

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8870 SENATE HEALTH EDUCATION & SOCIAL SERVICES

Alaska Mental Health Trust Authority

Vision and Mission

adopted 2/9/96

The Alaska Mental Health Trust Authority administers the Mental Health Trust established in perpetuity. It has a fiduciary responsibility to its beneficiaries to enhance and protect the Trust and to provide leadership in advocacy, planning, implementing, and funding of a comprehensive integrated mental health program to improve the lives and circumstances of its beneficiaries.

BOARD OF DIRECTORS
FAIRBANKS COMMUNITY MENTAL HEALTH CENTER, Inc.
122 First Avenue, #5
Fairbanks, Alaska 99701

RECEIVED
MAR 08 1996
Ans'd.....

RESOLUTION # 96-2

Whereas, the Board of Directors of the Fairbanks Community Mental Health Center is responsible for the operation of the Fairbanks Community Health Center and the quantity and quality of care provided to its clients; and,

whereas, the operation of the Fairbanks Community Mental Health Center is dependent on funding controlled by the Alaska Legislature; and,

whereas, the Board has an obligation to express its needs and concerns in the area of Mental Health issues to the Legislature on behalf of our clients, potential clients, their families, and the community as a whole.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Fairbanks Community Mental Health Center that the following tenets pertaining to Community Mental Health care be communicated to the Interior Delegation of the Alaska Legislature.

1. Community Mental Health treatment is the most cost effective way to deal with mental illness.
2. Funding early Mental Health intervention is less costly than providing more intensive and extensive care at a later date. It is also more economical than paying for the alternatives such as hospitalization and incarceration.
3. Providing fiscal resources for early intervention keeps working people working instead of reducing them to welfare dependency.
4. To guarantee that appropriations for Community Mental Health Grants are used to provide community mental health services, these appropriations must continue to be made into a separate Community Mental Health Grants BRU.
5. Appropriations for Community Mental Health Grants must be increased in order to meet expanding community needs.
6. The downsizing of the Alaska Psychiatric Hospital has further increased the need for Community Mental Health services without an accompanying increase in fiscal resources.
7. A recent study conducted under the auspices of the Alaska Mental Health Board determined that FCMHC's services were being fully utilized and that demand for services exceeded current capabilities.

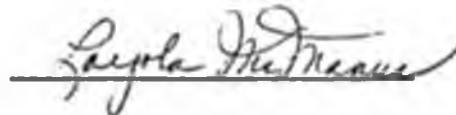
8. Medicaid refinancing is not the funding panacea that it has been touted to be. The need for Community Mental Health Grants to offset the cost of care for those who do not have an entitlement to Medicaid continues to grow.

9. In the last fiscal year, 90% of Fairbanks Community Mental Health Center's clients paid 10% or less of our established fees.

10. The 1% reduction to Community Mental Health Grants proposed by the Governor is in fact a reduction of at least 3.9% in real dollars.

BE IT FURTHER RESOLVED, that the Board of Directors of the Fairbanks Community Mental Health Center requests the assistance of the Legislature, and, specifically, the Interior delegation, in ensuring that the citizens of Interior Alaska are provided prompt, comprehensive, mental health services in their communities.

PASSED BY THE BOARD OF DIRECTORS on the 24th day of February, 1936.

A handwritten signature in cursive script, reading "Loyola M. McManus", written over a horizontal line.

Loyola M. McManus
Secretary

RECEIVED

MAR 01 1996

Ans'd.....

ALASKA MENTAL HEALTH BOARD

TONY KNOWLES, GOVERNOR
STATE OF ALASKA

431 N. Franklin, Suite 101
Juneau, Alaska 99801
Office: (907) 465-3071
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February 29, 1996

Senator Lyda Green
Chair, HESS Committee
Alaska Senate
State Capitol
Juneau, Alaska 99811-1182

Dear Senator Green:

I write to provide some information that I believe will be of value as the Senate HESS Committee considers SB 214, the FY 97 operating and capital budget for the state's mental health program. On February 8, 1996, I wrote to Governor Knowles outlining the Alaska Mental Health Board (AMHB) position on the budget. While the Board supported the budget in toto, it did take exception with several items, which were detailed in the letter (a copy is attached). Since then, the Governor has requested an amendment moving \$250,000 from Services to Emotionally Disturbed Youth to Psychiatric Emergency Services, a change the Board urged. Otherwise the letter remains an accurate summary of the Board's position on SB 214, in so far as that bill goes.

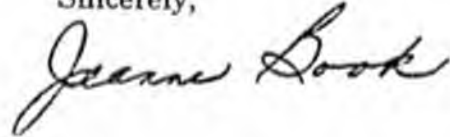
While the AMHB supports the budget process created by the Mental Health Lands Trust settlement and applauds the work that the Alaska Mental Health Trust Authority (AMHTA) has done in balancing the needs of all trust beneficiaries, our responsibility to advocate for mentally ill trust beneficiaries does not end once we submit budget recommendations to the AMHTA. That responsibility requires that we support a budget that not only maintains current service levels, but offers hope that unmet service needs will be met.

The AMHB does support the SB 214 budget, as the "base" budget for the state's comprehensive mental health program, with the noted exceptions. While the Board understands Alaska's current and projected fiscal situation, we would be remiss in our statutory duty to advocate for the mentally ill if we did not point out that mental health service needs are not fully met in the Governor's proposal. Attached are narratives and spreadsheets detailing FY 97 operating budget increments and capital projects the Board proposed as steps toward meeting unmet needs. Few are included in SB 214. The Board has long advocated that mental health service needs be met at the community level to the full extent possible. As the state down-sizes and closes institutions, pressure on community services grows. The Board's FY 97 increments and capital projects are designed to help deal with that growing pressure, as well as to continue the movement toward a community-based system.

Sen. Green
February 29, 1996
Page 2

We would welcome the opportunity to discuss the Board's budget request with the HESS Committee. The Alaska Mental Health Board meets in Juneau on March 7 - 10 and stands ready to be of assistance. If you have any questions, please contact me or the Board's Executive Director. Thank you.

Sincerely,

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

Jeanne Book
Chair

attachments

ALASKA MENTAL HEALTH BOARD

TONY KNOWLES, GOVERNOR
STATE OF ALASKA

431 N. Franklin, Suite 101
Juneau, Alaska 99801
Office: (907) 465-3071
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February 8, 1996

The Honorable Tony Knowles
Governor of Alaska
P.O. Box 110001
Juneau, Alaska 99811-0001

Dear Governor Knowles:

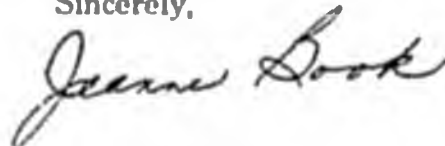
In a letter dated January 24, 1996, the Alaska Mental Health Trust Authority (AMHTA) wrote you to comment on "reductions made to the funding of the State's integrated comprehensive mental health program." Several of the AMHTA comments directly concern the Alaska Mental Health Board (AMHB) as advocate for mentally ill beneficiaries of the Trust. The AMHB's budget recommendations (along with those of the other beneficiary boards) formed the basis for the AMHTA budget. We support the following AMHTA positions concerning your recommended budget (numbered as they appeared in the January 24, 1996 letter):

1. Funding certain cost increases for state agencies without funding similar increases for non-profit service providers creates a double standard. We agree with the AMHTA that the State should recognize that such increased costs should be funded for "both state agencies and non-profit organizations providing direct services."
4. The AMHB supports the transfer of \$1,000.0 from the Medicaid Community Health Grant component to the Medicaid Services component.
5. The AMHB shares the AMHTA concern that combining the Medicaid Facility and Non-Facility components into a single component, while a sound management move, creates the potential for unreasonably shifting the balance between the two services by administrative action. The Board echoes the Trust Authority request for periodic notification of actual expenditures for facility-based and nonfacility-based services.
6. A similar situation exists as a result of the combination of all Division of Mental Health and Developmental Disabilities components into a single Budget Request Unit (BRU). We support the AMHTA request that it and appropriate beneficiary boards be notified prior to transfers involving GF/MH funding. In fact, the Board has serious reservations about the BRU consolidation and believes that it should be postponed pending discussions between DHSS and representatives of the community programs and beneficiary groups.

7. We support the Authority's position that the 1% reduction to several BRU's and components is not consonant with intent of the Trust settlement.
8. The AMHB shares the AMHTA concern that the transfers of \$220.1 from General Community Mental Health Grants to Psychiatric Emergency Services Grants and \$56.0 from Designated Evaluation and Treatment to Psychiatric Services Grants were proposed without public involvement. The settlement created the beneficiary boards to ensure this public process and the Board requests that it be consulted prior to similar actions in the future.
9. The Board supports the request that the \$250.0 transferred from Harborview Developmental Center (HDC) for Mental Health Grants Crisis Respite Services be placed in the Psychiatric Emergency Services component rather than Services for Seriously Emotionally Disturbed Youth.
10. The AMHB supports the Trust Authority request that the Commissioner of Health and Social Services facilitate meetings between the involved parties to determine an appropriate division of funding transferred from HDC to support community capacity for Harborview's Soudough Unit residents.
11. The AMHB supports the AMHTA request that the decrement of 585.0 from HDC be reconsidered and requests instead that savings realized from Harborview's closing be re-directed to community programs.
12. The AMHB strongly supports the provision of mental health services for mentally ill offenders in the correctional system. The shifting of \$241.6 for Inmate Health Care and 412.0 for Inmate Programs from GF/MH funding to GF funding is the sort of action affecting beneficiaries that should be addressed in the public process. The Board requests that it be consulted prior to future shifts between funding sources.

In general, the Alaska Mental Health Board believes that the system established by the Trust settlement will serve the beneficiaries of the settlement well and that the process will improve as we all adjust to it. We value your administration's commitment to serving all the beneficiaries of the settlement. Thank you.

Sincerely,



Jeanne Book
Chair

cc: Nelson Page, Chair, AMHTA
Rep. Mark Hanley Co-Chairman, House Finance Committee
Rep. Richard Foster, Co-Chairman, House Finance Committee
Sen. Steve Frank, Co-Chairman, Senate Finance Committee
Sen. Rick Halford, Co-Chairman, Senate Finance Committee
Rep. Terry Martin, Chairman, Legislative Budget and Audit Committee

AMHB FY97 Operating Budget Recommendations

The Alaska Mental Health Board, with public input and both private and state providers, determined budget priorities for FY97. The first priority for FY97 increments is to provide for funds to maintain service levels. The second priority are increments to implement the continuum of care for those most in need including hospital and crisis respite services, and the third priority are increments to increase services necessary for maintaining individuals with mental illness in the community.

Beneficiaries and providers agreed the first priority was for budget allocations to allow programs to continue providing services at the present level, and fund services necessary as a result of the Americans with Disabilities Act. Because most programs for Mental Health Trust beneficiaries have not received any increases in grant funds in the past five years, many have had to cut services to cover cost increases.

Department of Health and Social Services
Division of Mental Health and Developmental Disabilities

PRIORITY ONE

BRU: Community Mental Health Service Grants All Components

Maintain Service Level: This increment will off-set the rising cost of doing business at the grant-funded mental health programs. Costs have risen significantly for insurance, equipment and supplies, and for personnel. Many programs have raised their fees charged to the public, and others have drained reserves or decreased services. An increment is necessary to maintain existing services. For the past five fiscal years there has been no increment to adjust for increasing costs. A uniform adjustment of 1.9% was applied to all direct service components and funds are being requested only for one fiscal year's inflation.

Cost: \$436.7

Maintain Service Level for Designated BRU's: The same calculation as was applied to all direct service delivery components.

Cost: \$43.5

PRIORITY TWO

Component: Psychiatric Emergency

Crisis/Respite: Implement the service of crisis/respite in areas of the state that have minimal or no coverage in this important program that can reduce hospitalization. The requested funds will allow for the establishment of an additional 12 crisis beds: 5 in Fairbanks, 3 in Juneau, 2 in Ft. Yukon, and 2 in Nome (for children only).

Cost: \$750.0

AMHB FY 1997 Budget

Implement MH 2000 Gatekeeping in Anchorage: As a part of the planning the community of Anchorage has done with the funding appropriated by the legislature for Regional inpatient services the AMHB is requesting funding for the gatekeeping functions of triage to place clients at the appropriate level of care to avoid, if possible, the most intensive and expensive care in a hospital.

Cost: \$1017.0

Mobile Crisis Services: Mobile crisis services exist in only the two largest urban areas of the state. This increment would allow the addition of mobile crisis response teams in other areas of the state.

Cost: \$125.0

Component: Designated Evaluation and Treatment

Voluntary and Involuntary Inpatient care in Public and Private Hospitals: To expand the capacity for Designated Treatment Facilities. This increment would also allow for other facilities, such as Central Peninsula Hospital, to become designated treatment facilities. In addition, this increment will fund care for those who are voluntary and involuntary commitments. Services will be provided in local designated facilities with the DMHDD serving as payer of last resort. The increased capability provided by these hospitals will reduce the dependence upon APH and help to lower the average daily census to a level needed for the new APH facility planned in the APH 2000 project.

Cost: \$ 750.0

Implement Mental Health 2000 in Anchorage: As a part of the planning the community of Anchorage has done with the funding appropriated by the legislature for Regional inpatient services the AMHB is requesting funding for the primary and secondary levels of care in Anchorage. Placing clients at the appropriate level of care will avoid, if possible, the demand on APH thus allowing it to become a tertiary care facility for the entire state.

Cost: \$2000.0

PRIORITY THREE

Component: Services for the Chronically Mentally III

Institutional Discharge Project: This increment will provide funding to increase the Adult Institutional Discharge Project which serves the most severely disabled adults with chronic mental illnesses, such as schizophrenia. IDP provides intensive case management and individualized wrap around services enabling clients to remain out of the hospital and function in the community. The project currently serves approximately 160 clients, however there are at least 100 additional clients in the correctional system, in communities and at API in need of this level of care. This increment will provide funds to serve 25-30 people.

Cost: \$400.0

Homeless/PATH Grant: Federal PATH funding for homeless outreach and treatment programs ends June 1996. This increment would continue targeted funding for programs for the homeless. To maintain these programs, funds through the Partnership Grant Program must be designated for homeless programs or replaced by funds from state sources.

Cost: \$300.0

AMHB FY 1997 Budget

Crisis Services to Disabled Adults: This increase will provide funds to establish a new initiative to serve multi-problem, severely emotionally disturbed adults. There are approximately 4,000- 5,000 severely emotionally disturbed adults in the state who do not fit current service categories but whose conditions are long-lasting and disabling. These disabilities include disabling personality disorder, non-psychotic organic brain disorders, and other long-term conditions, often in combination. The AMHB has identified this population as among the highest unserved need. These funds will provide a grant initiative to offer crisis services, case management, rehabilitative services, and intensive support.

Cost: \$500.0

Community Support Services: Funding would provide for expansion of services for the population most likely to have a debilitating long term mental illness through increased supported housing, psychosocial rehabilitation, and vocational services in several locations around the state. Not all individuals who are considered chronically mentally ill are Medicaid eligible therefore additional general funds/mental health are needed.

Cost: \$826.0

Adult/Elderly Mental Health Services: These funds would enable one additional site to adopt the very successful model of elderly peer counseling program developed in Juneau. This age group is the least likely to access the traditional mental health system. In addition, these funds will provide increased funding for mental health services to the adult population, for those individuals who do not qualify for Medicaid.

Cost: 500.0

Component: Seriously Emotionally Disturbed Children

Residential, Diagnostic and Treatment (RDT) Center in Southcentral, Southeast or Northern Region: This increment provides operating funds for a second RDT. The first RDT in Bethel, partially funded through an increment in FY 95, had funding annualized in the FY 96 budget. Five RDT's were planned as a part of the APH 2000 effort to provide alternatives to costly and inappropriate psychiatric hospitalization through residential facilities which provide intensive support, assessment, treatment, and other services to stabilize youth in their community. Currently, youth under twelve are served at private hospitals at over \$1000/day; youth over twelve are served at API or private hospitals at \$600-1000/day. RDT costs are estimated to run \$300/day. The RDT will serve 20-30 youth annually.

Cost: \$500.0

Transition Services, Crisis/Respite, and Services for children ineligible for Medicaid: This increment would allow for expansion of school-based day treatment programs, including after school and summer program elements for underserved children not eligible for Medicaid. It would also provide for the expansion of home-based services for Medicaid ineligible children. This piece of the program would target high risk children and families to prevent the need for hospitalization. Other residential community-based treatment options would also be eligible for funding. The transitional services element would fund case management specifically dedicated to this neglected part of the care continuum.

Cost: \$713.6

JOINT PROJECTS

Dual Diagnosis Program (chemically abusing mentally ill): Maintain substance abuse services for the dually diagnosed at Salvation Army Clitheroe Center. This is required to continue program after the expiration of four years federal funding. This program has been successful with this very debilitated population for which there are no other similar services in the state. These funds will continue the project for an entire fiscal year. Progress Reports and fiscal report are current and on record. Evaluations have been very positive on this project.

Cost: \$400.0

Rural Aftercare/Rural Treatment: The Alaska Native Commission has recommended that rural services be community based, family oriented, and culturally relevant. This increment will be restricted to rural areas, (with priority to the areas of Galena, Copper Center, Aniak, Valdez and Seldovia which received no FY 95 or 96 grant funds), to provide approximately 25 village based counselors. The total amount of this project is \$900.0. We are recommending it be split between alcohol and mental health.

Cost: \$450.0

Office of Public Advocacy

Component: Public Guardian Aide Positions: These positions are necessary to enable the agency to adequately meet the needs of increasing numbers of guardianship and conservatorship appointments. OPA's individual guardian caseload has more than doubled since 1989 with minimal increases in staff resources. Because of case load increases, (case loads for individual guardians range from 67-92, depending on geographical location), public guardians no longer have time to acquire necessary knowledge of client's needs and circumstances necessary to assure effective advocacy. These funds would provide for two additional aides (range 13) and support costs.

Cost: \$100.0

PROJECTS TO BE FUNDED FROM THE TRUST SETTLEMENT ACCOUNT

Component: Community Services

Geriatric Institute: *A Shared Vision*, the Mental Health Strategic plan, calls for the creation of a Geriatric Institute to coordinate caregiver training at all system levels in appropriate techniques for working with individuals suffering from Alzheimer's Disease and related dementias as well as training in the mental health needs of the elderly. These funds provide seed money for an institute without walls to maximize other sources of funds such as federal grants.

Cost: \$25.0

Component: Alaska Mental Health Board: The AMHB is requesting funds to undertake a study, with the GCDSE, on the service needs, configuration and unserved population of those suffering from Organic Brain Syndromes. These disorders, commonly caused by accident, trauma, addiction, and illness, have been increasing particularly among young adults and the current service system does not have the capacity or expertise to deal with this group of clients, some of whom, untreated, may pose a public safety problem.

Cost: \$35.0

Component: Institutions and Administration

Infant and Family Mental Health: The *Healthy Families* project, administered by the Division of Public Health (DPH), provides home visitation to parents of newborns to prevent child abuse and neglect while promoting family health. This increment would fund a collaborative project between DMHDD and DPH to provide training and mental health consultation for home visitors and increased access to mental health services for at-risk families. Local mental health centers would provide consultation, parenting workshops, and intervention in concert with DPH. The AMHB supports this increment contingent on the Child and Youth Task Force completing the tasks assigned in *A Shared Vision*.

Cost: \$250.0

Mental Health Professional and Paraprofessional Training: This increment would allow the initiation of annual training conferences for both mental health professionals and paraprofessionals. Conferences would be "piggy-backed" onto existing mental health conferences. Ongoing training is vital to ensure that mental health care providers can stay current with changes in the field and can share experiences and knowledge. Recommended by the Mental Health Program Director's Association (MHPDA).

Cost: \$75.0

Public Education: This one time only increment is intended to fund a public education campaign. The grant would go to the Mental Health Program Director's Association, which proposed the increment, to develop and disseminate a campaign to raise general public awareness concerning the myths and realities surrounding mental illness and the opportunities and resources available from Alaska's mental health care system.

Cost: \$75.0

AMHB FY 1997 Budget

Daily Living Skills Video: Another one time only increment, this grant to the UAA Human Development Center would fund the production of a video for use in teaching daily living skills to adult clients of the community mental health system. Suggested by the MHPDA, the video would be available to all community mental health centers and single service providers.

Cost: \$35.0

FY97 AMHB Mental Health Operating Budget Increments

Budget Request Unit - Component	Service	A Shared Vision Reference	AMHB Increment	Governor's Budget
Priority One	Funding: GF/MH			
Community Mental Health - All Grant Components	Maint. of Effort at 1.9%	Funding I/3	480.2	
Priority Two	Funding: GF/MH			
Community Mental Health - Psychiatric Emer. Svs.	Crisis/Respite	Emer Ser I/1	750.0	250.0
Community Mental Health - Psychiatric Emer. Svs.	MH 2000 gatekeeping	Emer Ser I/1	1,017.0	
Community Mental Health - Psychiatric Emer. Svs.	Emergency/mobile crisis	Emer Ser I/1a	125.0	
Community Mental Health - Design. Eval. & Treat.	Vol. and Invol. Inpatient	Emer Ser I/13	750.0	
Community Mental Health - Design. Eval. & Treat.	MH 2000 Inpatient	Emer Ser I/13	2,000.0	
	SUBTOTAL		4,642.0	250.0
Priority Three	Funding: GF/MH			
Community Mental Health - Chronically Ment. III	IDP	Ad Ser III/1,5,6	400.0	
Community Mental Health - Chronically Ment. III	Homeless/PATH	Ad Ser I & IV/1	300.0	
Community Mental Health - Comm. MH Grants	Disabled adult crisis	Ad Ser II/1	500.0	
Community Mental Health - Chronically Ment. III	CSP	Ad Ser V/3	826.0	
Community Mental Health - Comm. MH Grants	Non-CSP adult/elderly	Ad Ser V/3	500.0	
Community Mental Health - Seriously Ern. Dist. Youth	RDT	Ch & Yth I/1	500.0	
Community Mental Health - Seriously Ern. Dist. Youth	CY SED/trans. services	Ch & Yth IV/1	713.6	
	SUBTOTAL		3,739.6	

FY97 AMHB Mental Health Operating Budget Increments

Budget Request Unit - Component	Service	A Shared Vision Reference	AMHB Increment	Governor's Budget
JOINT Projects	Funding: GF/MH			
Community Mental Health - Chronically Ment. III	Dual diagnosis	Ad Ser V/3	400.0	
Community Mental Health - Comm. MH Grants	Rural treatment	S & S I/1; FIS I/1	450.0	
Office of Public Advocacy	Public guardian	Ad Ser I/1	100.0	
	SUBTOTAL		950.0	
	TOTAL GF/MH		9,811.8	250.0
Trust Settlement Funded Increments	Funding: MHTIA			
Center for Human Development	Geriatric Institute	Eld Ser V/2	25.0	
Alaska Mental Health Board	Organic Brain Syndrome	Ad Ser II/10	35.0	
Institutions and Administration - MH Admin.	Healthy Families	CY VII/3	250.0	250.0
Institutions and Administration - MH Admin.	Training - prof/paraprof	S & S I/3,4,7	75.0	
Institutions and Administration - MH Admin.	Public education	Ad Ser I/2	75.0	
Center for Human Development	Daily Living Skills video	Ad Ser III/5	35.0	
	TOTAL MHTIA		495.0	250.0
	TOTAL INCREMENTS		10,306.8	500.0

AMHB FY 97 Capital Budget Requests

Mandated Compliance

Under the American with Disabilities Act public programs must be accessible to those who seek services. Frequently, services can be arranged so that facilities do not need alteration. Sometimes facility alteration is the only way to accommodate to the public's special needs. A complete survey of facilities used by DMHDD Mental Health Trust grantees identified \$7,315,295 needed for facility compliance. This request is for funding to be awarded by RFP for needed alterations.

Cost: \$500.0

PRIORITY ONE

Critical Needs

Kuskokwim Native Association Community Counseling Program (Aniak):

Moving and renovation of clinic building

FAA has notified KNA that this 1950's era building must be removed from FAA property. Renovation is required to allow appropriate service provision, including client confidentiality. Foundation, furnace, and hot and cold running water will be provided. Land, water and sewer are donated. City pays for heating. Renovation costs will be reduced due to already available blueprints, etc. No other funding sources sought.

Cost: \$125.0

PRIORITY TWO

Unfinished Projects

Gateway Center, Ketchikan: Clinic addition and remodeling

Request for an additional \$212,000 for remodeling the clinic waiting area, support staff area, and medical record storage area. Actual bids were higher and estimate, after funding, was out of date. No other funding sources. No significant operating budget impact.

Cost: \$212.0

PRIORITY THREE

Projects having a prior investment or which reduce lease costs

Prior investment means that capital funds have previously been appropriated for a project, either for design work or for construction, but the amount for construction was inadequate to complete the project. These projects are for crisis respite and/or clinic replacement or renovation. While we have been able to secure partial AHFC funding for residential projects, AHFC will not provide funding for either crisis respite or clinic facilities. For the sake of efficiency several community mental health centers propose to combine a crisis respite facility (AMHB high priority) with clinic facilities. Examples include Galena, Petersburg and Copper Center. Other communities which have expressed an interest in clinic facilities include Juneau, Wasilla, Dillingham, Anchorage (CSP), and Fairbanks. Funds would be awarded via an RFP

Cost: \$12,000.0

AMHB FY 1997 Budget

PRIORITY FOUR

Other

Computer/communication equipment

Several community mental health centers seek to upgrade computer equipment or to install communication equipment. Projects range from Sitka's critical need for a telephone system to replace a inadequate borrowed equipment to Anchorage and Homer which want to upgrade computer networks. Awarded by RFP.

Cost: \$500.0

Vehicles

Community mental health centers throughout the state need vehicles for client services, including wheel chair accessible vans to accommodate clients with special needs. The following communities have requested vehicles: Sitka, Dillingham, Homer, Anchorage, Wasilla, Fairbanks, Tok, Copper Center, Barrow, and Juneau. No other funding source exists for vehicle purchase. Awarded by RFP.

Cost: \$400.0

Furniture and Equipment

Community mental health facilities need to replace worn out equipment and furniture and to furnish new facilities. For example, Sitka has a critical need for \$5,000 for residential type furnishing for its day treatment program. Other communities which have requested funds for either furniture or equipment include Ketchikan, Petersburg, Fairbanks, Barrow, Seward, and Juneau. No other funding source is available for these needs. Awarded by RFP

Cost: \$150.0

FY 97 AMHB Mental Health Capital Budget

Priority	Agency/Program	Location	Project	AMHB Budget	Governor's Budget
Mandated Compliance	ADA Facility Accessibility	Various	Make facilities accessible	500.0	
Priority 1					
Critical Needs	KNA Comm. Counseling	Aniak	Move & renovate Clinic Building	125.0	125.0
Priority 2					
Unfinished Projects	Gateway Center	Ketchikan	Expand & remodel clinic	212.0	212.0
Priority 3					
Projects with prior investment or that reduce lease costs	Various	Juneau, Galena, Dillingham, Wasilla, Anchorage, Petersburg, Copper Center, Fairbanks, etc.	Crisis/Respite and/or Clinic replacement or renovation	12,000.0	250.0
Priority 4					
Other Projects	Various	Anchorage, Sitka, Homer, etc.	Computer/Communication equipment	500.0	
	Various	Sitka, Dillingham, Homer, Anchorage, Wasilla, Fairbanks, Tok, Copper Center, Barrow, Juneau, etc.	Vehicles	400.0	
	Various	Sitka, Ketchikan, Petersburg, Fairbanks, Barrow, Seward, Juneau, etc.	Furniture & Equipment	150.0	
			TOTAL	13,387.0	587.0

Note: All projects in Governor's FY 97 Capital Budget funded by Mental Health Trust Income Account earnings.

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**BOARD OF DIRECTORS
FAIRBANKS COMMUNITY MENTAL HEALTH CENTER, Inc.
122 First Avenue, #5
Fairbanks, Alaska 99701**

RECEIVED
MAR 08 1996
Ans'd.....

February 24, 1996

Dear Senator, *Green,*

Please continue to provide the safeguards necessary to ensure that funding appropriated for Community Mental Health Grants is used for that purpose. Why would the Legislature wish to weaken its ability to ensure that funds it appropriates are used for the purpose of the appropriation? This is exactly what the Administration has asked you to do with funding for Community Mental Health Grants. Through the vehicles of SB 213 and SB 214, you are being asked to consolidate all funding for mental health services into one BRU. The passage of these bills, in their current form, will eliminate the traditional safeguard that the legislature has wisely provided in separating community mental health funding. The immediate result of changing from this tried and true method will be the grouping of community mental health grant funding with that for Division of Mental Health & Developmental Disabilities (DMH/DD) administration and funds for institutions (API and Harborview). This grouping into a single BRU would then allow the Administration to freely move these funds from one category to the other without the consent of the Legislature. This is a power the Administration does not currently have, and we urge you not to allow this to happen. Please help us continue to use funds appropriated for community mental health grants to provide mental health services to community members.

A more poignant question than the first one might be; why does the Administration want you to consolidate these funds into one BRU? The Administration will be quick to tell you that this will give them a greater flexibility to move funding throughout the mental health milieu. They will imply, but never state, that this will be to the benefit of community mental health programs. However, let us look to history as a test of the veracity of this. During the three previous fiscal years:

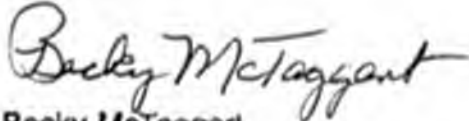
- The per bed appropriation for API has continued to increase, in spite of the downsizing that has occurred.
- The administration has asked for two supplemental appropriations for API. (We laud the Legislature and the current administration for finally putting a stop to this tactic.)
- Funding for DMH/DD administration has increased from \$3.5 million in FY94 to \$4.7 million in \$4.7 million in FY96.
- The appropriation for Community Mental Health Grants has decreased from \$29.2 million in FY94 to \$27.2 million in FY96. At the same time the downsizing at API has placed increased service demands on community mental health centers.

It is obvious that the areas of the DMH/DD budget with the most to gain from flexible and expanded funding in the consolidated BRU scheme are DMH/DD Administration and Institutions. Therefore, who do you think will benefit if the Administration is given greater flexibility to move money around? Is it to enable increases in community mental health funding or to facilitate the continued growth of institutional and Administrative funding at the expense of community mental health grants?

We urge you to oppose this BRU consolidation as contained in SB 213 and SB 214. We ask you to appropriate mental health funding using the same BRU's that you have wisely used in the past. In so doing, you ensure that the funds you appropriate for community mental health services are used to accomplish that purpose within the communities of Alaska.

FOR THE BOARD OF DIRECTORS:

Sincerely,



Becky McTaggart
President

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

214

January 12, 1996

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 18, of the Alaska Constitution, and in accordance with AS 37.14.003, I am transmitting a separate appropriation bill limited to appropriations for the state's integrated comprehensive mental health program. In accordance with AS 37.14.003(b), an accompanying report explains the differences between the appropriation bill and the recommendations made by the Alaska Mental Health Trust Authority for expenditures from the general fund for the state's integrated comprehensive mental health program.

The statutory requirement that appropriations for the state's mental health program be made by a separate appropriation bill was enacted as part of the settlement of the mental health trust litigation, Weiss v. State, 4FA-82-2208 Civil. The separate focus on appropriations from the general fund for the state's integrated comprehensive mental health program will improve the state's ability to meet the special needs of Alaskans who use any part of the program.

I urge your prompt action on this legislation.

Sincerely,

A handwritten signature in cursive script that reads "Tony Knowles".

Tony Knowles
Governor

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
PHONE (907) 465-4660
FAX (907) 465-3008

December 15, 1995

Mr. Nelson Page, Chair
Members of the Board of Trustees
Mr. Jeff Jessee, Executive Director
Alaska Mental Health Trust Authority
3601 C Street, Suite 742
Anchorage, Alaska 99503

Dear Mr. Page, Members of the Board of Trustees, and Mr. Jessee:

Today I am submitting to the legislature a draft appropriation bill for the state's integrated mental health program, in accordance with AS 37.14.003 and AS 37.14.005. This letter and the accompanying spreadsheet are the findings required by the statute to explain the differences between the Governor's proposed FY97 operating budget and the Alaska Mental Health Trust Authority's recommendations. I will address the mental health capital plan when the details of the Governor's capital budget are released in several weeks.

For the first time in our state's history, the Advisory Board on Alcoholism and Drug Abuse, the Alaska Mental Health Board, the Alaska Commission on Aging, and the Governor's Council on Disabilities and Special Education worked together through the Alaska Mental Health Trust Authority to develop recommendations for the State's integrated comprehensive mental health program. I have been impressed with your dedication, professionalism, and teamwork in completing this incredible task the first year, especially given the tight time frames of our budget process. While you did not have time to develop a truly integrated plan for these four beneficiary groups, you are setting the stage for the work to follow.

This has been a difficult budget year for all of us. As you know, the governor charged the cabinet with finding \$40 million in general fund budget cuts, an important element in the long-range financial planning commission's "safe landing" plan to close Alaska's half billion dollar budget gap. Our children's future and the protection of our families — including your beneficiaries — depend on our diligence in implementing such a plan this year. We all share responsibility for closing the fiscal gap even though many programs, including those in the mental health area, have worked within tight financial constraints for years. I appreciate the understanding and cooperation of the Board, staff and beneficiary groups during the budget development process.

You carefully reviewed the General Fund/Mental Health FY97 base funding and we worked together on several changes. In all but one case (Department of Corrections), we agree with the recommendations in your Final Report. In fact, we increased the base with adjustments for

salaries (including recently negotiated labor contracts), risk management, and information services rate changes.

The Governor's FY97 operating budget provides \$110,796,300 for mental health programs throughout the State. It is especially significant that you were able to supplement our \$108,851,300 in general fund/mental health funds with Trust Income Account earnings of \$1,945,000. Together, this provides the most comprehensive program plan possible for FY97.

Unfortunately, we were not able to fund all of the recommendations of the Mental Health Trust Authority. In this budget climate, even holding program funding levels steady is a major achievement. I am sure you will wish we could do more, but I believe our proposal represents the most we can add this year. Our proposal for FY97 is summarized below. For specific information by component within each department, please refer to the attached spreadsheet.

Department of Administration - \$3,121,700 GF/MH

The difference between the FY97 Governor's budget and the AMHTA proposal is \$835,200. Two recommended increments are not fully funded, but there are increases for salary adjustments (\$12,800), Risk Management rates (\$4,200). The Information Services chargeback is reduced \$2,200.

Department of Corrections - \$3,442,300 GF/MH

The difference here is \$656,900. An inadvertent error occurred in last year's Conference Committee when a general reduction in Inmate Health Care was applied to GF and not to mental health. A total of \$241,600 shown as mental health should have been shown as GF since the funds are used for general medical services provided to inmates. A fund change from GF/MH to General Fund of \$412,000 in Inmate Programs is also needed to reflect the estimated percentage of mental health beneficiaries actually treated in the program (47%). Other changes include salary adjustments (\$26,900) and Risk Management rate adjustments (-\$200). Funds were not available to include a \$30,000 increment for the prison mental health psychiatric residency program.

Department of Education - \$227,900 GF/MH

An increase of \$400 in GF/MH funding is due to salary adjustments.

Department of Health and Social Services - \$101,752,100 GF/MH

+ \$1,945,000 MH Trust Income Account

The difference between the Governor's budget and AMHTA recommendations is \$3,965,200. Factors include adjustments in salaries (\$166,800), Risk Management rates (\$40,600), Information Services chargebacks (-\$1,800). Of the \$4,037,600 in operating

increments proposed by the AMHTA, the Governor's budget proposal includes \$1,435,000. To meet the governor's overall reduction in GF funding, the department took a 3% reduction in administration and an average 1% reduction from the FY97 adjusted base GF in grants line items. The administrative decrements were \$15,500 in Alcohol and Drug Abuse Services administration (elimination of Advisory Board travel and contractual services) and \$64,200 in mental health/developmental disabilities administration due to reorganization and efficiencies

Department of Law - \$67,200 GF/MH

A net increase of \$1,000 in GF/MH funding is due to salary adjustments (\$900) and Risk Management rate adjustments (\$100).

University of Alaska - \$200,800 GF/MH

AMHTA base funding level adopted by Governor.

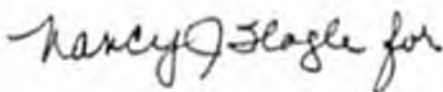
Alaska Court System - \$39,300 GF/MH

AMHTA base funding level adopted by Governor.

We are pleased that with the help of Trust Income Account funds, several programs will increase services to the beneficiaries beyond the FY96 level. The additions will be: senior services home and community-based care \$250,000; healthy families \$250,000; infant learning grants: \$150,000; mental health crisis respite \$250,000; developmental disability respite services \$250,000; funds for the discharge of Harborview clients in community programs \$695,000; alcohol and drug abuse grants \$225,000; and psychiatric nurse care for women offenders within the correctional system \$80,000. The administration will continue to work with the Trust Authority to analyze the needs of and services provided to all the beneficiary groups.

I look forward to working with you to strengthen and enhance the mental health programs for the people of Alaska in the coming years.

Sincerely,



Annalee McConnell
Director

Comparison of AMHTA Mental Health Funding Recommendations with

Governor's FY97 Mental Health Operating Request

BRU	COMPONENT	97 GOV GF/MH 1037	97 GOV MHTA Auth Rept 1092	97 GOV MHT Admi- Repts 1094	Total 97 GOV MH	Total 97 AMHTA Mental Health Recommendation	Difference FY97 Governor and FY97 AMHTA	Summary of Change
DEPARTMENT OF ADMINISTRATION								
Senior Services	Pioneers Homes	420.8	0.0	0.0	420.8	414.0	6.8	Salary/Risk Mgmt/ Information Services adjustments
Senior Services	Protection, Community Services, and Administration	209.5	0.0	0.0	209.5	210.2	-0.7	Formerly Senior Services Administration, Salary/Risk Management/ and Information Services adjustments
Senior Services	Home and Community-Based Care	1,871.6	0.0	0.0	1,871.6	2,721.6	-850.0	Formerly Office of Public Advocacy BRU. Transfer in from H&SS for \$250.0 in GF/MH was discussed with the AMHTA Board. Of the \$1,100,000 proposed by AMHTA, (\$850,000) was left unfunded.
Legal and Advocacy Services	Office of Public Advocacy	619.8	0.0	0.0	619.8	611.1	8.7	Salary Risk Mgmt/ Information Services adjustments
Department of Administration Totals		3,121.7	0.0	0.0	3,121.7	3,956.9	(835.2)	
DEPARTMENT OF CORRECTIONS								
Statewide Programs	Inmate Health Care	3,073.0	0.0	0.0	3,073.0	3,317.9	-244.9	Salary Risk Mgmt adjustments. Increment approved for \$80.0 in GF/MH. Switch fund of \$241,600 GF/MH to GF to correct error of the \$110,000 request. \$30,000 increment for prison mental health psychiatric residency program was not funded.
Statewide Programs	Inmate Programs	369.3	0.0	0.0	369.3	781.3	-412.0	Switch fund of \$412,000 GF/MH to GF to reflect est. % of Mental Health programming
Department of Corrections Totals		3,442.3	0.0	0.0	3,442.3	4,099.2	(656.9)	

Comparison of AMHTA Mental Health Funding Recommendations with
Governor's FY97 Mental Health Operating Request

BRU	COMPONENT	97 GOV GF/MI 1037	97 GOV AMHTA Auth P'cpt 1037	97 GOV MIH Admin Rcpts 1094	Total 97 GOV MIH	Total 97 AMHTA Mental Health Recommendation	Difference FY97 Governor and FY97 AMHTA	Summary of Change
DEPARTMENT OF EDUCATION (one component only)								
Teaching and Learning Support	Basic Education and Instructional Improvement	227.9	0.0	0.0	227.9	227.5	0.4	Formerly Education Program Support BRU, Salary Adjustment
DEPARTMENT OF HEALTH AND SOCIAL SERVICES								
Medical Assistance	Medicaid Services	20,683.7	0.0	0.0	20,683.7	19,683.7	1,000.0	New component includes transfers in from the former Medicaid Non-Facility, Medicaid Facilities, and SGIM for Medicaid Eligible Community Health Clients
Family and Youth Services	Foster Care	1,547.9	0.0	0.0	1,547.9	1,547.9	0.0	AMHTA base funding level adopted by Governor
Family and Youth Services	Residential Child Care	3,522.0	0.0	0.0	3,522.0	3,522.0	0.0	AMHTA base funding level adopted by Governor
Family and Youth Services	Northern Region	81.8	0.0	0.0	81.8	80.4	1.4	Salary Risk Mgmt Adjusted
Family and Youth Services	McLaughlin Youth Center	62.1	0.0	0.0	62.1	62.1	0.0	AMHTA base funding level adopted by Governor
Family and Youth Services	Fairbanks Youth Facility	81.6	0.0	0.0	81.6	81.6	0.0	AMHTA base funding level adopted by Governor
Manitlaq	Manitlaq Alcohol & Drug Abuse	522.4	0.0	0.0	522.4	522.4	0.0	AMHTA base funding level adopted by Governor
Manitlaq	Manitlaq Mental Health/DI Svcs	350.0	0.0	0.0	350.0	353.5	(3.5)	Decrement of 1% of FY97 adjusted base GF in line 700
Norton Sound	NS Public Health Services	98.3	0.0	0.0	98.3	99.3	(1.0)	Decrement of 1% of FY97 adjusted base GF in line 700
Norton Sound	NS Alcohol & Drug Abuse Services	232.2	0.0	0.0	232.2	232.2	0.0	AMHTA base funding level adopted by Governor
Norton Sound	NS Mental Health/DI Services	402.4	0.0	0.0	402.4	406.5	(4.1)	Decrement of 1% of FY97 adjusted base GF in line 700
SE Alaska Regional Health Corp	SEARHC Alcohol & Drug Abuse Services	140.6	0.0	0.0	140.6	140.6	0.0	AMHTA base funding level adopted by Governor
SE Alaska Regional Health Corp	SEARHC Mental Health Services	125.2	0.0	0.0	125.2	126.5	(1.3)	Decrement of 1% of FY97 adjusted base GF in line 700
Tanana Chiefs Conference	TCC Alcohol & Drug Abuse Svcs	202.4	0.0	0.0	202.4	202.4	0.0	AMHTA base funding level adopted by Governor
Tanana Chiefs Conference	TCC Mental Health Svcs	529.8	0.0	0.0	529.8	535.2	(5.4)	Decrement of 1% of FY97 adjusted base GF in line 700

Comparison of AMHTA Mental Health Funding Recommendations with

Governor's FY97 Mental Health Operating Request

BRU	COMPONENT	97 GOV GF/MI 1037	97 GOV MIITA Auth Rept 1092	97 GOV MIIT Adm Repts 1094	Total 97 GOV MI	Total 97 AMIITA Mental Health Recommendation	Difference FY 97 Governor and FY97 AMIITA	Summary of Change
Tlingit Haida	T-H Alcohol & Drug Abuse Svcs	60	00	00	60	60	00	AMIITA base funding level adopted by Governor
Yukon-Kuskokwim Health Corp.	Y-K Alcohol & Drug Abuse Svcs	418.5	00	00	418.5	418.5	00	AMIITA base funding level adopted by Governor
Yukon-Kuskokwim Health Corp.	Y-K Mental Health Services	907.4	00	00	907.4	916.6	(9.2)	Decrement of 1% of FY97 adjusted base CIF in line 700
State Health Services	Maternal, Child, & Family Hlth	73.6	210.0	00	323.6	323.6	00	\$250.0 increase for Healthy Families Program funded from the Trust Income Account in accordance with the AMIITA. Transfer in from Harborview Development Center of \$150.0 GF/MI. \$590.0 of the AMIITA proposed increase of \$740.0 could not be funded
State Health Services	Infant Learning Program Grants	3,503.3	00	00	3,503.3	4,093.3	(590.0)	Salary-Risk Mgmt Adjusted Decrease of (\$15.5) GF/MI due to elimination of Advisory Board costs
Alcohol and Drug Abuse Svcs	ADA Administration	767.7	00	00	767.7	769.1	(1.4)	Of the \$622.6 increments requested, \$397.6 remains unfunded
Alcohol and Drug Abuse Svcs	Alcohol/Drug Abuse Grants	7,943.8	00	00	7,943.8	8,341.4	(397.6)	AMIITA base funding level adopted by Governor
Alcohol and Drug Abuse Svcs	Correctional ADA Grant Component	331.5	00	00	331.5	331.5	00	Transfer in \$310.0 for 2nd yr costs for Harborview Discharge of Clients w/developmental Disabilities and \$250.0 for 1st Keaple Care Svcs. Decrement replaces CIF with Medicaid Waiver funds. Of the \$925,000 increments requested, \$165,000 remains unfunded
MIHDD Services	Community DD Grants	20,753.4	00	00	20,753.4	21,467.4	(714.0)	Transfer of \$220.1 to Psychiatric Emergency Services Grants. Unallocated Grant Reduction of \$200.0 for Community Mental Health
MIHDD Services	Gen Community Mental Hlth Grants	2,418.2	00	00	2,418.2	2,058.1	(420.1)	

Comparison of AMHTA Mental Health Funding Recommendations with

Governor's FY97 Mental Health Operating Request

BRU	COMPONENT	97 GOV GF/MH 1997	97 GOV MHTA Auth Rept 1992	97 GOV MHT Admin Repts 1994	Total 97 GOV MH	Total 97 AMHTA Mental Health Recommendation	Difference FY97 Governor and FY97 AMHTA	Summary of Change
MHDD Services	Psychiatric Emergency Services	5,381.1	0.0	0.0	5,381.1	4,999.0	382.1	BUDGET AMENDMENT-Transf \$250.0 Harborview, Transf \$56.0 Designated Eval & Treatment, \$56.0 Chronically Mentally Ill, \$220.1 from General Comm MH Grants for crisis respite program in Juneau/ fund an experimental emergency services program in Fairbanks
MHDD Services	Services to the Chronically Mentally Ill	10,918.7	0.0	0.0	10,918.7	10,589.7	329.0	In FY97 this component also includes the former Medicaid Community Mental Health Grants. Transfer out of (\$56.0) to Psychiatric Emergency Services and transfer in from Harborview for \$385.0 to fund Sourdough Discharge
MHDD Services	Designated Eval & Treatment	1,046.3	0.0	0.0	1,046.3	1,852.3	(806.0)	Transfer out of (\$56.0) to Psychiatric Emergency Services. The proposed increment of \$750.0 could not be funded
MHDD Services	Services for Seriously Emotionally Disturbed Youth	6,288.5	0.0	0.0	6,288.5	7,038.5	(750.0)	BUDGET AMENDMENT-- Transfer reversed (\$250.0) from Harborview for MH Grants Crisis Respite Services is now going to Psychiatric Emergency Services), \$750.0 increment could not be funded

Comparison of AMHTA Mental Health Funding Recommendations with

Governor's FY97 Mental Health Operating Request

IRU	COMPONENT	97 GOV GF/MIH 1997	97 GOV MIHTA Auth Rcpt 1992	97 GOV MIHT Admin Rcpts 1994	Total 97 GOV MIH	Total 97 AMHTA Mental Health Recommendation	Difference FY97 Governor and FY97 AMHTA	Summary of Change
MI/ID Services	Mental Health/ID Admin	3,373.0	0.0	0.0	3,373.0	3,410.0	(37.0)	Salary/Risk Mgmt/Information Services adjustments (+\$42.2), transfer of (\$15.0) to API to provide support to Mental Health/ID Administration positions, Decrement (\$64.2) to reduce administrative costs through reorganization/efficiencies
MI/ID Services	Alaska Psychiatric Institute	5,950.3	0.0	0.0	5,950.3	5,850.0	100.3	Salary/Risk Mgmt/Information Services adjustments (+\$85.3), transfer in \$15.0 from Mental Health/ID Admin
MI/ID Services	Harborview Developmental Center	2,150.8	1,695.0	0.0	3,845.8	4,375.0	(529.2)	Salary/Risk Mgmt/Info Svcs adjust (+\$55.8), Decrement (\$585.0) 2nd yr plan Harborview closure, transfer (\$1695.0) (GF/MIH for Sourdough Discharge, Respite Care, Sr Svcs Support, Infant Learning, Daily Diagnosed Svcs, add \$1695.0 MIH Rcpts to replace GF/MIH
Medicaid Community Mental Health Grants	Medicaid Community Mental Health Grants	0.0	0.0	0.0	0.0	1,000.0	(1,000.0)	In the Governor's FY97 budget, the \$1,000.0 was transferred into the Medical Assistance IRU, Medicaid Services Component, to eliminate the confusion of federal funds in one appropriation and the state matching funds in another
Mental Health Trust Boards	Alaska Mental Health Board	382.9	0.0	0.0	382.9	379.0	3.9	Salary/Risk Mgmt Adjustments
Mental Health Trust Boards	Advisory Board on Alcoholism and Drug Abuse	334.7	0.0	0.0	334.7	331.8	2.9	Salary/Risk Mgmt Adjustments
Health and Social Services Totals		101,752.1	1,945.0	0.0	103,697.1	106,967.3	(3,270.2)	

Comparison of AMHTA Mental Health Funding Recommendations with

Governor's FY97 Mental Health Operating Request

BRU	COMPONENT	97 GOV GF/MI 1037	97 GOV MHTA Auth Rcpt 1093	97 GOV MIIT Admin Itcpts 1094	Total 97 GOV MI	Total 97 AMHTA Mental Health Recommendation	Difference FY97 Governor and FY97 AMHTA	Summary of Change
DEPARTMENT OF LAW (one component only)								
Civil Division	General Legal Services	67.2	0.0	0.0	67.2	66.2	1.0	Formerly Legal Services HRU Operations Component, Salary/Risk Management Adjustments
DEPARTMENT OF REVENUE (one component only)								
Alaska Mental Health Trust Authority	Alaska Mental Health Trust Authority	0.0	0.0	893.5	893.5	893.5	0.0	BUDGET AMENDMENT-- switch from general operating appropriations bill to the comprehensive mental health bill
UNIVERSITY OF ALASKA (one component only)								
University of Alaska Anchorage	Anchorage Campus	200.0	0.0	0.0	200.0	200.0	0.0	AMHTA base funding level adopted by Governor
ALASKA COURT SYSTEM (one component only)								
Alaska Court System	Trial Courts	39.3	0.0	0.0	39.3	39.3	0.0	AMHTA base funding level adopted by Governor
GRAND TOTALS		108,851.3	1,945.0	893.5	111,689.8	116,450.7	(4,760.9)	

SB

215



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 12, 1996

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

I am offering this bill as part of my administration's goal to streamline state government. This legislation deletes requirements to perform several duties that are not essential for the public health, safety, or welfare and modifies some programs to increase efficiency.

This bill involves several state agencies and a wide variety of programs. The following is a brief description of the legislation. Departments will offer more complete analyses during the committee hearings.

Section 1 of the bill would add a new provision authorizing the commissioner of Fish and Game to directly award grants that serve some of that department's core missions--protecting, maintaining, improving, and extending public access to fish, game, and aquatic plant resources of Alaska. Currently, the department does not have authority to award grants and must channel money through other agencies. This causes delay and adds administrative cost.

Sections 2 - 4, and part of sec. 10 of the bill, would simplify the procedures regarding compensation for vendors who sell sport fishing and hunting licenses and tags on behalf of the state. Currently vendors keep some of the fees they collect as partial payment for their services and pass the balance on to the state. The state then reimburses the vendors for the rest of the compensation due to them. This proposal eliminates that last step by letting vendors calculate total payment due them up front and passing only the balance of the fees to the state.



The Honorable Druc Pearce
January 12, 1996
Page 2

Sections 6 and 7 of the bill would allow the Department of Health and Social Services to award grants rather than contracts for its infant learning program which provides services for developmentally delayed or disabled children. The grant process should increase efficiencies within the department.

Section 8 of the bill repeals the Department of Environmental Conservation's requirement to regulate rabies reporting and animal constraint. This can be done with no threat to the public health and safety because of continued rabies control efforts by the Department of Health and Social Services coupled with local governments, which routinely exercise animal control powers. In the unorganized borough, the Indian Health Service and village public safety officers fill this local role.

Section 8 also repeals DEC's authority to administer flour and bread standards, which have not been substantially revised since 1949. The federal government sets standards for flour and bread, making state standards unnecessary. Moreover, DEC already has authority to establish certain standards for food.

Section 9 of the bill would repeal a number of statutes. It would first abolish the Athletic Commission and the Department of Commerce and Economic Development's regulatory oversight of professional boxing and wrestling. Professional boxing and wrestling matches are very infrequent in Alaska. Therefore, the license fees which are set in statute would have to be raised significantly in order to cover the cost of adequate oversight. Currently, the fees are much too low to allow the board and department to comply with their statutory responsibility.

Section 9 would also repeal a requirement that the commissioner of commerce and economic development certify an applicant as a professional geologist if the applicant is already certified by the American Institute of Professional Geologists. This state certification requirement merely places a duty on the commissioner without providing an additional benefit to the public safety or welfare.

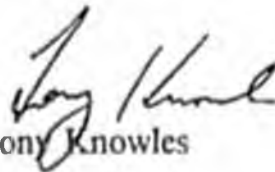
Finally, sec. 9 would abolish the Water Resources Board. The board has not convened or conducted any business in the last few years for lack of legislative financing. Although the Department of Natural Resources will not assume all of the board's functions, it can and will advise the governor on major water policy issues when the need arises. Thus, the elimination of the board will not unreasonably diminish the ability of the state to address matters relating to water appropriations and use.

The Honorable Druc Pearce
January 12, 1996
Page 3

A part of sec. 10 of the bill would repeal a requirement that nonresident businesses annually file information on sworn affidavits and tax bonds before conducting business in the state. This requirement was placed on nonresident businesses in 1955 when few of them had offices or property in the state. That made it difficult to enforce payment of taxes and license fees. But that is no longer the case. The bonding requirement, unique to Alaska, creates an unfriendly business environment in the state. The program provides no benefit, is unproductive for business, and burdensome for state staff. I recommend that it be repealed.

I urge your prompt consideration and passage of this bill that streamlines and improves the operations of state government.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

LEGAL SERVICES

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

(907) 465-3887 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

March 19, 1996

SUBJECT: Single Subject Problems in CSSB 215(RES)

TO: Senator Loren Leman, Chair
Senate Resources Committee

FROM: Tamara Brandt Cook
Director *TBC*

Here is the committee substitute you requested for this bill. Because the bill has been reported from committee, I have tried not to make many changes to the language requested. However, I did add at the end of the title reference to service on nonresident taxpayers which did not seem to me to be included in the subject description. Please let me know if that is not acceptable. Also, be aware that this bill, both as originally introduced by the Governor and as amended in this committee substitute, may well violate article II, sec. 13 of the state constitution, which provides, in part:

Every bill shall be confined to one subject * * *. The subject of each bill shall be expressed in the title. * * *

With respect to the single subject rule, the courts have generally given the requirement a liberal interpretation, adopting, in Geller v. State, 522 P.2d 1120 (Alaska 1974), the position stated by the Minnesota Supreme Court in 1891:

All that is necessary is that [the] act should embrace some one general subject; and by this is meant, merely, that all matters treated of should fall under some one general idea, be so connected with or related to each other, either logically or in popular understanding, as to be parts of, or germane to, one general subject.

Id., at 1123, quoting Johnson v. Harrison, 50 N.W. 923, 924 (Minn. 1891). Five years after Geller, the court stated that the test

. . . requires no more than that the various provisions of [a] single legislative enactment fairly relate to the same subject, or have a natural connection therewith. Quoted in Short v. State, 600 P.2d 20, 24 (Alaska 1979).

In construing the single subject rule, the court will "disregard mere verbal inaccuracies" and "resolve doubts in favor of validity"; "in order to warrant the setting aside of enactments for failure to comply, the violation must be substantial and plain." Suber v. Alaska State Bond Committee, 414 P.2d 546, 557 (Alaska 1966). The rule should be "construed with considerable breadth. Otherwise statutes might be restricted unduly in scope and permissible subject matter, thereby multiplying and complicating the number of necessary enactment(s) and their interrelationships." Gellert, at 1122.

Using this broad construction of the rule, the court has approved such single subjects as "water resources" in Gellert; "state taxation" in North Slope Borough v. Sohio Petroleum Corp., 585 P.2d 534 (Alaska 1978); "land" in State v. First Nat'l. Bank of Anchorage, 660 P.2d 406 (Alaska 1982); and "transportation" in Yute Air Alaska, Inc. v. McAlpine, 698 P.2d 1173 (Alaska 1985). The Alaska Court of Appeals has approved the single subjects "liquor regulation" in Van Brunt v. State, 646 P.2d 872 (Ak. App. 1982); and "criminal law" in Galbraith v. State, 693 P.2d 880 (Ak. App. 1985). In fact, the Alaska Supreme Court and the Alaska Court of Appeals have never found that an Alaska statute violated the single subject rule. This is consistent with the record of other states that have substantially the same rule. Generally, only clear violations of the single subject requirement have been found unconstitutional. (cf. State ex rel Hinkle v. Franklin County Board of Elections, 580 N.E.2d 767 (Ohio 1991) finding a violation of the single subject requirement where a bill on a local option for allowing the sale of alcoholic beverages was added to a bill concerning elected judicial offices)

In recent years, however, the Alaska Supreme Court has begun to reevaluate its broad interpretation of the single subject rule. In First Nat'l. Bank of Anchorage, the court expressed reservations about prior cases, but was unwilling in that case to overturn past precedents. In Yute Air Alaska, Inc., the court again expressed concern with the broad interpretation of the rule, but gave three reasons why it was not ready to reject its past approach: (1) "it is not at all clear that there are workable stricter standards"; (2) the legislation in that case was the result of a voter initiative and the sponsors of the initiative had relied on the court's precedents in preparing it; and (3) because the sponsors were not experts at drafting the court was reluctant to invalidate a worthy or popular cause merely because of doubtful legality.

In his dissent in Yute Air Alaska, Inc., Justice Moore blasted the majority's "test" as meaningless. "This court has mistakenly continued to give the rule such an extremely liberal interpretation that the rule has become a farce," he said. Id., at 1182. Moore suggested a new test: "An act or initiative should embrace one subject. By this we mean that all matters treated should be logically connected." This, he said, means that various provisions of legislation will pass muster if they are inextricably intertwined, if they have an effect on one another, or if they are reasonably interdependent. Moore urged that "[e]nactments should be presented clearly and candidly," and that the court should "use a plainer standard and be more willing to look closely at the logic of an asserted connection and the reasonable

interdependence of separate provisions. . . . to discourage logrolling and . . . duplicity." *Id.* at 1186.

The Moore dissent in *Yute Air* takes on increased importance in light of the California Supreme Court's decision two years later in *Harbor v. Deukmejian*, 742 P.2d 1290 (Cal. 1987). Prior to *Harbor*, the law in California was substantially similar to Alaska. Both states prohibit multiple subjects in the same bill.¹⁷ California's courts had interpreted the single subject rule primarily in the context of the expression rule, but when focusing on single subject their pronouncements were remarkably similar to the Alaska cases cited above.²⁷ Justice Mosk's opinion in *Harbor* summed up the California cases as holding that

. . . a measure complies with the [single subject] rule if its provisions are either functionally related to one another or are reasonably germane to one another or the objects of the enactment. *Id.* at 1303.

The *Harbor* case involved a measure relating to "fiscal affairs" and was essentially a budget reconciliation bill, making the "necessary statutory adjustments to implement" the budget enactment. *Id.* at 1291, quoting from the bill's title and from sec. 71, which set out the justification for the bill's immediate effective date. As the court described the bill, it sounds remarkably similar to SB 215. The bill contained "71 sections enacting, amending, and repealing numerous provisions in numerous codes." *Id.* at 1291. The court went on to state, at 1303, that "fiscal affairs" as the subject, and "statutory adjustments" to effect savings consistent with the budget as its object, suffer from "excessive generality" that "violates the purpose and intent of the single subject rule."²⁸ In the heart of its holding, the court said:

[Fiscal affairs and statutory adjustments] are too broad in scope if, as petitioners appear to claim, they encompass any substantive measure which has an effect on the budget. The number and scope of topics germane to "fiscal affairs" in this sense is virtually unlimited. If petitioners' position were accepted, a substantial portion of the many thousand statutes adopted

¹⁷ California's constitution, in art. IV, § 9, provides that "...a statute shall embrace but one subject, which shall be expressed in its title." In context, "statute" is equivalent to "bill," so it can be seen that the constitutional provision under consideration in *Harbor* is almost identical to Alaska's.

²⁷ See the discussion of the history of California's rule in *Harbor*, 742 P.2d 1290, at 1298-1303.

²⁸ The "primary and universally recognized purpose" of the single subject rule is to prevent log-rolling, the combining of several proposals in a single bill so that legislators can obtain a majority for a measure that might not have been approved as separate measures. See *Harbor* at 1300.

during each legislative session could be included in a single measure even though their provisions had no relationship to one another or to any single object except that they would have some effect on the state's expenditures as reflected in the budget bill. This would effectively read the single subject rule out of the Constitution. We hold, therefore, that Bill 1379 is invalid as a violation of article IV, section 9 of the California Constitution. Id. at 1303-1304. (emphasis added)

See also a prior concurring and dissenting opinion by Justice Mosk in Brosnahan v. Eu, 641 P.2d 200 (Cal. 1982), a case in which an initiative was challenged as violating the single subject rule,⁴ in which he said:

The constitutional requirement is not satisfied by attaching a broad label to a measure and then claiming that its provisions are encompassed under that wide umbrella. Otherwise, initiatives which refer to "property" or "women" or "public welfare" or "the pursuit of happiness" could also be held to constitute one subject, no matter how diverse their terms.

It is my belief that our supreme court, when presented with the issue in the context of a bill like SB 215, will follow the path scouted by Justice Moore in his dissent in Yute Air and more thoroughly explored by Justice Mosk in Harbor (an exploration that was joined, by the way, without dissent by the other justices of California's supreme court). The fact that several of these "omnibus" bills have now been enacted in Alaska provides scant comfort. The practice had gone on for over six years in California before an affected entity brought a challenge.

In SB 215, the stated subject, as expressed in the title, is "streamlining the functions of state government." While this may be a statement of the goals of the bill, it is not a subject, let alone a single subject. Nor is it necessarily descriptive of the contents of the bill. I can see nothing that distinguishes SB 215 from the California measure that was challenged in Harbor. They both attempt to encompass an excessively broad subject matter.

TBC:glc:klb
96-171.glc

⁴ In California, as in Alaska, initiatives are subject to the single subject rule.

CS FOR SENATE BILL NO. 215(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 3/20/96

Referred: HESS, L&C, FIN

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act streamlining the functions of state government, including allowing agents
2 selling fish and game licenses and tags to retain certain compensation;
3 authorizing the Department of Health and Social Services to award grants for
4 certain services for developmentally delayed or disabled children; relating to
5 rabies control and administration of flour and bread standards by the
6 Department of Environmental Conservation; repealing the Athletic Commission,
7 the regulation of boxing and wrestling, the certification of professional geologists,
8 and the Water Resources Board; repealing certain filing statements and bonds
9 for enforcement and collection of certain taxes; relating to service of process
10 on nonresident taxpayers; and providing for an effective date."

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

12 * Section 1. AS 16.05.390(a) is amended to read:

1 (a) Except as provided in (c) of this section, an agent appointed by the
2 commissioner under AS 16.05.380 to sell licenses and tags is entitled to retain

3 (1) [RETAIN] five percent of the fee that is charged for a license or
4 tag or 25 cents for each license or tag sold, whichever is greater; and

5 (2) compensation of \$50 per year or \$1 for each license or tag sold
6 during the year, whichever is greater.

7 * Sec. 2. AS 16.05.390(b) is amended to read:

8 (b) Each agent appointed to sell licenses or tags under AS 16.05.380 shall, as
9 directed by the commissioner, transmit the proceeds from the sales of licenses and
10 tags, except the amount authorized to be retained under (a) [(a)(1)] of this section,
11 together with a report of the sales, to the commissioner for deposit in the fish and
12 game fund or the general fund.

13 * Sec. 3. AS 16.05.390(g) is amended to read:

14 (g) The commissioner may assess a penalty against an agent who does not
15 transmit proceeds within the time allowed under (f) of this section. The penalty is
16 equal to one and one-half percent of the amount of proceeds due. The penalty may
17 be assessed for each month or portion of a month that the proceeds are delinquent.
18 [A PENALTY UNDER THIS SUBSECTION SHALL BE WITHHELD FROM THE
19 AGENT'S COMPENSATION UNDER (a)(2) OF THIS SECTION.]

20 * Sec. 4. AS 43.10.170(b) is amended to read:

21 (b) The service of process shall be made by leaving a copy with the
22 commissioner of commerce and economic development. If legal action is instituted
23 against the nonresident taxpayer, the commissioner of commerce and economic
24 development shall immediately notify the nonresident by sending a copy of the process
25 by registered letter to the [POST OFFICE ADDRESS STATED IN THE AFFIDAVIT
26 ON FILE WITH THE COMMISSIONER OF REVENUE, OR, IF NO ADDRESS IS
27 STATED IN THE AFFIDAVIT, TO THE] last known address of the taxpayer.

28 * Sec. 5. AS 47.20 is amended by adding a new section to read:

29 Sec. 47.20.075. GRANT AUTHORITY. The department may award grants
30 for covered services to children eligible under this chapter.

31 * Sec. 6. AS 47.20.110(a) is amended to read:

*Infant
Substance
Program
otherwise
a contract*

1 (a) The department shall adopt regulations necessary to implement this chapter,
2 including regulations

3 (1) for personnel development, including preservice and in-service
4 training programs for providers of early intervention services;

5 (2) to govern resolution of intraagency and interagency disputes about
6 the provision of services under this chapter and the financial responsibility of the
7 respective parties for those services;

8 (3) that ensure that services are provided to children and their families
9 in a timely manner pending the resolution of disputes among public agencies or service
10 providers;

11 (4) providing for due process with respect to the rights of children and
12 parents who are eligible for services under this chapter; the regulations must provide
13 that during the pendency of a complaint about a change in services, the child and
14 family shall continue to receive the prior services unless the state and the family
15 otherwise agree, or, if the complaint relates to an application for initial services, the
16 child and family shall receive the services that are not in dispute; and

17 (5) for the award of grants under this chapter.

18 * Sec. 7. AS 03.05.070; AS 17.07.010, 17.07.020, 17.07.030, 17.07.040, 17.07.050,
19 17.07.060, 17.07.070, 17.07.080, 17.07.090, 17.07.100, and 17.07.200 are repealed.

20 * Sec. 8. AS 05.05.010, 05.05.020, 05.05.030, 05.05.040; AS 05.10.010, 05.10.020,
21 05.10.030, 05.10.040, 05.10.050, 05.10.060, 05.10.070, 05.10.080, 05.10.090, 05.10.100,
22 05.10.110, 05.10.120, 05.10.130, 05.10.140, 05.10.150, 05.10.160, 05.10.170; AS 08.01.010(3),
23 08.01.010(32); AS 08.02.011; AS 46.15.190, 46.15.200, 46.15.210, 46.15.220, 46.15.230, and
24 46.15.240 are repealed.

25 * Sec. 9. AS 16.05.390(c), 16.05.390(d); AS 43.10.160, 43.10.180, 43.10.190, and
26 43.10.200 are repealed.

27 * Sec. 10. TRANSITION: REGULATIONS. Notwithstanding secs. 12 and 13 of this Act,
28 the state agencies affected by this Act may proceed to adopt regulations necessary to
29 implement changes in law enacted by this Act. The regulations take effect under AS 44.62
30 (Administrative Procedure Act), but not before the respective effective date of the change in
31 law in this Act.

- 1 * Sec. 11. Sections 7 and 10 of this Act take effect immediately under AS 01.10.070(c).
- 2 * Sec. 12. Sections 5, 6, and 8 of this Act take effect July 1, 1996.
- 3 * Sec. 13. Sections 1 - 4 and 9 of this Act take effect January 1, 1997.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC HEALTH

P.O. BOX 110610
JUNEAU, ALASKA 99811-0610
PHONE: (907) 465-3090
FAX: (907) 586-1877

March 26, 1996

The Honorable Lyda Green
Alaska State Senate
State Capital, Room 423
Juneau, Alaska 99911

Dear Senator Green:

Several questions arose in committee discussion of SB 215 relating to the ILP program. I hope the following information responds fully to those questions.

The Infant Learning Program provides early intervention services to children who have developmental delays or who are at risk for developmental delay. Priority for services is based on eligibility for entitlement and discretionary services. Children who are determined eligible for Part H of IDEA (those who have a delay of 50% or greater in one or more areas of development or an identified condition with a high probability of causing such a delay) are entitled to services. These children are the top priority for service and must be provided **comprehensive services** determined necessary to meet the child's needs.

Services for children who do not meet the Part H eligibility guidelines are discretionary. These children may receive core and/or comprehensive services¹ as funding permits. Priority is placed on providing core services and serving those children most severely affected. Using this approach services are provided for children eligible for discretionary services in the following priority order:

1. **Core services** for children who experience a developmental delay of 15% to 49% or a disability likely to result in such a delay.
2. **Core services** for children at risk of experiencing developmental delay or disability if early intervention services are not provided.
3. **Comprehensive services** for children at risk of experiencing developmental delay of 15% to 49% or a disability likely to result in such a delay.
4. **Comprehensive services** for children at risk of experiencing developmental delay or disability if early intervention services are not provided.

Honorable Lyda Green

March 26, 1996

Page 2

ILP services are provided to help mitigate a developmental delay and enable children to achieve their greatest potential. The nature of the problems being addressed make it most usual that children will require services through infancy and early childhood. Most families leave the ILP program for one of three major reasons: 1) the children make a transition to the preschool program at age three; 2) their condition is ameliorated; 3) the family relocates. However, at any time during enrollment in the Infant Learning Program a family may choose to discontinue services. Occasionally, due to limited funding, programs must limit the number of children enrolled who are not Part H eligible. Usually, this is accomplished through attrition, however, the potential exists that children who do not meet Part H eligibility may either receive decreased frequency of service or termination of services

Both federal regulations and state statute require that families be provided with due process reviews of decisions to deny or terminate ILP services. When a family appeals denial or termination of services they are eligible to receive certain services pending outcome of the appeal. Although this has not yet occurred in Alaska it is clear that Part H funds will cover the cost of services provided pending a decision on the appeal regardless of the outcome. The department has not yet developed regulations providing for similar service continuation for children eligible for discretionary (state funded) services only. There is currently no method to recoup expenses from a family that are paid while an appeal is in process.

I hope this responds fully to questions members had during committee deliberation on SB 215.

Sincerely,



Peter M. Nakamura, MD, MPH

cc: Karen Perdue

Commissioner

Honorable Lyda Green

March 26, 1996

Page 3

Core early intervention services include:

- **Case Management Services**
- **Special Instruction (providing activities and support to families in order to assist them to help their child learn and develop in the areas of physical, cognitive, communication, social / emotional and adaptive skills).**
- **Early identification, screening and assessment**

Comprehensive Services may include all or a portion of the following services:

- **Physical Therapy**
- **Occupational Therapy**
- **Family Service Coordination**
- **Family training, counseling and home visits**
- **Medical Services only for diagnostic or evaluation purposes**
- **Nutrition services**
- **Psychological Services**
- **Social Work Services**
- **Special Instruction**
- **Speech-language communication**
- **Transportation**
- **Vision Services**
- **Assistive Technology**

FISCAL NOTE

STATE OF ALASKA

BILL NO. CSSB215(RES)

1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected Natural Resources
 Title: An Act streamlining the functions of BRU: Resource Development
state government... Component: Water Development
 Sponsor: Senate Rules
 Requestor: Senate HES Component Serial No. 916

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ none

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

The Alaska Water Resources Board (Board) was established by Article 3 of Alaska Statute 46.15, the Water Use Act, which was enacted in 1966. The seven-member board was created to advise the Governor on all matters relating to the use, appropriation, and protection of water. The Board is appointed by the Governor and confirmed by the Legislature. Over the past 15 years the Board has tackled a broad range of water management issues including federal reserve water rights, basin wide adjudications, critical management areas, instream flow for fish and wildlife, and water quality concerns. Funding had always been provided to the Board through the Department of Natural Resources. Three years ago, it was decided to eliminate this funding for higher priority projects within the Department. The Board has not been funded over the past three years and has not met since October 1993. It is not anticipated that this Board will be funded in the future and without the funding there is no need to preserve Article 3 of AS 46.15, that requires tasks that are not being accomplished.

Prepared by: Jules Tileston, Director Phone: 269-8625
 Division: Mining & Water Date: 21-Mar-96
 Approved by Commissioner: [Signature] Date: 21-Mar-96
 Agency: Natural Resources

Revision Date: _____ Dept. Affected: Revenue
 Title: Streamlining State Government BRU: Audit Operations
 Component: Income and Excise Audit
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 113

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Section 9 of this bill repeals the Non-Resident Affidavit Tax Bond program. This will eliminate staff time spent on processing non-essential sworn affidavits and tax bonds required to be filed by non-resident corporations. Staff time freed up will be used to enhance our tax compliance programs (i.e. corporation, motor fuel and fisheries). The state will no longer receive interest earned on the cash bonds paid to the state. This loss of approximately \$100,000 will be more than offset by increased revenues from our compliance unit.

Prepared by: Robert N. Bartholomew
 Division: Income & Excise Audit
 Approved by Commissioner: [Signature]
 Agency: Department of Revenue

Phone: 465-2320
 Date: 1/9/96
 Date: 1/9/96

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STATE OF ALASKA
1996 LEGISLATIVE SESSION

Version: SB 215 No. 2
(S) Publish Date: 1/12/96

Revision Date: _____ Dept. Affected: Health and Social Services
Title: Streamlining Bill BRU: State Health Services
Component: Epidemiology
Sponsor: Rules Committee COMPONENT SERIAL NO. 296
Requestor: Tony Knowles, Governor See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

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

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

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

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No Fiscal Impact.

Prepared by: Peter M. Nakamura, MD, MPH *Peter Nakamura*
Division: Public Health

Phone: 465-3090
Date: 01/09/96

Approved by Com: *Karen Perdue*
Agency: Karen Perdue, Commissioner
Department of Health & Social Services

Date: 1/9/96

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FISCAL NOTE

No. 4

Bill Version: SB 215

(S) Publish Date: 1/12/96

**STATE OF ALASKA
1996 LEGISLATIVE SESSION**

Revision Date: _____
Title: Streamlining Bill

Department Affected: Environmental Conservation

Sponsor: Rules Committee
Requestor: Governor

BRU: Environmental Health
Component: Seafood and Sanitation Inspections

COMPONENT SERIAL NO. 1936

Expenditures/Revenues:	(Thousands of Dollars)					
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 01
OPERATING EXPENDITURES						
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS/CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE						
1000 Local Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1000 Alsch	0.0	0.0	0.0	0.0	0.0	0.0
1000 GP	0.0	0.0	0.0	0.0	0.0	0.0
1000 GI/Program Receipt	0.0	0.0	0.0	0.0	0.0	0.0
1000 GI/MITIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

POSITIONS:						
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)
No fiscal impact.

Bill repeals statutory requirement that department regulate rabies reporting and animal constraint with no threat to the public health and safety. The Department of Health and Social Services and local governments will continue rabies control efforts.

Bill also repeals the department's authority to administer flour and bread standards. The federal government sets standards for flour and bread which makes state standards unnecessary.

Prepared by: Larry Jones *Lawrence Jones*
Division: Director, Division of Administrative Services

Phone: 465-5010
Date: 1/9/96

Approved by Commissioner: *Lawrence Jones*
Agency: Department of Environmental Conservation

Date: 1/9/96

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FISCAL NOTE

No. 5

Bill Version: SB 215

(S) Publish Date: 1/12/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date:		Dept. Affected:	Fish and Game
Title:	An Act streamlining the functions of state government.	BRU:	Administration and Support
Sponsor:	Rules Committee	Component:	Administrative Services
Requester:	Governor	COMPONENT SERIAL NO.:	479

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts						
1003 Match						
1004 GF						
1005 GF/Program Receipts						
1008 GF/MHTIA						
1024 Fish and Game Fund	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)
TOTAL	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)	(720.0)

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

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill will alter the way in which fish and game license vendor compensation is paid. Currently, the vendor withholds 5% of revenue generated from the sale of sport licenses as commission. The department also pays each vendor an additional \$1 per item sold on a quarterly basis. The amount of additional vendor compensation has been increasing for several years, requiring the department to request increases to its budget. This bill will allow vendors to withhold their additional vendor compensation along with their 5% commission. This will result in a reduction of revenue to the fish and game fund and an equal reduction in expenditures to be charged against the fund. This change will streamline the process for paying vendor compensation while having a net zero affect on the fish and game fund. This bill will effect approximately 1000 of the department's 1400 license vendors. It will still be necessary to make manual payments of up to \$50 to approximately 400 vendors that sell less than 50 licenses per year. The department will continue to report all compensation in the state accounting system and to vendors and the Internal Revenue Service on a form 1099.

Prepared by:	Kevin Brooks <i>Kevin Brooks</i>	Phone:	465-5999
Division:	Administrative Services	Date:	1/9/96
Approved by Commissioner:	Frank Rue <i>Frank Rue</i>	Date:	1/9/96
Agency:	Fish and Game		

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FISCAL NOTE

No. 6

Bill Version: SB 215

(S) Publish Date: 1/12/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____	Department: <u>Commerce and Economic Development</u>
Title: <u>An Act streamlining the functions of state</u>	BRU: <u>Occupational Licensing</u>
government: _____	Component: <u>Operations</u>
Sponsor: <u>Rules Committee</u>	COMPONENT SERIAL NO. <u>1844</u>
Requestor: <u>Governor</u>	

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	(4.4)	(4.4)	(4.4)	(4.4)	(4.4)	(4.4)
TRAVEL	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
CONTRACTUAL	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)
CAPITAL EXPENDITURES						
CHANGE IN REVENUES	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)	(3.9)

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other: 1091 Designated PR	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)
TOTAL	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)	(5.3)

Estimate of any current year (FY 96) cost: \$ 5.3

POSITIONS

FULL-TIME					
PART-TIME					
TEMPORARY					

ANALYSIS: (Attach a separate page if necessary)

Section 8 repeals regulatory oversight statutes and statutory references under centralized licensing for the Athletic Commission (AS 05.05 and AS 05.10), and the certification of professional geologists (AS 08.02.011). The reduction identified in this fiscal note represent direct costs associated with these programs: Athletic Commission at \$3.6, and Professional Geologists at \$1.7. The reduction of revenue is based on fees generated in FY 95. Revenue of the Athletic Commission totalled \$1.4 and licenses are renewed annually. Revenue generated by certification of professional geologists totalled \$2.6 and are based on a one time charge with no expiration.

Prepared by: _____	Jennifer Strickler, Administrative Officer <i>[Signature]</i>	Phone: <u>465-2144</u>
Division: _____	Occupational Licensing <i>[Signature]</i>	Date: <u>January 9, 1996</u>
Approved by Commissioner: _____	William L. Hensley <i>[Signature]</i>	Date: <u>1-9-96</u>
Agency: _____	Commerce and Economic Development	

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FISCAL NOTE

No. 7

Bill Version: SB 215

BILL (S) Publish Date: 1/12/96

**STATE OF ALASKA
1996 LEGISLATIVE SESSION**

Revision Date: Original Dept Affected Natural Resources
 Title: Streamlining State Government BRU: Resource Development
 Component: Water Development
 Sponsor: Rules Committee
 Requestor: Governor Knowles Component Serial No. 916

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ none

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

The Alaska Water Resources Board (Board) was established by Article 3 of Alaska Statute 46.15, the Water Use Act, which was enacted in 1966. The seven-member board was created to advise the Governor on all matters relating to the use, appropriation, and protection of water. The Board is appointed by the Governor and confirmed by the Legislature. Over the past 15 years the Board has tackled a broad range of water management issues including federal reserve water rights, basin wide adjudications, critical management areas, instream flow for fish and wildlife, and water quality concerns. Funding had always been provided to the Board through the Department of Natural Resources. Three years ago, it was decided to eliminate this funding for higher priority projects within the Department. The Board has not been funded over the past three years and has not met since October 1993. It is not anticipated that this Board will be funded in the future and without the funding there is no need to preserve Article 3 of AS 46.15, that requires tasks that are not being accomplished.

Prepared by: Jules Tyleston, Director Phone: 269-8625
 Division: Mining & Water Date: 5-Jan-96
 Approved by Commissioner: [Signature] Date: 5-Jan-96
 Agency: Natural Resources

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

Revision Date: _____ Dept. Affected: Revenue
 Title: An Act streamlining the functions BRU: Revenue Operations
of state government, etc. Component: Treasury
 Sponsor: Rules Committee
 Requestor: (S) RES COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
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 EXPENDITURE:						
CHANGE IN REVENUES ()	7,065.0	685.5	685.5	685.5	685.5	685.5

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1006 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost \$ _____

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)
 This fiscal note is based on our understanding and assumption that the bill will allow for insurance premium tax payments to be paid quarterly (versus current annual payment) and paid by an electronic method. The electronic method of payment allows machine capture of the remittance data, which will be posted directly to their database by the Division of Insurance which will streamline and make more current the status of the remitter's account. This will result in approximate / \$7.0 million of previously anticipated fiscal year 1998 revenue being received in FY97. This will not reduce FY98 or subsequent year revenue. It is simply accelerating the receipt of revenues. In addition, the earlier and more frequent receipt of these funds will result in an estimated increase in interest earnings to the general fund of \$65.0 in FY97 and \$685.5 in years thereafter.

Prepared by: Vern Voss, Cash Manager and Investment Officer Phone: 465-3700
 Division: Treasury Date: March 13, 1996
 Approved by Commissioner: Ross Kinney, Deputy Commissioner Date: March 13, 1996
 Agency: Department of Revenue

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SB

225

Alaska State Legislature

Sen. Lyda Green, Chairman
Sen. Loren Leman, Vice-Chairman
Sen. Mike Miller
Sen. Johnny Ellis
Sen. Judith Salo



State Capitol
Room 123
Juneau, Alaska 99801-1182
907-165-3762

Senate Committee on Health, Education and Social Services

SB 225
Student access to school programs

SPONSOR STATEMENT

This bill was introduced by request to guarantee the right of access to extracurricular activities by students being educated according to AS 14.30.010(b). Under this measure, these activities would include, drama, debate, music, band, and athletics.

Under Alaska law, city and borough school districts are required to contribute a local match to the education foundation formula. This local match is generally levied through a 4 mill property tax assessment and is paid by families with children being educated in public schools, private schools, correspondence curriculum, and home schools.

Participation in extracurricular activities is an important component of the education of our children. It encourages the development of leadership skills, a healthy spirit of competition, confidence, goal orientation, and the ability to become a team player.

Currently, access to extracurricular activities is impeded in some districts of the state.

These programs that exist to benefit children should be made available to all children. This includes students whose parents choose to educate their children in other than a public schools. Denying access to these programs is discriminatory and contrary to providing equal educational opportunities to all students.



NEA-ALASKA

Affiliated with the National Education Association

NEA-ALASKA POSITION PAPER SB 225 February 7, 1996

NEA-Alaska and its members are deeply committed to the cause of public education in Alaska. We know that our Alaska constitution has mandated "a system" of public education to serve the needs of Alaska's children, and to help students become informed and responsible citizens and productive members of society.

Because of our commitment, we monitor the Legislature's annual debates about funding for public education and advocate for state educational support that we consider crucial to quality education in Alaska.

Because of our commitment, we support opportunities for families to make choices and select options and educational models which may take into account the diverse needs of Alaska's students, within the context of public education.

And because of our commitment, we recognize the importance of extra-curricular activities in the public schools. We are proud that Alaska's teachers help organize and lead extra-curricular activities, frequently without any financial reward at all, or with only nominal financial compensation.

Our teachers support extra-curricular activities for many reasons. There are obvious benefits to the student participants, who may learn or improve skills, and develop their ability to work cooperatively with others and to compete fairly and successfully in activities of their choice.

There are also benefits to the schools where the activities occur, because activities can raise school morale and school pride, and foster school identity.

Extra-curricular activities also help keep students in school who might otherwise drop out, and success in extra-curricular activities promotes confidence and self-esteem .

Senate Bill 225 pays homage to the quality of extra-curricular programs in the public schools. By implication, Senate Bill 225 declares that these programs are so successful, so popular, so useful, and so important that students attending private or secular schools should have the opportunity to take part in public school extra-curricular programs.

We are not surprised that public school extra-curricular programs are universally well-regarded. But it would be surprising to find private school operators, many of whom have been adamant in saying, as a matter of principle, that they seek no government money, and no involvement with government-run schools, or as little involvement as possible, now endorsing a measure which, if enacted, would be tantamount to providing private schools with a public subsidy.

We have heard private school advocates and operators insist that they seek no subsidy or special privilege, and that they simply want to prove that they can do more with less: to the extent that private school advocates and operators may support Senate Bill 225, the message is different now, because Senate Bill 225 would enable private schools, including sectarian schools, to offer merely an academic education for students, while inviting their pupils to take part in the extra-curricular activities at the public school down the street or across town at public expense.

We do not believe that Senate Bill 225 is constitutional. We do not believe that Senate Bill 225 is fair. We do not believe that Senate Bill 225 is helpful to the Alaska system of public education envisioned by the state constitution.

The bill is not constitutional under the Alaska Supreme Court decision in the "Sheldon Jackson" case, where the Court struck down a law providing tuition equalization to Alaska students at private colleges, to offset the higher cost of private education as compared with the cost of studies at the University of Alaska. If passed, Senate Bill 225 would constitute a subsidy to sectarian schools, aiding them by picking up with public dollars the costs of the extra-curricular programs for their pupils and allowing them to use their resources solely for academic programs. The Alaska Supreme Court noted that to constitute an unconstitutional subsidy of sectarian education, it is not necessary that the government transmit money directly to sectarian schools. Substance is more important than form.

Senate Bill 225 would provide a subsidy for nonpublic schools by the public sector. Should public funds be used to hire the debate teacher and the athletic coach, to buy football uniforms and band instruments, to pay for school maintenance and operations required for children who are already enrolled in religious and other private schools? We think not, especially in the face of our Alaska Constitution's explicit ban upon the expenditure of public funds "for the direct benefit of any religious or other private educational institution," or for sectarian purposes.

Senate Bill 225 is unfair. We can foresee an undermining of school morale and cohesiveness when a youngster who is not a student at the public school is selected to be on an athletic team, or is cast in a school play, or joins a debate team, requiring that another youngster enrolled in the school be passed over.

Indeed, under Senate Bill 225, the opportunities for non-public school students to take part in extra-curricular activities will actually be greater than the opportunity for enrolled public school students.

This inequity will arise in several ways.

First, although the bill would require that a student not attending the public school must "meet all school district eligibility requirements for participation in the activity that are applicable to a student who is in attendance in the school district," the requirement is unworkable, and so is a sham.

An obvious example concerns grades. The public schools of a school district have grading standards developed under district-wide auspices or with district approval and guidance. The grading practices in a private school may be very different. As a result, a requirement that students maintain a 2.5 or 3.0 grade average to take part in an activity becomes compromised if a student can demand the right to take part using a grade average obtained in another system, where grades may be inflated relative to public school grades.

Another example of the unworkability of this bill lies in the fact that private and religious schools need not

maintain permanent student records reflecting immunizations, physical examinations, standardized testing, academic achievement, and courses taken at school. Under these circumstances, how will a public school district determine in fact that an applicant for an extra-curricular activity does meet "all school district eligibility requirements for participation"? This bill, therefore, will impose significant administrative costs on school districts and propel public school administrators into conflict with unenrolled students and their families, and with private schools. In some instances, the conflict will result in expensive litigation, as conscientious public school administrators try, in the absence of reliable data, to determine on a case-by-case basis who qualifies and who does not.

Moreover, Senate Bill 225 opens the possibility that a student who is declared to be ineligible as a public school student could demand eligibility simply by leaving the public school system and obtaining an "academic education" in another, perhaps less demanding, environment.

Under Senate Bill 225, the student who does not enroll in public school may have another advantage: he or she could demand the right to take part in an extra-curricular activity at a school of his or her choice, while another student, enrolled in the public schools, is limited to participation at the school for that student's local attendance area.

Senate Bill 225 would be detrimental to public education. First, at the very time when public schools are being asked to do more with less, Senate Bill 225 would require them to expand extra-curricular activities to a new

group, consisting of boys and girls who opted out of the public school system for all other purposes.

What will be the practical result? As noted, it will mean diminished extra-curricular activities for students enrolled in the public schools. It must also accelerate the noticeable trend we already see, through which public school districts are curtailing or eliminating important extra-curricular offerings because of budgetary constraints.

In that regard, we note that the supporters of the bill are not offering increased state assistance to public school districts, to help the districts pick up additional costs that will be incurred if more students are to be served in extra-curricular programs. The only inference that can be drawn is that the supporters of the bill do not expect public schools to serve more children in extra-curricular activity programs - - just different children than are being served at present -- or that the supporters of the bill expect hard-pressed school districts to find more money for extra-curricular activity programs from the academic or other offerings being provided to public school students.

Finally, this bill as written is very confusing. In section 1, on page 1, the bill states that a "student" wanting to participate in extra-curricular activities must be "receiving academic education as permitted under AS 14.30.010(b)."

A review of AS 14.30.010(b) reveals that this part of Title 14 refers to a large group of young people. It refers to private school students; to students being tutored; to students at religious or other private schools, to students attending a school operated by the federal government; to students having a physical or mental condition that makes attendance impractical; to students in the custody of a court or law enforcement authorities; to students who are "temporarily ill or injured"; to students who have been

suspended or denied admittance to the public school; to students who live more than two miles from a public school or a transportation route; to students in correspondence study, to students who have completed the 12th grade; and to students excused from enrollment by action of the school board of the district or by the school superintendent with the board's approval.

So is it the intent of the sponsors that a public school district which has expelled a student, who then enrolls in a private school or in a correspondence program, must accept that student back into an extra-curricular program? Or that a public school athletic team, after dropping a player for academic ineligibility or other valid reasons, must accept the player back on the team when he offers correspondence study as his "academic program," or grades from a private school that uses lower grading criteria? Is it the intent that a teen-ager in custody of the Department of Corrections could assert a right to take part in extra-curricular activities of a public school? Or that a student who is "temporarily ill," and contagious, becomes entitled to take part in extra-curricular activities? Or that the public school district bear the transportation costs to bring a youngster from his house, or his private school, to the public school for an extra-curricular activity?

These are just more examples of the confusion we believe will be engendered by Senate Bill 225. We also see a potential or temptation for disparate and corrupt practices. An out-of-school star athlete could be recruited by a public school and the so-called, amorphous, vague, and non-standardized "eligibility requirements" could be stretched to make sure that the athlete is suited up, while an equally worthy young person were not invited to play.

We anticipate that it will be argued that we are indifferent to the needs of young people who are not in public school, and that these youngsters and their families make smaller financial demands upon the public sector than do public school enrollees and their families. It may even be contended that opponents of this bill want to punish those who choose to get their educations apart from the public school system in Alaska.

We are not indifferent. We would welcome these students into the public schools as regular attendees. We have always encouraged more diverse school programs that would help meet their needs, wherever greater diversity is enriching, constitutional, and financially feasible. But we believe that having elected not to take up either the opportunities or the challenges of the public schools, one cannot fairly expect to be able to participate in extra-curricular opportunities also desired by public school students and which build in-school friendships, enhance school spirit and morale, and promote an atmosphere of cooperation and teamwork in the school facility. These important purposes would be diluted if Senate Bill 225 were to become law.

Moreover, the supporters of Senate Bill 225, we believe, respectfully, misperceive an important element in a good extra-curricular program. That element is the interplay between the teacher or coach of the extra-curricular program and the student's academic instructors. Through interaction of the academic and extra-curricular, the student is approached as a whole person and the student's needs, problems, talents, and goals are better understood. That kind of interaction within a school faculty is dramatized well in the film, "Mr. Holland's Opus", which shows how extra-curricular activities, reinforcing the academic program and treating a student as a whole person within a school facility, can draw out the best in

America's youngsters.

Therefore, at least as a generally applicable truth, much can be lost when a student gets academic training in one institution and extra-curricular activity in another. While there are exceptional cases, of course, the drama teacher, the band leader, the sports coach, and the computer club counselor, can do the most for a student when working as part of a team with the student's academic teachers. Alaska's private school students deserve nothing less than that .

For all these reasons, we urge the rejection of Senate Bill 225.

LEGAL SERVICES

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

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

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

MEMORANDUM

February 9, 1996

SUBJECT: Participation in extracurricular public school programs by private school students - (SB 225)

TO: Senator Lyda Green
Attn: Mike Tibbles

FROM: Michael F. Ford *M.F.F.*
Legislative Counsel

You have asked if SB 225, which allows nonpublic school students to participate in public school extracurricular activities violates Article VII, section 1, of the state constitution. As explained in this memo, we do not believe SB 225 violates the state constitution. Article VII, section 1, of the state constitution provides in part:

No money shall be paid from public funds for the direct benefit of any religious or other private educational institution.

An examination of the minutes of the Alaska constitutional convention reveal that this section was intended to provide support for a strong system of public schools. However, in considering the language to be included in this section, the delegates expressly rejected a provision that would have prohibited "direct or indirect benefits" to religious or other private schools. 2 Proceedings of the Alaska Constitutional Convention 1528. In Sheldon Jackson College v. State, 599 P.2d 127 (Alaska 1979), the Alaska Supreme Court commented on the fact that indirect benefits were not prohibited and stated "the delegates to Alaska's Constitutional Convention made it abundantly clear that they did not wish to prevent the state from providing for the health and welfare of private school students, or from focusing on the special needs of individual residents." Sheldon Jackson at 129.

The court in Sheldon Jackson also set out three criteria for determining when aid to private schools violates the Alaska Constitution. First, the constitution requires the aid be distributed in a neutral manner. For example, state aid in the form of police or fire protection may benefit private schools, but it is distributed without regard to the status or affiliation of the school. Second, and central to the determination of constitutionality, is the nature of the use to which the public funds are to be put. It is direct benefits for education outside of the public school system that is prohibited by the constitution. Third, in determining whether

Senator Lyda Green

February 9, 1996

Page 2

there is a direct benefit, the court looks at the magnitude of the benefit conferred. Substantial indirect benefits may constitute a violation, whereas a direct but trivial benefit may not.

Applying these criteria to SB 225, it is our opinion that the legislation does not violate Article VII, section 1, of the Alaska Constitution. First, the statutory benefits of the bill are applied in a neutral manner. Essentially all students, whether public or private, may participate in public school extracurricular activities, assuming the student meets eligibility requirements. Second, and most importantly, the nature of the benefits provided under SB 225 relate to extracurricular activities and not to classroom educational benefits. While it could be argued that the provision of extracurricular benefits will free private schools to concentrate funds on their private educational services, this is not the type of benefit that is prohibited by the Alaska Constitution. Sheldon Jackson at 130. Finally, the magnitude of the educational benefit conferred under SB 225 does not seem to rise to the level of a constitutional violation. Again, because we are talking about extracurricular activities it does not appear that the benefits conferred on private schools is the type of direct assistance that would violate the Alaska Constitution.

In conclusion, we believe that SB 225 constitutes the type of indirect benefits that may be conferred on private schools without violating Article VII, section 1, of the Alaska Constitution. If you have further questions please contact me.

MFF:klb

96-090.klb

**MATANUSKA-SUSITNA BOROUGH
SCHOOL DISTRICT**

Norm Palensko, Superintendent

125 W. Evergreen, Palmer, AK 99645

Phone (907) 746-9255 Fax: 745-0194



RECEIVED
FEB 16 1996
Ans'd.....

February 12, 1996

The Honorable Lyda Green
Senator
Room 423 State Capitol
Juneau, AK 99801-1182

Dear Senator Green:

It's my understanding that Senate Bill #225 was introduced on January 18, 1996. It requires school districts to permit students who reside within the district, but who attend private schools, to participate fully in all extra-curricular activities offered by the district, so long as the student is otherwise qualified to participate.

The bill raises interesting constitutional questions regarding the possibility of indirect State aid to sectarian schools. It also raises policy questions concerning the requirement that a district incur the per student costs associated with extra-curricular activities without receiving foundation funding or other financial assistance in respect of a student who is not within the district's student population census.

The timeliness of this bill is extremely questionable when during those times of inadequate funding and corresponding cuts to extra-curricular activities, the legislature is considering expanding the obligations of school districts. This bill has all the earmarks of an additional unfunded mandate with little recognition of the financial realities many districts are facing; particularly in the urban areas that would bear the burden of this bill if it were to pass.

Perhaps the legislature could reconsider Senate Bill #225 in respect to the concerns expressed above. Thank you for this opportunity to respond about the concerns regarding this bill.

Sincerely,

Norm Palensko
Superintendent

lc

C: Representative Kohring
Representative Ogan
Representative Masch
Senator Hallford

COPY

From: Timothy Andrew
1515 Nelchina St #1
Anchorage, AK 99501
274-0967 (voice) 563-4854 (fax)

Dear Legislator,

I am writing in regard to SB225 which, in its present form, would put an unfair additional financial burden on the public school districts of this state

I believe in citizens' choice to enroll their children in public or private schooling. In choosing a program or school system, the parent should be aware of that specific program's offerings in terms of curricula, discipline, and extra-curricular activities. If parents of children at a private school wish their children to have the opportunity to participate in extra-curricular activities, then they should work with the private school administration to reprioritize existing programs (and their related expenses) and/or seek additional revenue sources to provide the desired programs. This, as you know, is the same method by which public school districts determine offerings to their students.

I understand the argument that since parents of students, public or private, pay taxes, that private school students should receive some benefit from those contributions. But while they may pay the same total amount in taxes as someone whose child goes to public school, that doesn't mean that those monies necessarily go toward public education. Do local school districts receive funding based on a total number of students (public or private) in their service area? Or do they receive funds only for those enrolled in the public schools in their district? In short, public school districts cannot be expected to provide services to students for which they receive no funding.

Here are some suggestions to address the problems of fund allocations:

A formula could be developed to calculate a fair activity fee (though higher when compared to public school students since activities fees are used to supplement funding, not totally fund activities) for those participants not enrolled in the public school system.

The public school funding formula could be rewritten to include funding for participation in activities by all students within a school district's service area (Provided, of course this didn't equate to subsidy of private education).

In conclusion, while I see the benefits for privately-educated students' participation in certain programs offered by the public school system, we need to make certain that the already overburdened public school system receives appropriate funding specifically for this population segment's participation in public school programs and activities.

Thank you for your time and consideration of this important issue.

COPY

F A X

To: Lyda Green

Company:

Fax number: +1 (907) 4653805

Business phone:

From: Martha L. Androw

Fax number: +1 (907) 563-8006

Business phone:

Home phone:

Date & Time: 3/5/96 8:55:24 PM

Pages: 2

Re: Senato Bill 225, Private/Home School Students' Participation in Public

RECEIVED

FEB 17 1996

Ans'd.....

Petersburg City Schools

Phone 907.772.4271
FAX 907.772.4719

P. O. Box 289
Petersburg, Alaska 99833-0289

Mary A. Francis, Ph.D.
Superintendent

February 15, 1996

The Honorable Lyda Green
The Alaska Senate
Chair, HESS Committee
Room 423
Juneau, Alaska 99801-1182

Dear Senator Green:

I have been informed that Sharylee Zachary, a parent who homeschools two of her children, participated in a teleconference regarding SB 225 recently and testified that she was not allowed to read curriculum and reference materials in the Petersburg School District library. Upon learning of this testimony, I researched the matter and thought you might be interested in my findings.

In May of last year, Ms. Zachary asked to check out some videos and filmstrips from our elementary library. Since we have a rather small amount of these instructional support materials, staff are reluctant to have them out of our building, in the event a classroom teacher or an enrolled student needs them. It was suggested to Ms. Zachary that she consider checking at the public library for materials she would like to use.

Last fall, the Zachary's enrolled one of their children in our school. Ms. Zachary is frequently in her child's classroom, in the library, in the lunchroom, etc. She often brings her two homeschooled children along. They are welcomed as we welcome all parents to be involved in our school program. Given the access the family has to our school, I was surprised to learn of the testimony mentioned above.

I hope this gives you a clearer picture of home/school relations in Petersburg. We work very hard to assist all parents with the schooling of their children, though our first responsibility is to those enrolled in our schools. Thank you for the opportunity to clarify this matter.

Sincerely,



Mary Annestad Francis, Ph.D.
Superintendent

cc: Senator Robin Taylor

COPY

RECEIVED

TO: MS. LYTA GREENE
FAX: 465-3805

DATE: 2/2/96 FEB 02 1996

Ans'd.....

FROM: TIMOTHY AND JANETTE DAVIS

RE: SB 225, ACCESS OF NON-PUBLIC SCHOOL CHILDREN TO PUBLIC SCHOOL
EXTRA-CURRICULAR SCHOOL PROGRAMS

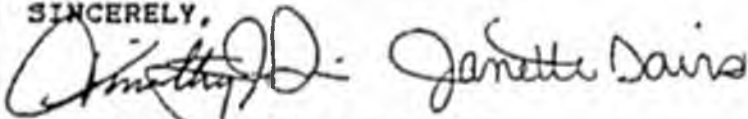
DEAR MS. GREENE,

THE PUBLIC SCHOOL MACHINE IS FUNDED BY ALL TAX-PAYING CITIZENS OF THE COMMUNITIES IN WHICH IT OPERATES. IT WOULD NOT OPERATE WITHOUT THE FUNDING PROVIDED BY PRIVATE CITIZENS THROUGH TAXATION.

THIS TAXATION OCCURS WITHOUT REGARD TO USE OF THE PUBLIC SCHOOL. ALL PAY WHETHER OR NOT THEIR CHILDREN ARE ENROLLED IN PUBLIC EDUCATION. THEREFORE IT IS UNCONSCIONABLE AND DISCRIMINATORY TO DENY ACCESS FOR ALL CHILDREN OF OUR COMMUNITY TO WHAT THEIR PARENTS MORE THAN ADEQUATELY PAY FOR.

IF YOU ARE A FAIR LEGISLATOR (AND WE BELIEVE YOU TO BE), EAGER TO PROTECT CIVIL RIGHTS BY GIVING EACH CHILD OF OUR STATE AN EQUAL OPPORTUNITY TO DEVELOP AND EXPRESS THEIR ABILITIES IN CITIZEN-FUNDED PROGRAMS, AND TO STAND AGAINST ESTABLISHING A SEGREGATED CLASS OF CHILDREN RECEIVING SPECIAL TREATMENT BASED UPON ACADEMIC AFFILIATION, WE URGE YOU TO SUPPORT SB 225.

SINCERELY,



TIMOTHY AND JANETTE DAVIS

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FEB 02 1996

APR 2 1996

Dear Lyta Green,

I am writing to you today concerning SB 225. I am very much for the passage of this bill which permits access of non-public school children to public school extra curricular school programs. Those of us that have chosen to homeschool our children or who have placed our children in private schools also pay taxes and would like the option at times for our children to be able to be involved in extra curricular activities. Thank you for your concern.

Mrs. Gregory R. Stokes
907-345-0660
13730 Capstan Dr.
Anchorage, AK
99516

Dennis & Debbie Maloney
3040 Widgeon Lane
Anchorage, Ak 99508

907-276-3213

I Support

SB 225 ~

all children
have equal
rights to access
to public school
facilities & extra
curr. activities

RECEIVED
FEB 02 1996

Ans'd.....

2/2/96

To: Sen. Lyda Gruene

This letter is in support
of SB 225. I firmly support
access of extracurricular school
programs by students not
attending public schools.

Sincerely,
Christine Ireland
12350 Lilac Dr.
Anch, Ak.
99516

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY
DIVISION OF PUBLIC SERVICES

RECEIVED
FEB 15 1996
Ans'd.....

PETERSBURG LEGISLATIVE INFORMATION OFFICE

PHONE: 772-3741 FAX: 772-3779

FAX TRANSMISSION

TO: HESS
FAX #: 465-3805
DATE: 2-15-96

MESSAGE:

2 pages
From Dana Thynes, Petersburg
Re: SB 225

From:

**Dana Thynes
Box 2047
Petersburg, Ak. 99833
1-907-772-3899**

To: The Members of the HES Senate Committee February 15, 1996

Re: S.B. 225

Dear Senators,

I teach my children at home, and am very interested in seeing changes in current government education policy and philosophy.

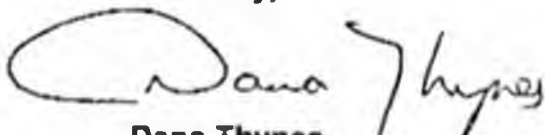
Many might feel that because I and others have chosen at this time not to use what we consider to be an ailing system, that we should have no voice in that system. But the system belongs to me and all Alaskans, and it is right and fair that we, all the people of Alaska, have the primary voice in shaping school policy (not lobbyists from far away).

I was pleased to hear the recommendations of Commissioner Holloway. I, too, formerly lived in Washington state, and knew homeschoolers active in academic and extracurricular classes in their local schools. Indeed, my local school district, Lake Washington, hired a go-between to facilitate relations between the district and its homeschoolers, and in other ways bent over backwards to accomodate homeschoolers. This approach reaps gratitude and builds a sense of community -- and it is smart, progressive thinking. (I am faxing a copy of a letter I received a couple years ago from Bud Scarr, then superintendent of Lake Washington School District. It will follow this page.)

My dream is that someday our public institutions will be resource centers for all, not just for a select group; and that all citizens, old and young, will be able to make use of them freely just as public libraries are now used. (Incidentally, public libraries, with their voluntary access philosophy, have little or no violence, vandalism, gang- or drug-related problems.)

I ask you to support and promote this bill -- I believe it is the wave of the future.

Sincerely,


Dana Thynes



Lake Washington School District No. 414

P.O. BOX 2909
KIRKLAND, WASHINGTON 98083
(206) 828-3257

DR. L.E. SCARR
Superintendent

DR. RONALD G. BARNES
Deputy Superintendent

BOARD OF DIRECTORS

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Johanna D. Palmer

August 30, 1994

Dear Home Schooling parent:

I believe it's very important for Lake Washington School District to have a positive relationship with our home schooling parents and students. To maintain this partnership, we need to continually review how the district can help home schooling parents.

To get your ideas on how we can better serve you and your children, I would like to meet with you at 7:30 p.m., Tuesday, September 13 in the Board Room of the Administration Center. The address is 10903 NE 53rd Street in Kirkland.

Along with gathering your suggestions and answering any questions you might have, I would like to share with you a new resource guide we are preparing. The guide, which is being created with the help of home schooling parents, will help explain the district's relationship with home schooling parents and the services we can provide.

I hope you will be able to attend this meeting. If not, and you would still like to offer your ideas on the district's role in home schooling, please feel free to express your views to me in a letter.

I look forward to meeting with you.

Sincerely,

L.E. Scarr
Superintendent

DALE E. KASTING, D.M.D.

FAMILY DENTISTRY

7926 OLD SEWARD HWY., SUITE B-7
ANCHORAGE, AK 99518
TELEPHONE (907) 349-8588

RECEIVED
FEB 06 1996

Ans'd.....



2-1-96

Dear Senator Lyta Green,

I would like to voice my strong support for Senate Bill 225, which would allow access to extracurricular school programs to students not attending public school.

I believe it is extremely unfair that this is even an issue. If our household is taxed for public schools, our children should have access to public school programs and activities that homeschool or private school cannot provide. If we were not taxed for the schools, we should have to pay for services or not receive the benefits. These are our facilities too!

Thank you for your consideration.

Sincerely yours,

Susan Kasting

Dale Kasting

Dale and Susan Kasting

6001 E 142nd Ave.

Anch., AK 99516

Statewide Non-Public School estimated enrollment:

Statewide	4,186
Anchorage	1,552
Fairbanks	1,242
Mat-su	502
Juneau	155
Kenai Pen.	203



Grace Christian Schools

Elementary Junior High High School

12407 Pintail Street

Anchorage, Alaska 99516

Phone 907-345-4814

FAX 907-345-4241

Don Stump
Administrator

Karen Beyers
Elementary Principal

February 5, 1996

Dear Senator Green,

The school board and administration of Grace Christian School are very much in support of allowing students in private schools the opportunity of participating in extracurricular activities in the public schools, if those activities are not offered in the private school they attend. Grace Christian School offers a strong academic program, but only a limited extracurricular program, mostly because of the financial consideration. The school is financed only through tuition and donations. No state or federal funding is received and, therefore, GCS cannot offer all the extracurricular programs in which students are interested.

Parents who are paying for private education are also paying taxes which support the public school. It only seems right that if they are helping finance the programs, their children should be allowed to participate.

The bottom line is that we want what is best for all students, which we hope is the same philosophy of the public schools. Everything should be done to assure that all students be allowed to have a complete, well rounded education. We would strongly support allowing private school children the opportunity to participate in all extracurricular activities of the public schools.

Sincerely,

Don Stump
Administrator

Sec. 14.30.010

WHEN ATTENDANCE COMPULSORY.

(a) Every child between seven and 16 years of age shall attend school at the public school in the district in which the child resides during each school term. Every parent, guardian or other person having the responsibility for or control of a child between seven and 16 years of age shall maintain the child in attendance at a public school in the district in which the child resides during the entire school term, except as provided in (b) of this section.

(b) This section does not apply if a child

(1) is provided an academic education comparable to that offered by the public schools in the area, either by

(A) attendance at a private school in which the teachers are certificated according to AS 14.20.020;

(B) tutoring by personnel certificated according to AS 14.20.020; or

(C) attendance at an educational program operated in compliance with AS 14.45.100 - 14.45.200 by a religious or other private school;

(2) attends a school operated by the federal government;

(3) has a physical or mental condition that a competent medical authority determines will make attendance impractical;

(4) is in the custody of a court or law enforcement authorities;

(5) is temporarily ill or injured;

(6) has been suspended or denied admittance according to AS 14.30.045;

(7) resides more than two miles from either a public school or a route on which transportation is provided by the school authorities, except that this subsection does not apply if the child resides within two miles of a federal or private school that the child is eligible and able to attend;

(8) is excused by action of the school board of the district at a regular meeting or by the district superintendent subject to approval by the school board of the district at the next regular meeting;

(9) has completed the 12th grade;

(10) is enrolled in

(A) the state boarding school established under AS 14.16; or

(B) a full-time program of correspondence study approved by the department; in those school districts providing an approved correspondence study program, a student may be enrolled either in the district correspondence program or in the centralized correspondence study program;

(11) is equally well-served by an educational experience approved by the school board as serving the child's educational interests despite an absence from school, the request for excuse is made in writing by the child's parents or guardian, and approved by the principal or administrator of the school that the child attends.

RECEIVED

FEB 01 1996

Ans'd.....



L.A. Wiget

Lawrence A. Wiget, Ed.D.
Director, Government Relations/Legislative Liaison
Anchorage School District
4600 Debarr Road
Anchorage, Alaska 99519-6614
(W) 907 269-2255 (FAX) 907 269-2107

TO: SENATOR GREEN
C/O MIKE TIBBLES

SUBJECT: ASD POSITION PAPER: HB 156/ SB 225

DATE: FEBRUARY 2, 1996

Per your request, attached please find the ASD position statement relative to HB 156. It should serve to answer your questions regarding our position on SB 225 as well.

Thank you!



Anchorage School District

4600 DeBarr Road
P.O. Box 196614
Anchorage, Alaska 99519-6614
Phone: (907) 333-9561

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Past President

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Boo Christal

February 23, 1995

Honorable Members
House HESS Committee
State Capitol
Juneau, Alaska 99501-1182

RE: HB 156 (Relating to Access to Extra-curricular Programs By Home School Students)

Dear HESS Committee Members:

The Anchorage School District administration ("ASD") has reviewed HB 156 which, if enacted, would require the ASD to permit students not enrolled in the ASD to participate in ASD sponsored extracurricular activities. We strongly oppose this bill.

Over the past two years, the issue of admitting non-enrolled students to public school extracurricular programs has received much attention in Alaska. In 1993 and 1994, the Alaska Department of Education ("DOE") promulgated regulations which would have required local districts to permit home, correspondence, and other private school students to participate in public school extracurricular activities, including activities sanctioned by the Alaska School Activities Association ("ASAA"). Local school boards and the ASAA voiced strong opposition based on substantial legal, financial, administrative and policy implications of the proposed regulations. As a result, State Board of Education tabled the regulations.

During this same period, the ASD, DOE and ASAA were sued by a handful of home, correspondence and private school students who sought participation by non-enrolled students in ASD's extracurricular activities, particularly ASAA sanctioned interscholastic athletic programs.¹ The superior court rejected the

¹ Landra I. Blomfield et al. v. Anchorage School District, Alaska School Activities Association, Inc. and State Board of Education, JAN-93-2740 Civ (Super Ct. Third Judicial District, decided August 2, 1994).

Honorable Members
House HESS Committee
February 23, 1995
Page 2

plaintiffs' claims, holding that the ASD had legitimate financial and administrative reasons for excluding non-enrolled students from participation in ASD sponsored extracurricular activities. The court expressly noted that under the state public school foundation program, only students enrolled in a public school district generate state/local funding for the district. The court said:

[I]t is undisputed that ASD's state funding is provided on a per-pupil basis. If students not enrolled in the District participate in athletic programs there, they effectively draw down the state/local funding without contributing to the "body count" which generates that funding.

Memorandum of Decision and Order Granting Defendants and Denying Plaintiffs' Motions for Summary Judgment at 5. (Copy attached hereto as Attachment 2).

House Bill 156 imposes the identical financial burden and resulting inequities involved in the Blomfield litigation. If enacted, it would create a costly obligation for the ASD, without the funding necessary to carry out the mandate.

In addition, HB 156 ignores long standing and well established principles of local control. Central to the Blomfield litigation were the interests of the ASD in setting and enforcing uniform eligibility standards in athletic programs, and the maintenance of a proper perspective towards extracurricular activities as being subordinate to the academic mission of the ASD. Permitting only students enrolled in the ASD to participate in ASD sponsored extracurricular activities best serves these legitimate interests. We therefore urge House HESS to not support HB 156.

HB 156, as proposed, raises additional concerns.

(a). Recruiting and School "Shopping": HB 156 appears to permit home school students to "shop" between school districts as well as between schools