version and made the following changes.

House amendment #1 was adopted.

House amendment #4 was adopted.

> attached

Page 2, line 7

Delete "3000"
Insert "3500"

Delete "\$1000"
Insert "\$1500"

Also on page 2, add a new subsection:

"(6) \$1000 to a full-time student if the student is attending a career education program that is at least six weeks but not more than 10 weeks and is otherwise eligible under AS 14.43.125.

js

AMENDMENT #1

✓
33-4

OFFERED IN THE HOUSE

BY REP. ELTON

TO: CSSB 123 (FIN)

Page 5, line 27, insert a new subsection to read:

"(6) serving, for up to two years, as a full-time volunteer under the National and Community Service Trust Act of 1993 (AmeriCorps);"

Renumber the following sections accordingly.

24-11 js

9-LS0856G.2
Ford
5/5/95

✓

AMENDMENT #4

OFFERED IN THE HOUSE

By Rep. Robinson

TO: CSSB 123(FIN)

- 1 Page 9, line 25, after "AS 25.27.070":
- 2 Insert ", restitution to a crime victim authorized under AS 12.55.045,"

LETTER OF INTENT

OFFERED IN THE HOUSE

TO: SB 123

It is the intent of the Legislature that the Commission on Postsecondary Education enforce AS 14.43.120(d)(4) to reduce delinquency rates on state scholarship loans.



AS 14.43.120(d). Scholarship loans may not be made to a student...
(4) to attend an institution, other than a nonprofit institution, if the total amount of scholarship loans made to students to attend that institution exceeds \$100,000 and the default rate on those loans exceeds the program default rate by more than 150 percent as defined by regulation.

Office of Senate Secretary

Received:

CONFERENCE COMMITTEE REPORT

Date: May 11, 1995

Madam President:
Madam Speaker:

The Conference Committee, with limited powers of free conference, considered

CS FOR SENATE BILL NO. 123(FIN)

"An Act relating to student loan programs and fees for review of postsecondary education institutions; relating to a postsecondary student exchange program administered by the Western Interstate Commission on Higher Education; and providing for an effective date."

and

CS FOR SENATE BILL NO. 123(FIN) am H

"An Act relating to student loan programs and fees for review of postsecondary education institutions; relating to a postsecondary student exchange program administered by the Western Interstate Commission on Higher Education; and providing for an effective date."

recommends that:

be adopted.

Letter of Intent: Senate House Conference Committee

Fiscal note(s): Senate House ZEROS

New zero fiscal note(s) attached from: _____

New fiscal note(s) attached from: _____

Linda Green

Senator Green, Chair

Con Bunde

Representative Bunde, Chair

Robert E. Phillips

Senator Phillips

Al Vezev

Representative Vezev

John Ellis

Senator Ellis

Jay Brown

Representative Brown

Return original to Senate Secretary's Office with Conference Bill.

Think before you sign
with ink ...

Vote Yes on
Amended SB123

The future of Alaskan
employment and welfare
depends on people being
able to attend vocational
schools.

Thank you for your support

Barbara Ray
P.O. Box 870771
Wasilla, AK 99687

(Dear Senator

I Stacy Tetkau I'm on welfare after hearing
Bill Clinton saying there cutting welfare
I came to SST Travel if it wasn't for the loan
I would of never gotten this education to
get a good job to raise myself and my 16 month
old son. My husband left me with this pressure
to take care of welfare was my only choice
at the time. but now I'm making a life
for me and my son, with this bill trying to
get do away with the student loan. How
are mother or father like me suppose to
take care of our children? With welfare going
out we have to get some kind of schooling
to make a decent living. you want to take
away welfare to make us get jobs. now
you taking away the student loan. If you
want people to get off of welfare why are
you taking away the student loan?
SST has given me an education to get a
good paying job. Don't take that away. This
for others. PLEASE

Thank you

Student at SST Travel

Stacy Tetkau

Stacy Tetkau
332 S. Denali
Palmer, AK

99645

STATE OF ALASKA

ALASKA COMMISSION ON POSTSECONDARY EDUCATION

3030 VINTAGE BLVD
JUNEAU ALASKA 99801-2109
PHONE (907) 465 2962
FAX (907) 465 5316

May 1, 1995

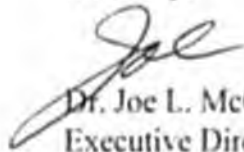
The Honorable Lyda Green
Alaska State Senate
Juneau, Alaska 99801

Dear Senator Green:

I would like to take this opportunity to thank you for sponsoring SB 123, "An Act related to student loans". This bill contains provisions that will strengthen the financial viability of the Alaska Student Loan Program and insure that student loans are available to future generations. Considering the rising cost of postsecondary education nationwide, safeguarding access to postsecondary education for Alaskans is more important than ever.

Your efforts on behalf of Alaska's students are appreciated. Best wishes for the remainder of the session.

Sincerely,



Dr. Joe L. McCormick
Executive Director

Thanks for your leadership!

MEMORANDUM

TO: Senator Lyda Green
Alaska State Senate

FROM: Dr. Joe L. McCormick
Executive Director



DATE: April 25, 1995

RE: CS SB 123 (FIN)am

"An Act relating to student loan programs, the Professional Student Exchange Program administered by WICHE, and fees for review of postsecondary education institutions; and providing for an effective date."

Provisions of this bill will achieve three broad objectives:

IMPROVE FINANCIAL STABILITY

- increases loan origination fee to cover loan losses due to death, disability and defaults
- provides for accrual of interest during periods of deferment
- reduces grace period to six months
- establishes wage garnishment priority behind the Division of Child Support Enforcement

IMPROVE PROGRAM ADMINISTRATION

- sets the loan maximum at a dollar amount rather than the number of years in school
- eliminates unnecessary and costly mailing to borrowers
- removes the arbitrary cap on the loan volume

CUSTOMER SERVICE

- raises annual graduate loan limits to \$9500, and undergraduate loan limits to \$8500
- provides graduated loan limits per the length of career education programs
- extends the repayment period from 10 to 15 years; requires \$50 month minimum payment
- increases financial aid options available in the Family Education Loan Program
- extends the period before a loan is considered in default to 180 days

APR 26 1995

CSSB 123(FIN) am - SECTIONAL BILL ANALYSIS

Revised 4/25/95

Section 1 -- increases the annual borrowing maximum for college and university undergraduate and graduate students. The University of Alaska, which receives 60% of the ASLs, recently increased the tuition rates for all levels of study. Over the past 10 years, the University of Alaska has increased tuition by 140%, and during that same time, there have been no increase in loan limits. Graduated loan limits for career education programs reflects the costs relative to program length. The number of financial aid sources available for graduate students has dwindled, while the cost of education has increased at a steady pace. National statistics show that graduate/professional students repay their loans in the greatest numbers.

Section 2 -- changes guarantee fee to origination fee to more accurately describe the fee being assessed -- to offset for loan losses to the Revolving Loan Fund due to death, permanent and complete disability, bankruptcy, or default of the borrower.

Section 3 -- clarifies the Commission's authority to ensure the financial and administrative capability of an institution participating in the ASL. This section strengthens consumer protection and protects the ASL fund from unnecessary losses due to defaults and school closures.

Section 4 -- sets the borrowing maximum at a **dollar** amount rather than the **number of loan years** that a borrower is eligible, and caps the total amount borrowed to \$60,000. This is a more flexible and practical means of tracking student eligibility.

Section 5 -- eliminates the drain on the Revolving Loan Fund resulting from interest-free deferment periods. Under Sections 9 and 13, the borrower will become responsible for the interest if the State does not appropriate the money rather than placing the loss on the Alaska Student Loan program.

Section 6 -- amends the terms of repayment of the ASL as follows:

- a) the traditional 12-month grace period prior to the beginning of repayment is reduced to six months.
- b) a minimum monthly payment of \$50 per month is established.
- c) the number of years required to repay the loan is extended to fifteen years.

Section 7 -- simplifies the procedure for collection of the origination fee.

Section 8 -- eliminates requirement for certified or registered mail thus eliminating an unnecessary cost of administration. Once a loan is in a default status, the borrower will be notified by mail at the most recent address provided by the borrower.

Section 9 -- alters the following terms and conditions involving student loan deferments:

- a) interest on the loan will continue to accrue during periods of deferment as provided in Section 5;
- b) the six years of military deferment is reduced to three years; and
- c) borrower must be totally disabled to qualify for a medical deferment.

In order to move the Alaska Student Loan Program toward a self-sustaining, actuarially sound basis, these changes are essential.

Section 10 -- clarifies when a borrower's accrued interest will be paid by the State of Alaska.

Section 11 -- reduces administrative expenses by eliminating the need for continued renewal of a hardship deferment.

Section 12 -- extends the due diligence period on a loan from 120 to 180 days. This allows the borrower an additional 60 days to recover from temporary financial problems and prevent the loan from being declared in default.

Section 13 -- conforms with changes made in Section 5 and 9.

Section 14 -- provides consistency with changes made in Sections 2, 7 and 19, and allows the ACPE to set the origination fee amount by regulation, but not to exceed five percent of the loan amount. Additionally the fee is to be deducted from the disbursement rather than added to the principal and then deducted.

Section 15 -- contains technical amendments and amends the residence requirement to comply with a court decision reducing the residency requirement from two year to one year. The allowable absence length for military service is reduced from six to three years.

Section 16 -- allows a student to borrow on the student's own behalf in the ASL program at the same time a parent or spouse borrows on the student's behalf in the Family Education Loan program (FEL). **The total amount borrowed in both programs cannot exceed the student's cost of attendance.**

Section 17 -- makes incarcerated persons ineligible for ASL funds.

Section 18 -- gives delinquent student loans priority, behind child support enforcement, for garnishment of wages.

Section 19 -- provides consistency with Sections 7 and 14.

Section 20 -- caps the level in the Teacher Scholarship Loan (TSL) program to \$37,500 rather than the number of years of borrowing. This is consistent with changes in the ASL program in Section 4.

Section 21 -- consistent with the change in Section 16, allows a TSL recipient to borrow on the student's own behalf while a family member also borrows on the student's behalf.

Section 22 -- technical amendment: repeal of duplicitous language for graduate loan limits that is now covered in Section 1 of this bill.

Section 23 -- consistent with the change in Section 12, extending the due diligence period on the Family Education Loan from 120 to 180 days.

Section 24 -- clarifies that a loan obtained illegally by a person who does not meet the eligibility criteria must be paid in full upon demand.

Section 25 -- allows the ACPE to target funds administered as part of the Western Interstate Commission on Higher Education's (WICHE) Professional Student Exchange Program, and eliminates the specific categories previously in statute. This change would make possible the allotment of these funds in accordance with over-all needs of Alaskans.

Section 26 -- allows the ACPE to initiate user fees from non-accredited Postsecondary institutions, outside of Alaska, that wish to receive the proceeds of ASL loans. The fees would ensure that the state does not subsidize the review of outside institutions.

Section 27 -- repeals limits on the amount of loans that can be awarded in any one year; repeals separate section for graduate loan limits; and enables a family member to borrow a loan for a student at the same time the student is borrowing an ASL or TSL as referenced in Sections 16 and 21 of this bill.

Section 28 -- provides the Commission with interim authority to promulgate regulations to implement this bill.

Section 29 -- clarifies that loans disbursed after June 30, 1995 will be obligated to pay interest during deferments as referenced in Section 5.

Section 30 -- provides for an immediate effective date to promulgate regulations referenced in Section 28.

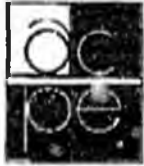
Section 31 -- provides for an effective date of this bill at the beginning of the fiscal year.

Analysis.doc

Frontiers
ACPE FY94 Annual Report

TABLE 9
DISTRIBUTION OF 1993-94 ALASKA STATE LOANS
FOR STUDENTS ATTENDING IN ALASKA
(June 30, 1994)

Institution	No.	Amount	Institution	No.	Amount
University of Alaska Anchorage	2,846	\$9,864,422	University of Alaska Southeast - Ketchikan	17	\$51,100
University of Alaska Fairbanks	1,792	6,650,759	Kuskokwim College	17	49,342
Matanuska-Susitna College	292	1,030,202	Older Persons Action Group	17	22,050
Alaska Pacific University	279	1,002,990	New Frontier Vocational-Technical Center	16	79,450
University of Alaska Southeast	277	866,621	A Head of Time Design School	16	74,750
Alaska Computer Institute of Technology	266	1,369,768	New Concepts Beauty School	15	74,600
The Travel Academy	254	942,597	Anchorage Alaska Barber College	15	66,579
Charter College	247	1,189,296	Kodiak College	14	36,850
Alaska Junior College	202	606,589	Alaska Institute of Business & Technology	12	50,900
Kenai Peninsula College	174	631,354	SERCC-Alaska Vocational Institute	12	46,850
SST Travel Schools of Alaska	117	472,415	St. Herman's Theological Seminary	12	41,233
Alaska Vocational-Technical Center	110	387,402	Northern Lights Academy of Hair	12	40,450
Sheldon Jackson College	93	421,717	Beau Mondes DBA Fairbanks Beauty School	10	52,100
Alaska Technical Training School	74	350,674	Aero Tech Flight School	10	23,728
Computer Skills Training	73	367,425	Aviation North	9	19,362
Elite Hospitality	64	288,775	Valley Academy of Hair	7	38,200
Trend Setters School of Beauty	52	241,965	Chapman College	7	15,030
Wayland Baptist University	47	113,063	Gatekey School of Mind-Body Integration	6	32,200
University of Alaska Southeast - Sitka	44	141,138	Alaska Flying Network	6	21,974
People Count, Inc.	42	202,350	Elmendorf Aero Club	6	3,649
Testing Institute of Alaska	33	161,026	Embry-Riddle Aeronautical University	5	14,300
University of LaVerne	29	91,819	Alaska Bible College	5	11,100
Prince William Sound Community College	29	73,750	The Aviation Company	4	3,366
Cumarron Tech	28	104,150	Felson Aero Club	3	6,858
Alaska Professional Bartending School	27	130,100	Alaska Technical Center	2	5,750
Flight Safety Alaska	24	71,594	Northwest College	1	1,500
Jon Anthony's Academy of Hairstyling	22	105,750	Central Texas College	1	650



Alaska Commission on Postsecondary Education

**3030 Vintage Blvd.
Juneau, AK 99801-7109
(907) 465-6740
FAX: (907) 465-3293**

TELECOPIER COVER SHEET

Date: May 11, 1995

Send To: Conference Committee Members

FAX #: _____

Number of pages: 2
(Including Cover Page)

FROM: Dr. Joe L. McCormick
Fax: (907) 465-3293

Message: Please note the small number of loans sent to
proprietary schools each year.

PERSONAL USE ONLY

Document Sent By: JLM/

Date/Time Completed: _____

ALASKA STATE LEGISLATURE

Interim
165 East Parks Highway, Suite 106
Wasilla, Alaska 99654-7035
(907) 376-3370



Session
State Capitol
Juneau, Alaska 99801-1182
(907) 465-6600
Fax 465-3805

SENATOR LYDA GREEN
SENATE DISTRICT N

MEMORANDUM

TO: All Senators
FROM: Senator Green
RE: CSSB 123 (FIN) am H
DATE: May 7, 1995

The House recently passed CSSB 123, "An Act relating to student loans". **Changes made to the bill, increasing loan limits to short-term vocational programs, will be devastating to the Alaska Student Loan Program.**

Currently, **default rates for short term programs (less than 30 weeks) are between 30 and 54 percent.** (This is compared to the average default rate for University of Alaska students which is 12 percent.) **Fact: Twenty percent of all Alaska Student Loans go to for-profit proprietary schools but these programs represent over 40 percent of all currently defaulted student loans.** The Division of Legislative Audit reported in February that "At the end of 1994, \$342 million of the loan portfolio should have been paying on their loans, however, almost a third, or over \$107 million, were in default... The default rate must be decreased significantly to move toward financial self-sufficiency."

The argument that SB 123, in its unamended form, would eliminate the majority of vocational school operations due to the "drastically reduced maximum loan levels for programs less than 30 weeks" is simply false. SB 123, in its unamended form, gives students attending programs more than 30 weeks in length access to \$6,500. This is a \$1,000 increase from current loan limits. Programs between 20 and 30 weeks in length will be eligible for \$4,500 and programs between 10 and 20 weeks will be eligible for \$3,000 in ASL funds. If students can attend an entire year of school with \$5,500, they can certainly complete a 20 week program on \$4,500 or a 10 week program with \$3,000.

The argument that SB 123 would drastically reduce the available trained labor pool for the travel/tourism/hospitality industry is also unfounded. These loan limits will not prevent anyone from attending vocational training programs but *will* prevent students from getting saddled with excessive debt, ruining their credit rating, having their Permanent Fund Dividend checks seized and having their wages garnished.

Fact: Bond holders and bond insurers will not continue to buy or insure Alaska Student Loans if default rates are not drastically reduced. Financial self-sufficiency is the goal of SB 123. Since the Alaska Student Loan Program is not insured against losses to the loan fund and receives no General Fund support, it is vital that we reduce default rates. We can do this most expeditiously by not raising loan limits to high-risk students. To expand loan limits to programs with the highest default rates is bad fiscal and public policy that could ultimately result in the destruction of the Alaska Student Loan Program. **Therefore, I urge my fellow Senators to reject the House changes to SB 123.**

SHORT COURSE PROGRAMS - (less than 9 months, or approximately 1000 hours in length)

<u>Course Type</u>	<u>Length</u>	<u>Cost</u>	<u>Annual Openings</u>	<u>Wage</u>	<u>Average Default Rate</u>
<i>Technical Training</i>					30.66%
Automotive	21 weeks	\$4,174	54	varies	
Outboard Motor Repair	8 weeks	\$3,400-4,800	15	\$19,200	
Heat/Refrig/Sheet Metal	31 weeks	\$6,390	6	\$32,864	
Master Welding	25 weeks	\$6,990	28	\$27,600	
<i>Office/Computer Skills Training</i>					36.6%
General Clerical Skills	22 weeks	\$7,756	180	\$16,200	
Word Processing	16 weeks	\$5,643	37	\$18,000	
Clerk Typist	18 weeks	\$3,000	37	\$18,000	
Office Management	16 weeks	\$5,638	109	\$27,000	
Accounting Clerk	18 weeks	\$3,000	127	\$19,800	
Travel Specialist	10 weeks	\$1,795	36	\$15,360	29.49%
Bartending/Management	7 1/2 weeks	\$3,400	61	\$14,400	53.91%
Cosmetology & Hairdressing	12 weeks 22 weeks	\$750-2,250 \$4,500	29	\$12,000	34.48%

The occupation and wage data is provided by the Alaska Department of Labor. That information is derived from employer surveys which also stress that, in many occupations, applicants must be certified as having skill mastery with prior experience. This scenario often results in a higher than average default rate for vocational programs. Students completing the short courses do not find jobs with wages to support student loan payments.

**EVENSEN DODGE INC**

May 9, 1995

Dr. Joe L. McCormick
Executive Officer
Alaska Student Loan Corporation
3030 Vintage Blvd.
Juneau, Alaska 99801

Dear Dr. McCormick:

You have asked us to comment on a legislative proposal to increase loans to students attending proprietary schools. Our comments are made as the Corporation's financial advisor.

In Alaska, as well as nationally, proprietary school students' loans have default rates substantially higher than for other post-secondary school students' loans. An increase in loans to students attending proprietary schools can be expected to increase the Corporation's default rate and any increase in the default rate will have an adverse impact on the Corporation's cost of borrowed funds, the availability of credit enhancement, financing capacity of the Corporation, and possibly access to the tax exempt bond market.

The Corporation has made great strides in the past 2 years to reduce its default rate and improve the servicing of student loans. These actions have been welcomed by investors and credit analysts. For the Legislature to now take an action which will be expected to increase the default rate will increase the Corporation's cost of funds and reduce the Corporation's financing capacity.

We urge the Corporation and the Legislature to take actions which reduce student loan defaults. The current proposal will be viewed as increasing the overall default rate and will have adverse financial consequences for the Alaska Student Loan Program.

Sincerely yours,

EVENSEN DODGE, INC.

Patrick P. Born
Senior Vice President
and Principal

AMENDMENT #1



OFFERED IN THE HOUSE

BY REP. ELTON

TO: CSSB 123 (FIN)

Page 5, line 27, insert a new subsection to read:

"(6) serving, for up to two years, as a full-time volunteer under the National and Community Service Trust Act of 1993 (Americorps);"

Renumber the following sections accordingly.

Revised:



AMENDMENT #2

OFFERED IN THE HOUSE
TO: CSSB 123(FIN)

BY REPRESENTATIVE KOTT/SANDERS/
IVAN

* _____

1 Page 2, line 2:
2 Delete "30"
3 Insert "20"

James
Sunde

For
Garnes
Cott
Mackie
Sanders
Lecriss
Finckelstein
Cyan
Sternman

* _____

4 Page 2, line 4:
5 Delete "\$4,500"
6 Insert "\$5,000"

* _____

7 Page 2, lines 5 - 6:
8 Delete "30, but at least 20"
9 Insert "20, but at least 6"

* _____

10 Page 2, line 6:
11 Delete ";"
12 Insert "."

* _____

13 Page 2, lines 7 - 9:
14 Delete all material.

* _____

AMENDMENT #3

OFFERED IN THE HOUSE
TO: CSSB 123(FIN)

Brown +
Madden

- 1 Page 9, line 20, after "14.43.160":
- 2 Insert "if the person's scheduled release date is more than two months after the
- 3 scheduled completion date of the career education or degree program for which the loan is
- 4 requested"