

ALABAMA LEGISLATURE COMMITTEE FILES 1997-1998 00/2

9529 SENATE HEALTH EDUCATION & SOCIAL SERVICES

SB

181

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 4/21/97

FURTHER: Finance

Date of 5-Day Notice: 1/22/98
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 2/2/98

HESS Committee considered

SENATE BILL NO. 181

"An Act relating to assistance for abortions under the general relief program; and relating to financial responsibility for the costs of abortions."

and recommends:

- be replaced with CS SB 181 (HES)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by Committee
- further referral to the Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR#

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>		<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>			
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
CHAIR:		CHAIR: <i>[Signature]</i>			

Applies to CS SB 181 (HES)

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

H+SS - Medical Assistance	1/26/98		3,132.0
H+SS - Public Assistance	1/29/98		720.4

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

CS FOR SENATE BILL NO. 181(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR WARD

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to assistance for abortions under the general relief program."

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

3 * Section 1. AS 47.25.205 is amended to read:

4 Sec. 47.25.205. Priority of general relief medical assistance. (a) Except
5 as provided in (b) of this section, if [IF] the department finds that the cost of medical
6 assistance for all persons eligible under AS 47.25.120 - 47.25.300 will exceed the
7 amount allocated in the state budget for that assistance for the fiscal year, the
8 department shall eliminate coverage for medical services in the following order:

- 9 (1) abortions and related services and supplies, such as medical
- 10 supplies and equipment, transportation, laboratory and x-ray services, physician
- 11 services, hospital services, and pharmaceuticals, used for an abortion;
- 12 (2) treatment of speech, hearing, and language disorders;
- 13 (3) [(2)] optometrists' services and eyeglasses;
- 14 (4) [(3)] occupational therapy;
- 15 (5) [(4)] emergency dental services for adults;

- 1 (6) [(5)] prosthetic devices not including dentures;
- 2 (7) [(6)] medical supplies and equipment other than those used to
- 3 perform an abortion;
- 4 (8) [(7)] physical therapy;
- 5 (9) [(8)] outpatient laboratory and outpatient x-ray services other than
- 6 those used for an abortion;
- 7 (10) [(9)] ambulatory surgical center services other than services to
- 8 perform an abortion;
- 9 (11) [(10)] nonemergency medical transportation other than
- 10 transportation to obtain an abortion;
- 11 (12) [(11)] outpatient physician services other than services to
- 12 perform an abortion;
- 13 (13) [(12)] outpatient hospital services other than services to perform
- 14 an abortion;
- 15 (14) [(13)] intermediate care facility services;
- 16 (15) [(14)] skilled nursing facility services;
- 17 (16) [(15)] emergency medical transportation other than
- 18 transportation for an abortion;
- 19 (17) [(16)] pharmaceuticals other than those used in an abortion;
- 20 (18) [(17)] inpatient physician services other than services to perform
- 21 an abortion;
- 22 (19) [(18)] inpatient hospital services other than services to perform
- 23 an abortion.

24 * Sec. 2. AS 47.25.205 is amended by adding a new subsection to read:

25 (b) Notwithstanding (a) of this section, the department shall provide coverage

26 for abortions and related services and supplies in cases where a woman who is

27 otherwise eligible under AS 47.25.120 - 47.25.300 suffers from a physical disorder,

28 physical injury, or physical illness, including a life-endangering physical condition

29 caused by or arising from the pregnancy itself, that would, as certified by a physician

30 licensed under AS 08.64, place the woman in danger of death unless an abortion is

31 performed.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 181

Revision Date: _____ Dept. Affected: Health and Social Services
 Title: relating to assistance for abortions under BRU: Medical Assistance
the general relief program Component: Medicaid Non-Facility
 Sponsor: Ward COMPONENT SERIAL NO. 229
 Requestor: Senate HESS See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	5,385.2	7,109.6	8,036.9	9,081.5	10,253.9	11,586.3
MISCELLANEOUS						
TOTAL OPERATING	5,385.2	7,109.6	8,036.9	9,081.5	10,253.9	11,586.3

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

	FY98	FY99	FY00	FY01	FY02	FY03
1002 Federal Receipts	2,692.6	3,554.8	4,018.4	4,540.7	5,127.0	5,793.2
1003 GF Match	2,692.6	3,554.8	4,018.5	4,540.8	5,126.9	5,793.1
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	5,385.2	7,109.6	8,036.9	9,081.5	10,253.9	11,586.3

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

While this bill requires significant administrative action on the part of the division to recoup expenditures for abortions, it effectively eliminates funding for abortions under section 3, which places abortion procedures as number one on the priority list of services in AS 47.25.205. All services numbered 1 through 7 have not been funded under General Relief Medical Assistance since 1986.

This fiscal note assumes that 80% of the pregnant women eligible for Medicaid would give birth and remain on Medicaid should abortion funding become unavailable. This would account for 590 women, and their children, being added to Medicaid annually (newborns receive automatic Medicaid coverage through the first year of life if the mother is receiving Medicaid at the time of birth). FY 98 assumes only partial funding for newborns as their births will be scattered throughout the year, with some children born in the next fiscal year.

Prepared by: Nancy Weller
 Division: Medical Assistance

Phone: 465-3355
 Date: 04/23/97

Approved by Commissioner: Karen Pedue, Commissioner
 Agency: Department of Health & Social Services

Date: 4/24/97

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1998 LEGISLATIVE SESSIC

Revision Date: _____
 Title: relating to assistance for abortions under the
general relief medical program
 Sponsor: Martin
 Requestor: Finance

Dept. Affected: Health and Social Services
 DRU: Medical Assistance
 Component: Medicaid Non-Facility
 COMPONENT SERIAL NO. 229
 See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	5,385.2	7,109.6	8,033.8	9,084.2	10,265.1	11,599.6
MISCELLANEOUS						
TOTAL OPERATING	5,385.2	7,109.6	8,033.8	9,084.2	10,265.1	11,599.6

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY99	FY00	FY01	FY02	FY03	FY04
1002 Federal Receipts	3,220.3	4,187.5	4,804.2	4,741.9	5,358.4	6,054.9
1003 GF Match	2,164.9	2,922.1	3,229.6	4,342.3	4,906.7	5,544.7
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	6,385.2	7,109.6	8,033.8	9,084.2	10,265.1	11,599.6

POSITIONS:

POSITIONS	FY99	FY00	FY01	FY02	FY03	FY04
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

While this bill requires significant administrative action on the part of the division to recoup expenditures for abortions, it effectively eliminates funding for abortions under section 3, which places abortion procedures as number one on the priority list of services AS 47.25.205. All services numbered 1 through 7 have not been funded under General Relief Medical Assistance since 1986.

This fiscal note assumes that 80% of the pregnant women eligible for Medicaid would give birth and remain on Medicaid should abortion funding become available. This would account for 590 women, and their children, being added to the Medicaid Program annually (newborns receive automatic Medicaid coverage through their first year of life if the mother is receiving Medicaid at the time of birth). FY 99 assumes only partial funding for newborns, as their births will be scattered throughout the year, with some children born in the following year.

The federal match rate for Medicaid has been changed for a three year period, so this fiscal note assumes the higher match rate for FY 99-01, with a reduced federal match for following years.

Prepared by: Nancy Weller *NW*
 Division: Medical Assistance *BZ*
 Approved by Commissioner: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-3355
 Date: 01/16/98
 Date: 1/20/98

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STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HB 234

Revision Date: _____
Title: relating to assistance for abortions under
the general relief program
Sponsor: Martin
Requestor: Judiciary

Dept. Affected: Health and Social Services
BRU: Medical Assistance
Component: Medicaid Non-Facility
COMPONENT SERIAL NO. 229
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	5,385.2	7,109.6	8,036.9	9,081.5	10,253.9	11,586.3
MISCELLANEOUS						
TOTAL OPERATING	5,385.2	7,109.6	8,036.9	9,081.5	10,253.9	11,586.3

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
-------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	2,692.6	3,554.8	4,018.4	4,540.7	5,127.0	5,793.2
1003 GF Match	2,692.6	3,554.8	4,018.5	4,540.8	5,126.9	5,793.1
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	5,385.2	7,109.6	8,036.9	9,081.5	10,253.9	11,586.3

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

While this bill requires significant administrative action on the part of the division to recoup expenditures for abortions, it effectively eliminates funding for abortions under section 3, which places abortion procedures as number one on the priority list of services in AS 47.25.205. All services numbered 1 through 7 have not been funded under General Relief Medical Assistance since 1986.

This fiscal note assumes that 80% of the pregnant women eligible for Medicaid would give birth and remain on Medicaid should abortion funding become unavailable. This would account for 590 women, and their children, being added to Medicaid annually (newborns receive automatic Medicaid coverage through the first year of life if the mother is receiving Medicaid at the time of birth). FY 98 assumes only partial funding for newborns as their births will be scattered throughout the year, with some children born in the next fiscal year.

Prepared by: Nancy Weller
Division: Medical Assistance
Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: 465-3355
Date: 04/10/97
Date: 4/21/97

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FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. SB 181

Revision Date: 01/23/98
 Title: relating to assistance for abortions under the
general relief medical program
 Sponsor: Ward
 Requestor: HESS

Dept. Affected: Health and Social Services
 BRU: Medical Assistance
 Component: Medicaid Non-Facility
 COMPONENT SERIAL NO. 229
 See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	3,132.0	3,529.0	3,987.8	4,506.2	5,092.0	5,753.9
MISCELLANEOUS						
TOTAL OPERATING	3,132.0	3,529.0	3,987.8	4,506.2	5,092.0	5,753.9

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	1,872.9	2,110.3	2,084.0	2,354.9	2,661.1	3,007.0
1003 GF Match	1,259.1	1,418.7	1,903.8	2,151.3	2,430.9	2,746.9
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
TOTAL	3,132.0	3,529.0	3,987.8	4,506.2	5,092.0	5,753.9

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY98) cost: \$0.0

ANALYSIS: (Attach a separate page if necessary)

This bill eliminates funding for abortions for low income women by placing abortion procedures at the top of the priority list of services AS 47.25.205. All services numbered 1 through 7 have not been funded under General Relief Medical Assistance since 1986. This fiscal note assumes that 35% of the pregnant women eligible for Medicaid would give birth and remain on Medicaid should abortion funding become unavailable. This would account for 295 women, and their children, being added to the Medicaid Program annually (newborns receive automatic Medicaid coverage through their first year of life if the mother is receiving Medicaid at the time of birth). Two studies done in the State of Texas following elimination of state funding for abortion found that 40 and 35% of the women went on to give birth to babies when funding was unavailable. Although another study has shown that the rate could be as low as 20%, the department assumes that the higher percentage would be more accurate for Alaska because the cost of obtaining an abortion is higher due to the need for transportation services; while an abortion averages \$250 in the lower 48 states, the FY 97 Alaska experience is an average cost of \$601 largely due to the need to fly to another community to receive the service. This fiscal note shows the higher match rate for Alaska for FY 99-00, with a reduced federal match of 52.26% for following years.

1/26/98
 Prepared by: Nancy Weller
 Division: Medical Assistance
 Approved by Commissioner: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services

Phone: 465-3355
 Date: 01/26/98
 Date: 1/26/98

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REPRESENTATIVE
TERRY MARTIN
VICE-CHAIRMAN
BUDGET & AUDIT COMMITTEE
MEMBER
HOUSE FINANCE COMMITTEE

Alaska State Legislature

MAY 15 - JAN 15 258-8169
716 W. 4TH, SUITE 650
ANCHORAGE, AK 99504
JAN 15 - MAY 15 465-3783
STATE CAPITOL
JUNEAU, AK 99801-1182



Sponsor Statement

HB 234

John Manley,
Rep Martin's
staff, dropped
this info -
similar to SB 181 -
ward

"Relating to assistance for abortions under the general relief program; and relating to financial responsibility for the costs of abortions."

House Bill 234 provides a new measure of logic and consistency to the state's abortion law in two areas -- first, in establishing the procedure's priority on the official list of medical procedures the state will pay for under the general relief medical program; and second, by creating a mechanism by which the state can identify and hold financially responsible the would-be father.

The Governor has complained that the Legislature has not appropriated adequate funding in the general relief medical program to provide for the lowest priority items on the list. These include such necessities as eyeglasses and emergency dental care for the poor and elderly. Obviously, the Legislature agrees that these items should continue to be on the priority list. However, it is not logical that an elective procedure, such as abortion, should continue to hold a higher priority. HB 234 would eliminate the priority status that abortions have enjoyed at the expense of other, more essential demands.

HB 234 also allows the state to require payment from the pregnant woman, either partially or in full, for an elective abortion it has paid for under the general relief medical program.

And consistent with other provisions of state law, HB 234 would require that the male responsible for the pregnancy be identified and held financially responsible for an abortion sought under the general relief medical program. Currently, under Title 47, the state requires a woman seeking financial assistance from the state to identify the father of her dependent children. The state then recovers any costs it can from the father through the Child Support Enforcement Division. It is logical that if a father of a born child should be made to reimburse the state for state-funded services, so should the father of an unborn one that is aborted.

House Bill 234 represents a new benchmark in requiring accountable parties to accept the full responsibility for their actions. For too long, women have been able to obtain free abortions, courtesy of the state and at the expense of others who have medical needs that go unmet. At the same time, their male partners have had little more burden than to drive the woman to the abortion clinic, if that; often they simply abandon the woman.

If we are to continue to have a policy in Alaska of publicly-funded abortion, the state should do all it can to collect from the responsible persons.



Sectional Analysis

HB 234

"Relating to assistance for abortions under the general relief program; and relating to financial responsibility for the costs of abortions."

Sec. 1 establishes the financial responsibility of both parents for the costs of an abortion.

Sec. 2 would require a pregnant woman who is seeking an abortion under the general relief program to assign to DHSS the right to recover the costs of the abortion from the other parent and to cooperate in establishing who and where the other parent is.

Sec. 3 revises the priority list to give abortion services the lowest priority when funding is insufficient for the general relief program.

Sec. 4 clarifies that the state has a claim against the pregnant woman for abortion costs and that the permanent fund dividend of the woman is a resource the state can pursue.

Sec. 5 amends the current statute that already allows the state to pursue third parties to recover the cost of general relief cash assistance so that the statute also includes recovery of abortion costs from third parties, including the other parent.

Sec. 6 adds an authorization for the state to take a permanent fund dividend to recover the costs of an abortion from a third party.

Sec. 7 contains a revised definition of "abortion."

HB 234 has no effective date clause and would, therefore, become effective 90 days after it is signed or allowed to become law.

REPRESENTATIVE
TERRY MARTIN
VICE-CHAIRMAN
BUDGET & AUDIT COMMITTEE
MEMBER
HOUSE FINANCE COMMITTEE

Alaska State Legislature

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

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



MEMORANDUM

April 18, 1997

To: Representative Joe Green, Chairman
House Judiciary Committee

From: Representative Terry Martin *T.M.*

Subject: HB 234 - To be heard in committee Wednesday, April 23

HB 234 was introduced on April 4 and referred to the Judiciary committee. This bill proposes to make elective abortions the lowest priority on the list of general relief medical services paid for by the state, and would allow the state to recover the cost of an abortion from both responsible parties -- the pregnant woman and the man who got her that way.

I believe this bill simply makes good sense and was, in fact, inspired by the comments of Governor Knowles, who has pointed out how unfair it is that we in the legislature don't appropriate enough funding under the general relief medical program for eyeglasses for the poor and emergency dental care for the elderly. I would hope he would agree it is even more unfair that those services are bumped because the state is paying for an elective procedure, instead.

Attached to this memo are background materials you as a committee member will find useful in considering this bill. If you have questions about the bill or any of the materials, please contact either myself or John Manly of my staff at 465-3783. Thank you for your consideration of HB 234.



Test Deat

a) In a medical emergency, the woman may apply for a qualification at that time.

1) If a woman under 18 is living at home who does not need to have her parents or guardians income considered.

point on financial qualifications for free abortion

Corrections to Terry Martin

ALASKA CIVIL LIBERTIES UNION

An Affiliate of the American Civil Liberties Union

P. O. Box 201844 Anchorage, AK 99520-1844

Phone: 907-258-0044 Fax: 907-258-0288 E-Mail: akclu@alaska.net

TESTIMONY

To: Senate HESS Committee
From: Jennifer Rudinger, Executive Director
Date: January 30, 1998
Re: SB 181 (Abortion funding)

Good morning, Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify this morning on Senate Bill 181. My name is Jennifer Rudinger, and I am the Executive Director of the Alaska Civil Liberties Union. The ACLU is a non-profit, non-partisan organization with approximately 800 members in the state of Alaska, from Barrow to Ketchikan, from Nome to Tok. Our mission is to preserve and defend the guarantees of individual liberty found in the Bill of Rights and in the Alaska Constitution.

I am here today on behalf of our membership to implore you not to pass SB 181 out of this Committee because SB 181 is blatantly unconstitutional under our state constitution. I trust that you all heard about the Alaska Supreme Court's decision in November which stated in no uncertain terms that the right to choose to terminate a pregnancy is a fundamental right under the Privacy Clause in the Alaska Constitution. The case which I am referring is *Valley Hospital v. Mat-Su Coalition for Choice*. This was a case wherein the Board of Directors at Palmer Valley Hospital, a non-profit corporation which receives substantial public funding, voted to prohibit abortion services from being provided at the hospital. The Alaska Supreme Court found Valley Hospital's action to be in violation of a woman's fundamental right to an abortion under Article I, section 22 -- the so-called Privacy Clause in the Alaska Constitution. The Court states:

[W]e are of the view that reproductive rights are fundamental, and that they are encompassed within the right to privacy expressed in article I, section 22 of the Alaska Constitution. These rights may be legally constrained only when the constraints are justified by a compelling state interest, and no less restrictive means could advance that interest. Those fundamental reproductive rights include the right to an abortion. The scope of the fundamental right to an abortion that

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JAN-30-98 FRI 11:46

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JNU INFO

FAX NO. 9072581261

002

P. 02

Rudinger, AkCLU

we conclude is encompassed within article I, section 22, is similar to that expressed in *Roe v. Wade*. We do not, however, adopt as Alaska constitutional law the narrower definition of that right promulgated in the plurality opinion in *Casey*. [p. 12]

In short, in Alaska, the state will be required to show the highest -- a "compelling state interest" -- why these services should be singled out for defunding. While the government need not create a medical assistance program in the first place, once it has done so, it must proceed with neutrality in regard to the exercise of a constitutional right. Specifically, the government may not manipulate that assistance in order to ensure that poor women who can't afford medical care on their own will exercise their right of reproductive choice only in a manner approved by the state. The religious beliefs of the legislature are not a "compelling state interest" sufficient to withstand constitutional scrutiny.

I am here to ask you to honor our state constitution. As Judge Reese stated last August in his decision to grant the AkCLU's motion to enjoin this legislature's ban on certain late-term abortion procedures, "Our law is the constitution, and our statutes must be drafted within its clear boundaries and bright lights." [p. 24]

Please vote against SB 161. Thank you.

Post-It™ brand fax transmittal memo 7671 # of pages * 2

To	Sam Wilken	From	Sam
Co.	(5) HESS	Co.	Anch LIO
Dept.		Phone #	
Fax #		Fax #	

Written @ 1-30 mtg.



NATIONAL ASSOCIATION OF SOCIAL WORKERS
ALASKA CHAPTER

318 4th Street, Juneau AK 99801
586-4438 Fax: 586-4439
naswak@alaska.net

Testimony Regarding

SB 181 - FUNDING FOR ABORTION UNDER GENERAL RELIEF MEDICAL

Before the
HEALTH EDUCATION AND SOCIAL SERVICES COMMITTEE
ALASKA SENATE
January 30, 1998

Presented by
Angela M. Salerno, ACSW
Executive Director,
National Association of Social Workers Alaska Chapter



NATIONAL ASSOCIATION OF SOCIAL WORKERS
ALASKA CHAPTER

318 4th Street, Juneau AK 99801
586-4438 Fax: 586-4439
naswak@alaska.net

The National Association of Social Workers (NASW) is the world's largest organization of professional social workers. NASW's 155,000 members nationwide and 500 in Alaska work in a wide range of settings at all levels in the public and private sectors. Professional social workers focus on vulnerable populations and promote state and federal policies which enhance the lives of the people we serve.

NASW opposes SB 181 and strongly recommends its defeat.

This bill will eliminate the only source of public funding for abortions for poor women. If passed, this policy will be costly and unconstitutional.

- Research done in 1993 by the Alan Guttmacher Institute (AGI) showed that for every \$1 spent by government to pay for abortions for poor women, **about \$4 is saved in public medical and welfare expenditures** incurred as a result of the unintended birth.
- Research on "Pregnancy Planning and Wantedness" done by the Alaska Division of Public Health, Section of Maternal, Child and Family Health found that among low-income women (annual family income \leq \$10,000) 68% have unintended pregnancies and 17% have unwanted pregnancies. When public funds are unavailable, 30%-40% of low-income women who want to have an abortion carry their pregnancy to term. **Unwanted childbearing has been linked with costly consequences for women, families, children and the state. Unwanted children:**
 - experience more mental handicaps and are twice as likely to receive psychiatric care at government expense;
 - are more than twice as likely as wanted children to have a record of juvenile delinquency;
 - are six times more likely to receive some form of welfare between the ages of 16 and 21;
 - are at increased risk of suffering abuse, neglect, abandonment and removal to foster homes or institutions.
- Research done in 1995 shows that women with unintended pregnancies are **four times more likely to experience physical violence** during pregnancy than women with intended pregnancies.
- **The Alaska Supreme Court has found that reproductive rights are fundamental**, and that they are encompassed in the right to privacy found in the Alaska Constitution. State restrictions on public funding for abortion make it difficult and often impossible for poor women to exercise their constitutional right to safe and legal abortion. Passage of this bill would most likely result in yet another costly legal battle in the Alaska courts.

Thank you for the opportunity to present this testimony to the committee.

ALASKA WOMEN'S LOBBY

211 Fourth Street, Suite 108
Juneau, Alaska 99801
Tel: 907-4636744
Fax: 907-586-1097
E-Mail: dcc@alaska.net

POSITION STATEMENT

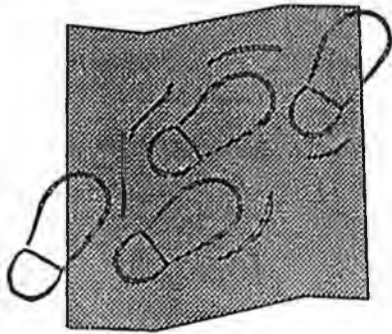
SB 181 - Abortion Costs: General Relief/Parents

The Alaska Women's Lobby is comprised of citizen activists who, in 1982, formed a lobbying association dedicated to equality. We work on issues affecting women and children primarily on the state level. Our members consider themselves to be politically progressive and believe in improving the quality of life for all people. The Lobby is governed by a steering committee which includes members from the state's three largest communities.

The Alaska Women's Lobby opposes SB 181. This bill unfairly discriminates against poor women who choose to exercise their constitutional right to obtain an abortion. Funding for abortions under the general relief program should be handled like all other pregnancy related services and not singled out just because some of us object to this particular medical procedure.

SB 181 has significant constitutional problems and if it survives the political process there will be yet another legal challenge at great expense to the state. We should instead spend our money on serious and meaningful efforts to prevent pregnancy in the first place and stop trying to find ways to avoid the plain meaning and intent of Roe v. Wade.

HOW ABORTION EFFECTS PARENTS



IT'S BEEN 25 YEARS since the US Supreme Court ruled that an unborn child is the property of the mother, and that she may dispose of it for any reason during the first six months of pregnancy; and at any other time if, in the opinion of a single licensed physician, it is necessary to preserve her life or health. "Health" is interpreted as both physical and mental, and includes any type of psychological, social, or economic distress.

And so, many potential parents have exercised their option to have an abortion. That's widely publicized. What's not widely publicized, is that many of these would-be parents, have second thoughts. The US Catholic Conference has collected these stories:

I feel like a murderer, ... and all the rationalizations in the world haven't changed this. I still grieve for little Thomas. It is an ocean of grief. From somewhere in the distant past, I remember the phrase from Shakespeare, "*the multitudinous seas incarnadine*". When I go up to the river on vacation this summer, he won't be going with me. ... He won't be lying on the grass by the tent at night, looking in the starry sky and saying: "*What's that one called, Dad?*" Because there was no room on Earth for Thomas. He's dead.

Phil McCombs, father of aborted child

It has been 22 years since my first abortion. I have suffered long enough. If they had only told me about the devastating effects that the abortions would have on my spiritual and emotional life. ... They forgot to mention the guilt, the shame, the fear of someone finding out about my secret, the emptiness I would feel inside for years, the pain that would never go away, the ugly depression that I would fight or the eating disorder that would slowly destroy me; no they forgot to tell me all of those things.

Mother of aborted children

I wasn't told that having an abortion would create an unbelievable self-hatred that would consume me, and lead to distrust, suspicion, and the utter inability to care about myself, or others -- including my four children. I wasn't told that hearing babies cry would trigger such anger that I wouldn't be able to be around babies at all.

Judith Evans, mother of aborted children

The hours, the days, the months, and the years that followed brought more and more pain and heartache. My husband and I grew distant, apart. We once shared so much. Love, trust, and happiness were replaced by guilt, shame, fear, hate, blame, isolation, rejection, depression. ... We fought over anything and everything. We blamed each other. ... There was an unspoken agreement between us, that I had committed a great evil

Sarah Logsdon, mother of an aborted child

The whole procedure toughened me; I became a tough person. It was like: "*I don't need anybody. Leave me alone and it won't hurt.*" I became hateful. ... I had no compassion. ... If someone mentioned "abortion", it was like the floor dropped out from under me. It made me feel like a murderer. ... A lot of women ... think they're getting rid of a problem, but they don't have any idea of the problems they'll face afterwards. Martha Wenger, mother of aborted child

Throughout the years, I have been depressed, suicidal, furious, outraged, lonely, and have felt a sense of loss. ... Often I cry. ... They say time heals wounds. ... But it doesn't heal the memories, at least not for me. ... Twenty-five years have gone by, but the consequences of the abortion are still going on. ... Problems are not ended by abortion; but only made worse.

Edith Young, mother of aborted child

No one told me how I would struggle for years with the shame, the guilt, the anger ... the loss I would feel, the emptiness, the longing to hold my babies, the regrets of not being able to love them or see them, or watch them grow; yes, they forgot to mention the eating disorders, ... the sleep disturbances, the nightmares, the effects it has on your marriage (mine broke up; and the abortions were the reason), the inability to forgive, forget, heal, and the horrible horrible pain deep inside.

Mother of aborted child

I felt intense guilt afterwards. I knew the abortion was wrong. ... There were sleepless nights - - nightmares. I cried. I remember aching all over. ... I still experience guilt and pain. Things bring it up, and I have to relive it again. I go to the dentist near the clinic where it happened; and each time it makes me feel ill. Each Fall, I think about the child that would have been - - he or she would have been a teenager this year. ... I'll be dealing with the consequences the rest of my life.

Father of aborted child

"Children are the most precious gift of a marriage, and contribute most to the well-being of the parents"

(Marriage Ritual #3)

cc:Mail for: John Manly

Subject: Read, print & file for future reference!
From: cca@alaska.net at CC2MHS1 11/20/97 9:49 AM
bcc: John Manly at LAA_TRANS
To: cca@alaska.net at CC2MHS1

The Myth of Mass Back Alley Abortions
By Dr. Frank Beckwith

Anyone who keeps up with the many pro-choice demonstrations in the United States cannot help but see on pro-choice placards and buttons a drawing of the infamous coat hanger. This symbol of the pro-choice movement represents the many women who were harmed or killed because they either performed illegal abortions on themselves (i.e., the surgery was performed with a "coat hanger") or went to unscrupulous physicians (or "back-alley butchers"). Hence, as the argument goes, if abortion is made illegal, then women will once again be harmed. Needless to say, this argument serves a powerful rhetorical purpose. Although the thought of finding a deceased young woman with a bloody coat hanger dangling between her legs is -- to say the least -- unpleasant, powerful and emotionally charged rhetoric does not a good argument make.

The chief reason this argument fails is because it commits the fallacy of begging the question. In fact, as we shall see, this fallacy seems to lurk behind a good percentage of the popular arguments for the pro-choice position. One begs the question when one assumes what one is trying to prove. Another way of putting it is to say that the arguer is reasoning in a circle. For example, if one concludes that the Boston Celtics are the best team because no team is as good, one is not giving any reasons for this belief other than the conclusion one is trying to prove, since to claim that a team is the best team is exactly the same as saying that no team is as good.

The question-begging nature of the coat-hanger argument is not difficult to discern: only by assuming that the unborn are not fully human does the argument work. If the unborn are not fully human, then the pro-choice advocate has a legitimate concern, just as one would have in overturning a law forbidding appendicitis operations if countless people were needlessly dying of both appendicitis and illegal operations. But if the unborn are fully human, this pro-choice argument is tantamount to saying that because people die or are harmed while killing other people, the state should make it safe for them to do so.

Even some pro-choice advocates, who argue for their position in other ways, admit that the coat hanger/back-alley argument is fallacious. For example, pro-choice philosopher Mary Anne Warren clearly recognizes that her position on abortion cannot rest on this argument without it first being demonstrated that the unborn entity is not fully human. She writes that "the fact that restricting access to abortion has tragic side effects does not, in itself, show that the restrictions are unjustified, since murder is wrong regardless of the consequences of prohibiting it..." [1]

Although it is doubtful whether statistics can establish a particular moral position, it should be pointed out that there has been considerable debate over both the actual number of illegal abortions and the number of women who died as a result of them prior to legalization. [2] Prior to Roe, pro-choicers were fond of saying that nearly a million women every year obtained illegal abortions performed with rusty coat

hangers in back-alleys that resulted in thousands of fatalities. Given the gravity of the issue at hand, it would go beyond the duty of kindness to call such claims an exaggeration, because several well-attested facts establish that the pro-choice movement was simply lying.

First, Dr. Bernard Nathanson -- who was one of the original leaders of the American pro-abortion movement and co-founder of N.A.R.A.L. (National Abortion Rights Action League), and who has since become pro-life -- admits that he and others in the abortion rights movement intentionally fabricated the number of women who allegedly died as a result of illegal abortions.

"How many deaths were we talking about when abortion was illegal? In N.A.R.A.L. we generally emphasized the drama of the individual case, not the mass statistics, but when we spoke of the latter it was always '5,000 to 10,000 deaths a year.' I confess that I knew the figures were totally false, and I suppose the others did too if they stopped to think of it. But in the 'morality' of the revolution, it was a useful figure, widely accepted, so why go out of our way to correct it with honest statistics. The overriding concern was to get the laws eliminated, and anything within reason which had to be done was permissible." [3]

Second, Dr. Nathanson's observation is borne out in the best official statistical studies available. According to the U.S. Bureau of Vital Statistics, there were a mere 39 women who died from illegal abortions in 1972, the year before Roe v. Wade. [4] Dr. Andre Hellegers, the late Professor of Obstetrics and Gynecology at Georgetown University Hospital, pointed out that there has been a steady decrease of abortion-related deaths since 1942. That year there were 1,231 deaths. Due to improved medical care and the use of penicillin, this number fell to 133 by 1968. [5] The year before the first state-legalized abortion, 1966, there were about 120 abortion-related deaths. [6] This is not to minimize the undeniable fact that such deaths were significant losses to the families and loved ones of those who died. But one must be willing to admit the equally undeniable fact that if the unborn are fully human, these abortion-related maternal deaths pale in comparison to the 1.5 million preborn humans who die (on the average) every year. And even if we grant that there were more abortion-related deaths than the low number confirmed, there is no doubt that the 5,000 to 10,000 deaths cited by the abortion rights movement is a gross exaggeration. [7]

Third, it is simply false to claim that there were nearly a million illegal abortions per year prior to legalization. There is no reliable statistical support for this claim. [8] In addition, a highly sophisticated recent study has concluded that "a reasonable estimate for the actual number of criminal abortions per year in the prelegalization era [prior to 1967] would be from a low of 39,000 (1950) to a high of 210,000 (1961) and a mean of 98,000 per year. [9]

Fourth, it is misleading to say that pre-Roe illegal abortions were performed by "back-alley butchers" with rusty coat hangers. While president of Planned Parenthood, Dr. Mary Calderone pointed out in a 1960 American Journal of Health article that Dr. Kinsey showed in 1958 that 84% to 87% of all illegal abortions were performed by licensed physicians in good standing. Dr. Calderone herself concluded that "90% of all illegal abortions are presently done by physicians." [10] It seems that the vast majority of the alleged "back-alley butchers" eventually became the "reproductive health providers" of our present day.

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Francis J. Beckwith, Ph.D., is a Lecturer of Philosophy at the University of Nevada, Las Vegas. He has written extensively on ethics, abortion, and public policy, including A Matter of Life and Death:

Questions and Answers about Abortion and Euthanasia, a book co-authored with Norman L. Geisler.

Notes:

[1] John Nolt and Dennis Rohatyn, *Schaum's Outline of Theory and Problems of Logic* (New York: McGraw-Hill Book Co., 1988), 172. in *The Problem of Abortion*, 2nd ed., ed. Joel Feinberg (Belmont, CA: Wadsworth, 1984), 103.

[2] See Daniel Callahan, *Abortion: Law, Choice, and Morality* (New York: Macmillan, 1970), 132-36; and Stephen Krason, *Abortion: Politics, Morality, and the Constitution* (Lanham, MD: University Press of America, 1984), 301-10.

[3] Bernard Nathanson, M.D., *Aborting America* (New York: Doubleday, 1979), 193.

[4] From the U.S. Bureau of Vital Statistics Center for Disease Control, as cited in Dr. and Mrs. J. C. Wilke, *Abortion: Questions and Answers*, rev. ed. (Cincinnati: Hayes Publishing, 1988), 101-2.

[5] From Dr. Hellegers's testimony before the U.S. Senate Judiciary Committee on Constitutional Amendments, April 25, 1 1974; cited in John Jefferson Davis, *Abortion and the Christian* (Phillipsburg, NJ: Presbyterian and Reformed, 1984), 75.

[6] From the U.S. Bureau of Vital Statistics Center for Disease Control, as cited in Wilke, 101-2.

[7] See Davis, 75.

[8] See note 10; Callahan, 132-36; Krason, 301-10.

[9] Barbara J. Syska, Thomas W. Hilgers, M.D., and Dennis O'Hare, "An Objective Model for Estimating Criminal Abortions and Its Implications for Public Policy," in *New Perspectives on Human Abortion*, ed. Thomas Hilgers, M.D., Dennis J. Horan, and David Mall (Frederick, MD: University Publications of America, 1981), 78.

[10] Mary Calderone, "Illegal Abortion as a Public Health Problem," in *American Journal of Health* 50 (July 1960):949.

For more information, see *Roe v. Wade: 25 Years of Life Denied* at <http://www.prolife.org/rvw>

From: Steve Coerper <stevekerp@juno.com>

State Supreme Court Upholds Abortion Ruling

*Restrictions on
State-Funded Abortions*

On Friday, October 3, the North Carolina Supreme Court upheld as constitutional the current eligibility restrictions on the State Abortion Fund. The court's decision in *Rosie J. v. N.C. Dept. of Human Resources* echoes a prior ruling of the Superior Court. At issue were the following eligibility restrictions passed by the General Assembly in 1995:

"Eligibility for services of the State Abortion Fund shall be limited to women whose income is below the federal poverty level, as revised annually, and who are not eligible for Medicaid. The State Abortion Fund shall be used to fund abortions only to terminate pregnancies resulting from cases of rape or incest, or to terminate pregnancies that, in the written opinion of the doctor licensed to practice medicine in North Carolina, endanger the life of the mother."

The plaintiffs argued these restrictions violate the N.C. Constitution. The Supreme Court determined the main issue as being one of the State paying for the "medical care" of some and not for others (i.e. paying for abortions for those who qualify under the above restrictions but not for those who don't.) In its ruling, the Court clearly stated that "No person has the constitutional right to have the State pay for medical care." In addition, the Court found that indigent women (those whose income is below the federal poverty level) do not receive "extraordinary protection" as a class under the Constitution, and that state funded abortions are not a right protected by the Constitution.

Furthermore, as we have recently reported, North Carolina paid for up to 4,600 abortions per year prior to the enactment of the above provision in 1995. In the last two years, following the passage of these restrictions, the state has paid for only ONE abortion. As the Court stated in this case, "Because of this action by the General Assembly, payment by the State for an abortion when the pregnancy is not the result of rape or incest or when the woman's life is not in danger has been virtually eliminated."

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Find more state legislative news and information at The Armchair Lobbyist
- <http://www.prolife.org/tal>

North Carolina

The Utilitarian Purpose of Publicly-funded Abortions

by Representative Terry Martin

Alaskans have been subjected to a lot of fear-mongering over the last few years about the so-called "fiscal gap," but with \$22 billion in the bank and an oil industry that is happily developing new fields every day on the North Slope, I don't happen to think there is much to worry about on the fiscal front. But I would instead encourage Alaskans to shift their focus to what may be referred to as the population gap, and especially to look at the utilitarian policies of state government that help to perpetuate it.

In an article earlier this summer, I examined the drop in Alaska's population in two critical segments, the 18 to 35 year-olds and the newborn to 5 year olds. In taking a closer look at this second category, it has become manifestly evident that the policy of state-funded elective abortions is having a significant negative effect on our birthrate.

Between 1988 and 1996, the state paid for a low of 463 elective abortions in one year to a high, in 1992, of 852, for total of 6390 or a yearly average of 710. During those same years, the number of births in Alaska has fallen steadily from 11,451 in 1988 to 10,045 in 1996, or an average of 175 births per year.

When you compare the annual average of state-funded elective abortions (710) to the average annual drop in the birthrate (-175), one has to wonder what will be the long-term impacts of this utilitarian policy on Alaska, our society, and our economy.

Indeed, we are not even keeping up with a replacement rate. The accepted fertility rate to sustain a population is 2.1 children per child-bearing woman. Yet, ours hovers well below that, at about 1.6. Another important measure of the health of our society is the birth rate, defined by the number of births per 1000 population. Dropping from a high of 35.9 at the height of the baby boom in 1956, we are now at an all-time low of 16.6.

True to its roots in the eugenics movement of 100 years ago, Alaska's policy of state-funded elective abortions appears to have racist overtones, when you look at the statistics. For example, abortions of Alaska Native infants averaged 230 each year from 1988-96. That's about 32 percent of all state-funded elective abortions. Yet, the number of Alaska Natives is just under 16 percent of the state's population.

The same holds true for African-Americans. The state paid for an average of 83 abortions of black babies each year, or 11.7 percent of all state-funded abortions. Yet, blacks represent only 4.1 percent of the population.

For whites, though, the yearly average was 340 state-paid elective abortions, or about 48 percent of the total. But the overall population of Alaska is 75 percent white.

For such an onerous, utilitarian state policy, what are we gaining? What purpose is being served? One thing I have noticed is that the only significant offsetting factor to fill the void of these aborted Alaskans is a growing rate of foreign immigration. Given our low fertility rate, exacerbated by the state-paid abortions, perhaps Alaska should develop a new policy to encourage more foreign immigration to maintain our population, just as some European countries now pay for.

It seems to me that, as far as the economy is concerned, we are extremely fortunate that this foreign influx has occurred, so that we can continue to find buyers for new homes, children to fill our schools, people to buy cars and shop at local stores.

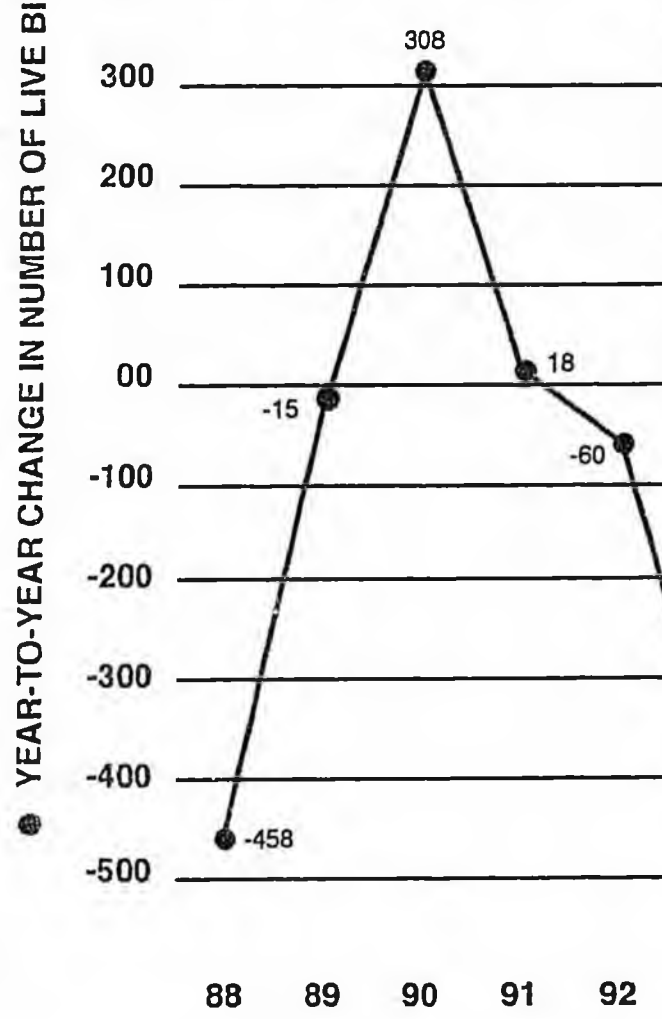
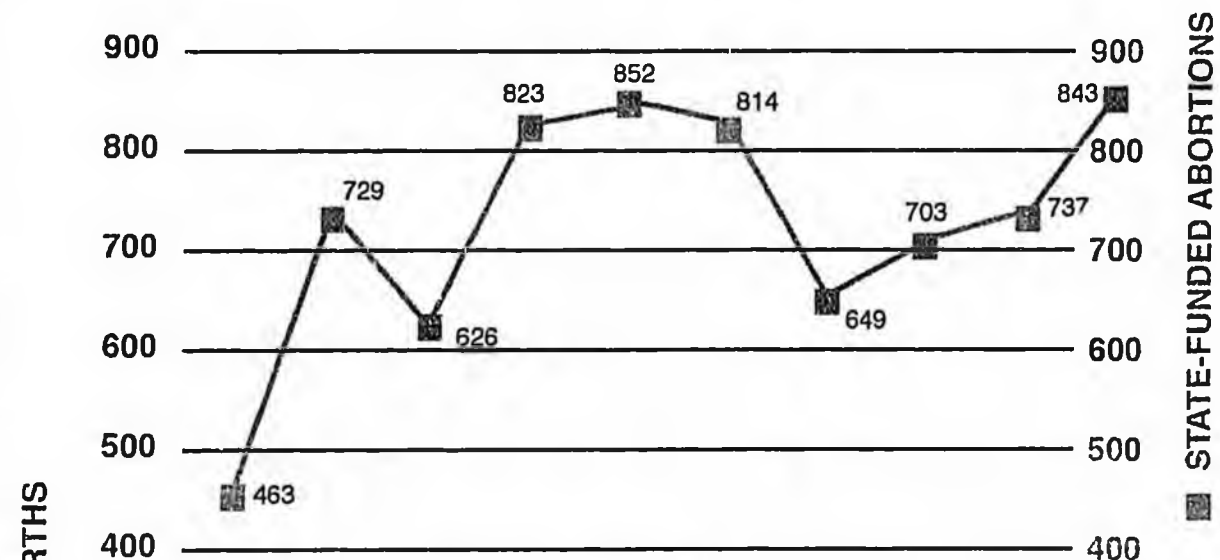
Indeed, how ironic it is that one of the biggest advocates of abortion has long been the Alaska teacher's union. Don't they realize where kindergartners come from? An NEA advocacy of abortion makes as much sense as if the Teamsters went all out to banish big trucks from the highway because they wear down the infrastructure. Sure, the roads would require less maintenance and they would be a lot safer for drivers of small cars, but where would the Teamsters work? And how would Alaskans be supplied with food, building materials, fuel for their cars and homes, and many other necessities?

Of course, teachers are not the only group depending on a continued flow of children to maintain their livelihoods. Consider the plight of day care operators, social workers and youth organizations. Consider also the irony of the testimony of Department of Health and Social Services "experts" in opposing a bill now in the Legislature--HB 234--that would stop state-funded elective abortions. They estimated that 590 of the 700+ pregnant mothers who every year come to the state for an abortion would opt instead to give birth. They are opposed to these births because, they said, it would cost the state millions of dollars when all these kids end up on welfare and other social service programs.

DHSS officials publicly stated that these are the children who would be abused, end up in jail, and go on welfare. That seems like a bold assumption to make. It makes one think that this utilitarian policy has already missed a lot of kids who these experts evidently think should have been aborted.

It is now time for the Legislature to stop state funding of elective abortions. This can be done without preventing anyone who wants an abortion to get one, particularly if the male involved is made to pay for it with his Permanent Fund Dividend. The vast majority of states, and the federal government, do not pay for elective abortions. Why should Alaska?

As current statistics force us to face the reality of what state funded elective abortions are doing to us, surely we can understand the impact this is having on our population and get us out of this ill-conceived public policy.

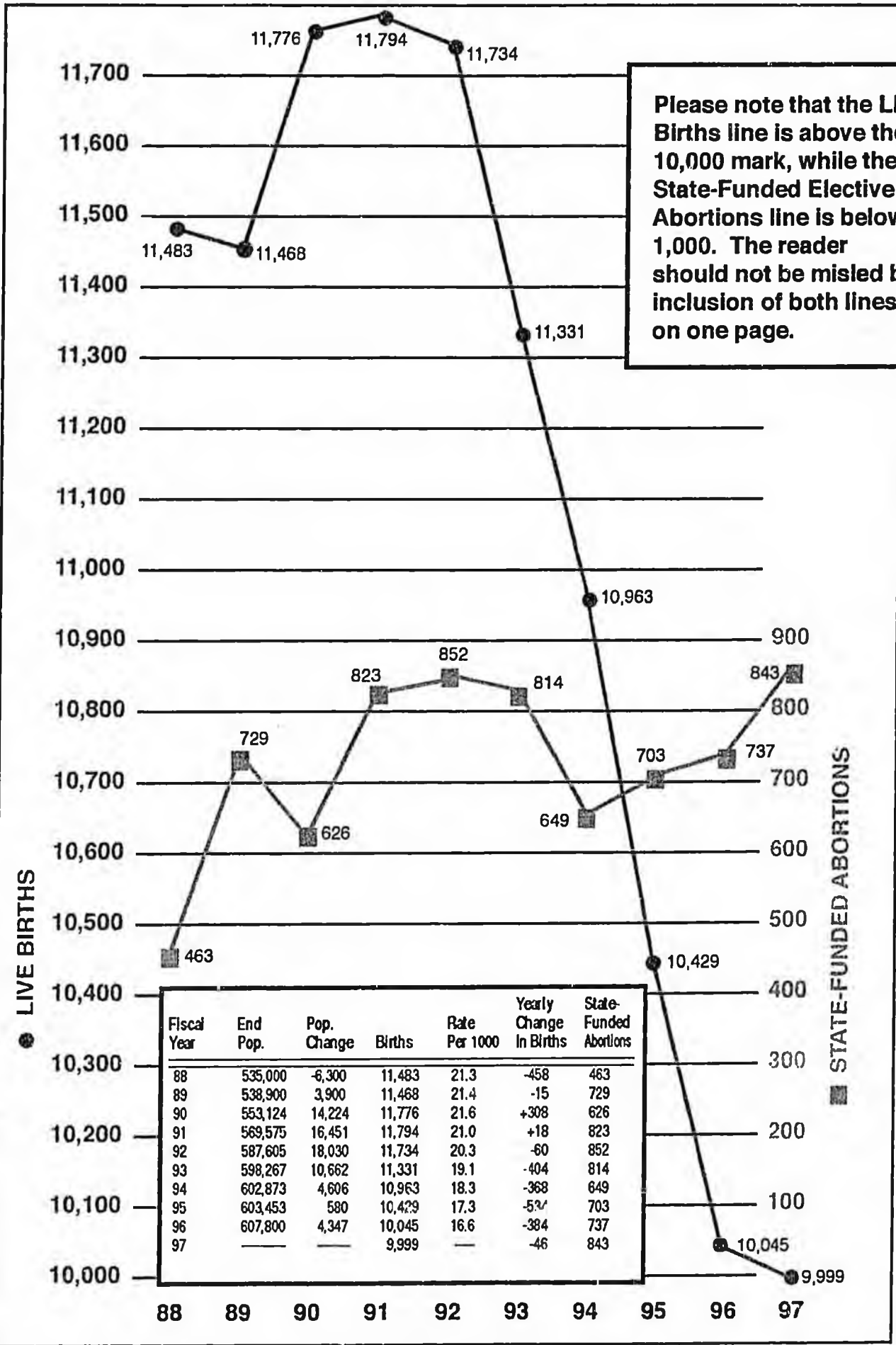


Fiscal Year	End Pop.	Pop. Change	Births	Rate Per 1000	Yearly Change In Births	State-Funded Abortions
88	535,000	-6,300	11,483	21.3	-458	463
89	538,900	3,900	11,468	21.4	-15	729
90	553,124	14,224	11,776	21.6	+308	626
91	569,575	16,451	11,794	21.0	+18	823
92	587,605	18,030	11,734	20.3	-60	852
93	598,267	10,662	11,331	19.1	-404	814
94	602,873	4,606	10,963	18.3	-368	649
95	603,453	580	10,429	17.3	-534	703
96	607,800	4,347	10,045	16.6	-384	737
97			9,999		-46	843

YEAR-TO-YEAR CHANGE IN NUMBER OF LIVE BIRTHS COMPARED TO STATE-FUNDED ABORTIONS, 1988-96

Years Shown are Fiscal Years (July 1- June 30)

Prepared by the Office of Representative Terry Martin • Source: Alaska Departments of Labor and Health and Social Services



LIVE BIRTHS COMPARED TO STATE-FUNDED ABORTIONS, 1988-96

Prepared by the Office of Representative Terry Martin • Source: Alaska Departments of Labor and Health and Social Services
Revised 1/98

REPRESENTATIVE
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House District 31

House Of Representatives

MEMORANDUM

January 20, 1998

To: House Finance
Committee Members

From: Rep. Pete Kelly, Chair 
HB 234 subcommittee

Subject: Revisions made in draft CS for HB 234

We have addressed the multitude of concerns raised during the Finance Committee hearing on HB 234 last May, as well as amendments proposed during previous committee hearings on the bill. There are principally three changes made to HB 234, as follows:

- The financial responsibility provisions have been deleted; therefore, sections 1, 2, 4, 5, and 6 have been removed.
- The definition of "abortion" contained in section 7 has been deleted, because a definition was included in the final version of SB 24, which became law last year.
- An exception for the life of the mother has been added, in new section 2.

Sectional Analysis

CS HB 234 (Fin)

"Relating to assistance for abortions under the general relief program."

Sec. 1 revises the priority list to give abortion services the lowest priority when funding is insufficient for the general relief program.

Sec. 2 adds an exception to allow funding for an abortion if one is needed to save the life of the mother.

Sponsor Statement

CS HB 234 (Fin)

"Relating to assistance for abortions under the general relief program."

House Bill 234 provides a new measure of logic and consistency to the state's abortion law, by establishing the procedure's priority on the official list of medical procedures the state will pay for under the general relief medical program.

The Governor has complained that the Legislature has not appropriated adequate funding in the general relief medical program to provide for the lowest priority items on the list. These include such necessities as eye glasses and emergency dental care for the poor and elderly. Obviously, the Legislature agrees that these items should continue to be on the priority list. However, it is not logical that a non-essential procedure, such as abortion, should continue to hold a higher priority. HB 234 would eliminate the priority status that abortions have enjoyed at the expense of other, more essential demands.

CS FOR HOUSE BILL NO. 234()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES MARTIN' Gr n, Kohring, Kott, Dyson, Sanders, Kelly

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to assistance for abortions under the general relief program."

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

3 * Section 1. AS 47.25.205 is amended to read:

4 Sec. 47.25.205. Priority of general relief medical assistance. (a) Except
5 as provided in (b) of this section, if [IF] the department finds that the cost of medical
6 assistance for all persons eligible under AS 47.25.120 - 47.25.300 will exceed the
7 amount allocated in the state budget for that assistance for the fiscal year, the
8 department shall eliminate coverage for medical services in the following order:

9 (1) abortions and related services and supplies, such as medical
10 supplies and equipment, transportation, laboratory and x-ray services, physician
11 services, hospital services, and pharmaceuticals, used for an abortion;

12 (2) treatment of speech, hearing, and language disorders;

13 (3) [(2)] optometrists' services and eyeglasses;

14 (4) [(3)] occupational therapy;

15 (5) [(4)] emergency dental services for adults;

- 1 (6) [(5)] prosthetic devices not including dentures;
- 2 (7) [(6)] medical supplies and equipment other than those used to
- 3 perform an abortion;
- 4 (8) [(7)] physical therapy;
- 5 (9) [(8)] outpatient laboratory and outpatient x-ray services other than
- 6 those used for an abortion;
- 7 (10) [(9)] ambulatory surgical center services other than services to
- 8 perform an abortion;
- 9 (11) [(10)] nonemergency medical transportation other than
- 10 transportation to obtain an abortion;
- 11 (12) [(11)] outpatient physician services other than services to
- 12 perform an abortion;
- 13 (13) [(12)] outpatient hospital services other than services to perform
- 14 an abortion;
- 15 (14) [(13)] intermediate care facility services;
- 16 (15) [(14)] skilled nursing facility services;
- 17 (16) [(15)] emergency medical transportation other than
- 18 transportation for an abortion;
- 19 (17) [(16)] pharmaceuticals other than those used in an abortion;
- 20 (18) [(17)] inpatient physician services other than services to perform
- 21 an abortion;
- 22 (19) [(18)] inpatient hospital services other than services to perform
- 23 an abortion.

24 * Sec. 2. AS 47.25.205 is amended by adding a new subsection to read:

25 (b) Notwithstanding (a) of this section, the department shall provide coverage
26 for abortions and related services and supplies in cases where a woman who is
27 otherwise eligible under AS 47.25.120 - 47.25.300 suffers from a physical disorder,
28 physical injury, or physical illness, including a life-endangering physical condition
29 caused by or arising from the pregnancy itself, that would, as certified by a physician
30 licensed under AS 08.64, place the woman in danger of death unless an abortion is
31 performed.

Abortion: Male coercion and irresponsibility

Consider this: By vesting all reproductive responsibility in the woman, a pro-choice male creates a situation in which men can easily rationalize their irresponsibility toward women who choose not to abort. Plausible? Read on.

As Daniel Callahan puts it, "If legal abortion has given women more choice, it has also given men more choice as well. They now have a potent new weapon in the old business of manipulating and abandoning women." Given that 80 percent of all abortions are sought by single women (according to the Alan Guttmacher Institute) the advent of reproductive rights has created a situation in which a man can coerce a woman to have an abortion by denying his responsibility towards her, or even abandoning her when she gets pregnant and "chooses" to carry the pregnancy to term.

According to feminist legal scholar Catharine MacKinnon, "Sexual liberation in this sense does not free women, it frees male sexual aggression. The availability of abortion thus removes the one remaining legitimized reason that women had for refusing sex besides the headache."

The anecdotal evidence for this interpretation is compelling.

Empirical studies have also demonstrated that male coercion and pressure play a sizable role in many women's abortion decisions. A survey from the Medical College of Ohio, for example, examined 150 women who "identified themselves as having poorly assimilated the abortion experience." Of the 81 women who responded, more than one-third felt they had been coerced into having an abortion. Fewer than one-third initially considered the abortion themselves.

In cases where women initially chose to bear the child, their male partners were opposed to the decision by a margin of eight to one. In all of these cases, the man withdrew his support for his partner "thereby eliminating that alternative."

Even in Carol Gilligan's famous study *In a Different Voice*, not all of the women's abortion decisions she recounts were independent. Male

coercion played an important role in about one-third of the cases cited. The men in the women's lives were unwilling to provide their partners with the moral and material support for pregnancy, childbirth, and child rearing. As one of Gilligan's respondents noted, "He made me feel I had one choice to make and that it was to have an abortion and I could always have children another time, and he made me feel if I didn't it would drive us apart."

In all these cases, the logic goes something like this: since the man was willing to pay for an abortion, and since the woman had a constitutional right to get one even if he wished to prevent it, by her failure to obtain an abortion she took sole responsibility for the child. Therefore, the reasoning concludes, the man should not be liable for any child support.

Permissive abortion policy has created a climate where men can enjoy sexual relations with little or no concern for their consequences. Abortion is often misrepresented as solely a women's issue; clearly, however, it is a men's issue as well as long as men are interested in protecting their sexual liberty.

Women and Children First - a different kind of pro-life newsletter
<http://www.prolife.org/ultimate/wcfpromo.html>

SB

182

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 4/21/97

FURTHER: Finance

Date of 5-Day Notice: 5/2/97
 (in accordance with Uniform Rule 23)
 (24-hr rule in effect)
 HESS Committee considered

DATE TURNED
 IN TO OFFICE: 5/7/97

SENATE BILL NO. 182

"An Act relating to the establishment and operation of charter schools."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
CHAIR:		CHAIR: <i>[Signature]</i>	✓		

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
DOE	5/2/97		\$ 84.5

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 182

Revision Date: _____ Dept. Affected: EDUCATION
 Title: An act relating to the establishment and BRU: Teaching and Learning Support
operation of charter schools. Component: Quality Schools
 Sponsor: WARD
 Requester: Senate Health, Education & Social Services COMPONENT SERIAL NO. 2147

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES	71.6	71.6	71.6	71.6	71.6	71.6
TRAVEL	4.0	4.0	4.0	4.0	4.0	4.0
CONTRACTUAL	6.9	6.9	6.9	6.9	6.9	6.9
SUPPLIES	2.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	84.5	84.5	84.5	84.5	84.5	84.5

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	84.5	84.5	84.5	84.5	84.5	84.5
1005 GF/Program Receipts						
Other:						
TOTAL	84.5	84.5	84.5	84.5	84.5	84.5

Estimate of current year (FY97) cost: \$

POSITIONS:

FULL-TIME	1.0					
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The legislation establishes a 7 member state Board of Charter Schools to consider applications for preliminary approval of charter schools, and requires interaction with the state Board of Education. This legislation will require staff to work with the new Board of Charter Schools, the public and school districts and coordinate with the state Board of Education in preparing and reviewing applications, responding to questions, and assisting in appeal procedures when necessary. Costs include establishing an Education Specialist II, Range 21A; travel for one face to face meeting per year; contractual for audio conferences, phone, fax, printing and mailing; and supplies.

Prepared by: Nancy Buell *Nancy Buell* Phone: 465-8689
 Division: Teaching and Learning Support Date: 5/2/97
 Approved by Commissioner: Shirley J. Holloway, Ph.D. *Shirley J. Holloway* Date: 5/2/97
 Agency: Department of Education

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Sponsor Statement

SB 182

"An Act relating to the establishment and operation of charter schools"

Education must be the number one priority in Alaska. Educators and parents alike have come to recognize that charter schools are one of the more valuable tools available to reform Alaska's educational system. Education reform is a top priority in many states and Alaska needs to join the rest of the country.

Alaska passed a charter school law in 1995. Unfortunately the law is deficient in many areas. As a result of these deficiencies, few charter schools have been started. After extensive meetings with charter school groups, parents and educators interested in opening charter schools, Senate Bill 182 has been introduced to strengthen our charter school program and our educational system as a whole.

The three major factors around which educational reform is based are parental involvement, educational choice and measuring student performance. Senate Bill 182 addresses each of these factors.

SB 182 strengthens existing law by clarifying that charter schools are in fact public schools though they may still be in competition with non-charter schools. This bill establishes multiple ways of establishing charter schools, provides for a local school board for charter schools as well as a state school board for charter schools.

SB 182 extends the sunset date for the charter school law, removes the limit on the number of charter schools that can be established, provides for flexibility on site decisions, and most importantly, provides for educational choice.

This legislation maintains local control over education. Only when a local school board rejects an application from a charter school group can that group appeal to the statewide charter school board. Even when a charter school is granted at the state level, the control over that school remains under local control.

STATE LEGISLATURES

FEBRUARY 1996

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ALSO INSIDE:

DANGEROUS DEBRIS

INNER-CITY ACADEMIES

100 ON PAGES

A CHARTER

In East Los Angeles, about a mile and a half from the site of the Rodney King riots, sits Vaughn Street School. Most of the children at this elementary school speak English as their second language and live in neighborhoods most of us would be frightened to walk through. There was a time when the children had to step around a dead body as they approached the school's entryway. It was no one's idea of a healthy learning environment.

In 1992, Vaughn Street's pupils ranked in the ninth percentile in reading—91 percent of public school students in America could read better than they—and the 14th percentile in math. Now, reading and math scores rank in the 47th and 59th percentile respectively. Today, students learn about computers hands-on in the new, \$1.6 mil-

Connie Koprowicz tracks education issues for NCSL. Dianna Gordon is an assistant editor of State Legislatures.

lion Next Century Learning Center. Today, parents from more wealthy neighborhoods want to send their kids to Vaughn.

What spurred the overwhelming changes in this 1,200-pupil, inner-city public school? According to Vaughn Street Principal Yvonne Chan, it was freedom from bureaucracy. "Take off the handcuffs; free my hands so I can do my job," Chan said in Seattle's Rainier Club where she was the keynote speaker this past fall at the National Conference on School Choice, sponsored by Washington's Educational Excellence Coalition.

Vaughn Street Elementary School became California's first charter school in 1992. And it is the charter school law that Chan credits for providing the freedom she needed to turn the school around. In addition to test scores, attendance improved—so much so that the school receives an additional

\$300,000 per year in per-pupil allotments from the state. Volunteers from the community built a low wall around the school to signify its separation from its troubled surroundings. And family programs such as health services and child care are available in school facilities so parents with few transportation options can get one-stop help.

Family involvement is a key ingredient in Vaughn's success, says Chan. "My school is an inner-city school. Many parents are immigrants, and families live in garages. They have little money. But they put their kids first."

Although California's charter law allows the hiring of noncertified teachers, the decision makers at Vaughn Street School (Chan and the teachers—as a team) choose to employ teachers who are certified. They have a good relationship with the teacher's union. After all, they have the same goal: teaching kids well. Still, Vaughn has saved some

By Connie Koprowicz and Dianna Gordon

FOR CHANGE

money by hiring more new teachers than the typical California public school—something the charter law allows them to do.

And money is an issue. In the first year of operation as a charter school, freedom to make budgeting decisions led to the \$1.6 million savings, which paid for the new 14-classroom technology building—the Next Century Learning Center. In addition to savings on salaries, Chan negotiated contracts for meals, payroll preparation and transportation that provided equal or better service quality at less than school district costs.

A ROUTE TO REFORM?

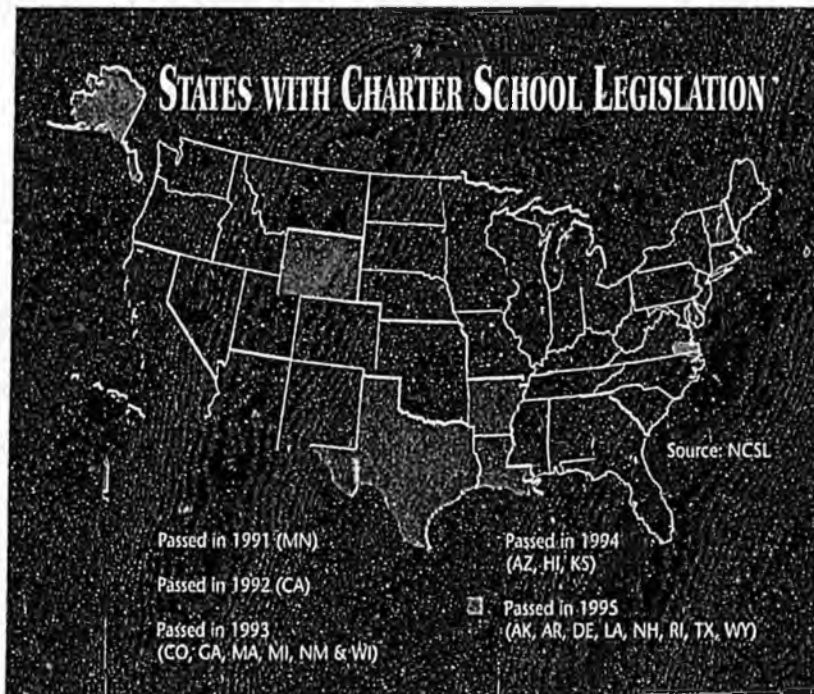
California was the second state to pass a charter school law. Minnesota was first in 1991, and 17 other states have followed their lead. Yet it remains to be seen if charter schools are a good route to education reform.

By definition, a charter school is an autonomous public school; a free-standing, nonprofit entity run by a group of parents, teachers, businesspeople or, in some cases, universities. Their strength is lodged in their autonomy. Under strong state charter laws, the schools are directed only by their self-selected governing boards. Their goals for education are written in the charters. Local school boards play a minimal role once the charter is granted. They do not hire or fire personnel for charter schools. They cannot dictate budget or curriculum.

Accountability for charter schools is twofold: First, if they don't meet the goals set forth in the charter, the charter can be revoked. Second, parents can vote with their feet. And with each child who leaves the school goes the state funding for that child's education.

The missing link is a tangible success rate displayed through graphs, charts and numbers. Charter and education experts agree it's too soon to know how or even if charter schools are truly reforming education. Will other schools achieve successes like Vaughn Street or is the Los Angeles school a grand exception—the product of Yvonne Chan's unfailing leadership?

Even in Minnesota, the state that pio-



neered charters in 1991, it's too early to tell how these new schools are doing, too soon to fully judge their impact on state education, according to Representative Becky Kelso, the author of the House charter bill.

Kelso does say she's pleased with what has happened over the last four years. And she believes that the 17 charter schools in her state are reshaping public education "to a degree."

THE GREAT EQUALIZER?

What Kelso finds amazing is the number of states that leapt into the charter pool without waiting to see how Minnesota's program worked out. "It's been surprising how one state [Minnesota] passing charter school legislation has had the hole-in-the-dam effect that it has had. I'm surprised at the number of states that passed similar legislation so quickly."

Apparently, the charter school concept fit the expectations of lawmakers eager to change an educational system that has not responded to less drastic reforms such as lengthening the school year or creating school-based decision making teams that are granted limited autonomy from state regulations.

Actually, charter schools are the outgrowth of three factors—"the recognition that all children can learn, but not in the same way and at the same rate; the desire to have schools become more flexible and malleable to meet the needs of students instead of students meeting the needs of the school; and the polarizing effects of school voucher

proposals," says Mark Weston of the Education Commission of the States.

It is true that charter school laws have received bipartisan support uncommon in debates over vouchers where state funding goes directly to families to use as they see fit in the education of their children—in or outside of the public school system.

"With vouchers, opponents like the teachers' unions were coming off the walls," says Ohio Senator Cooper Snyder. Ohio passed the nation's second school voucher bill this year after much

struggle. In the meantime, Snyder sponsored charter school legislation to complement, or back up, the private school choice option. "We cannot succeed by constantly trying to change an entrenched system," he says. "We can succeed by empowering parents, teachers and community leaders through community [charter] schools."

Charter schools do appear to have that capacity. Many parents—particularly those from low-income neighborhoods—are intimidated by the layers of bureaucracy inherent in the current system. Charter schools eliminate the distance between the parent and the school's decision makers and often require parental input before certain decisions (the hiring of a principal, for instance) can be made. Parents may feel more empowered, more eager and generally more able to participate in their child's education at these schools.

THE STATE POLICY PROBLEM

More than a decade after *A Nation at Risk* broadsided American public education, legislatures are still seeking ways to improve schooling in this country. Change has been slow, particularly for inner-city schools where children arguably need the most assistance. In urban Cleveland schools, 30 percent of the high school seniors can't pass a ninth grade proficiency test; 65 percent of all students who started school as freshmen three years ago have dropped out, according to Ted Kolderie of the Minnesota Center for Policy Studies, known as the guru of the

ELEMENTS OF STRONG CHARTER LAWS

	← STRONGER																	WEAKER →		
	AZ	MI	DE	NH	MA	TX	CA	MN	CO	LA	WI	HI	WY	NM	RI	GA	KS	AR	AK	
Sponsor other than local school board available (Or) appeals process exists	X	X	X	X	X	X	X	X	X					X	X					
Anyone can organize a charter	X	X	X	X	X	^	X		X	X	X		X				X			
Automatic exemption from state rules and local policies	X	X	X	X	X	X	X	X		X	•	X								
School has complete control of funds	X	X	X	X	X	X	**	X	#	X		X								
Teachers are employees of the school, not the district; (Or) charter determines legal autonomy	X	X	X	X	X	X		X	#	X										
No limits or very high limits on the number of charter schools	X	X	X	X					X		X	X	X			X		X		
Allows noncertified teachers	X	+	•	X	X	X	X			X										
Total "stronger" components	7	7	7	7	6	6	6	5	5	5	3	3	2	1	1	1	1	1	0	

Stronger charter school laws tend to challenge the status quo of the traditional education system and theoretically may lead to more options for students. The first component of these laws—availability of a sponsor other than the local school board or an appeal process—is considered vital to getting charter schools started.

- + In Michigan, certification is not required in university-run charter schools.
- In Delaware, 35 percent of a charter staff can be noncertified.
- ^ Based on an open enrollment portion of Texas charter law. Eligible organizers must be public or private higher education institutions, a nonprofit or a government entity.
- ** Autonomy must be outlined in a school's charter.
- # Legally, Colorado charter schools remain part of the local district. In practice, they are operating autonomously.
- In Wisconsin, charter schools are automatically exempt from most state laws, but not from local board policies.

Source: Louann A. Bierlein, Education Consultant

charter school movement.

Kolderie contends that the education system in most states is designed to fail. "The states have created a deal where the school district is assured of everything it wants. It's the only learning company in town. Money comes in from the state; mandatory attendance ensures that it will have the kids; and districting rules make sure it has a monopoly."

Therefore, Kolderie says, when the legislature starts talking about "doing hard things, about reform, about making changes" schools have no compelling reason to comply. "The customers, jobs and security are all there anyway."

But "the superintendents, the school

boards, the administrators didn't create the problem," he emphasizes. "The legislature built it, and the legislature can change it."

Representative Kelso, a former school board member, observes that there have been local school boards that have "changed the way they functioned because of a charter school in the district or a proposal for a charter school." One example involves a school board that consistently denied requests for the addition of a public Montessori school within the district. When members of the community decided to seek a charter for the school, the board reversed its decision and accepted the school as part of the regular system.

CHANGING THE GAME

A school system can't take its customers for granted when alternatives are offered. "Charter schools are breaking up the monopoly," Kelso says. "They are a source of competition." This is particularly true in school districts where many families can't afford private schools.

The hope is that by inserting free market conditions into the system, even in a limited fashion, the behavior and attitudes of public school administrators and staff will change. "It makes the district more amenable to proposals of change from teachers and parents," Kolderie says.

But change brings risk, many good teachers and administrators contend. "Charter schools are a big change in the traditional arrangements," Kolderie points out. "Everybody's starting point is 'no way,' and most people are very uncomfortable with changes in the system."

Patterns in the granting of charters prove this contention true. In states where local boards are the only entity that OKs charters and where there is no avenue for appeal, very few charters have been granted. Evidence in California has shown that district administrators and school boards are least supportive of charter schools that seek the most independence. States that allow a number of avenues for charter approval, on

THE OPPONENTS

People oppose charters for different reasons, depending on their position in the system. Some superintendents oppose charters, viewing them as an insult—an assertion that they are not doing a good job as educators. School boards seem to resent the loss of control. Teachers' concerns center on the fact that charters can be established to sidestep collective bargaining, tenure or certification requirements. In three states, teacher certification is not required, but employee qualifications must be specified in the charter.

Union attitudes, Kolderie says, are shaped by the image of teachers as employees. "But it's now beginning to dawn on people that

firestorm resulted. But, so far, many of the scenarios laid out by critics appear invalid. "There are groups that would like to see the Minnesota charter school movement fail," Kelso admits. "But many of the original fears have proved unfounded."

Much of the intense opposition she saw when the proposal was broached four years ago has "all but disappeared."

The schools have not drained top faculty and students from public schools. (In California, Colorado, Kansas and Wisconsin, charter schools that target students at risk of school failure receive preference for approval.) And four years later, people have stopped worrying that charter schools were



Senator Elliot Schewel
Virginia



Representative Becky Kelso
Minnesota



Senator Cooper Snyder
Ohio



Representative Joe Tedder
Florida

the other hand, have yielded more charter schools. In Michigan, if a charter request is denied by the local district, organizers can go to the state or a university for sponsorship. Another option is to put the proposal on a school district election ballot.

"The idea is to free up charters from state laws and regulations. But in most instances, the biggest obstacles are at the local level," explains former California Senator Gary K. Hart, who wrote the state's charter legislation in 1992. "The district is unwilling to give charter schools autonomy. There are sometimes endless, sometimes frustrating numbers of hassles, between the charter and the district office."

Florida Representative Joe Tedder, whose original charter legislation was doomed by a Senate and House scrap over the state's Omnibus Education Bill to which it was attached, says that the bill he will reintroduce this session "provides leverage [through an appeals process] so that a school board must consider a good educational program." Wisconsin amended its charter school law last session, adding an appeal process to counter what was perceived as a lack of cooperation by local boards.

teachers can own learning programs and can contract with a district to supply such things as math or history. They also have the option to work with colleagues as a group, as partners in the education a school offers."

"Charter schools are run by the employees," Kelso explains. "The employer-employee setup that collective bargaining and negotiations are based on is not there. It's a departure from the old 'school board as employer.'"

Not all state legislators are sold on the idea, either. In Virginia, charter legislation proposed by the new governor never got out of committee. Instead, a joint House and Senate study commission is meeting now. Senator Elliot Schewel, who proposed the study resolution, thinks that changes in the fundamental structure of school operations may lead to constitutional problems. If Virginia moves ahead with charter schools, he favors "a trial period for two or three pilot projects to see how they work."


COUNTERING THE CRITICS

When charter school legislation was originally posed in Minnesota, Kelso says a

the first step to a voucher system. They are not, Kelso says, private schools receiving tax money. "The public schools in Minnesota are healthy and strong enough to withstand competition from charters. Charter schools are not threatening the quality of public education, they are enhancing it."

FUTURE OR FAD?

Charter schools do offer a new model for autonomous public schools that provides opportunities for diverse and innovative approaches to education. Yet if the political conflicts inherent in today's education policy debates lead to watered-down laws that provide limited autonomy, charter schools may fail.

Much depends on the will of lawmakers to insist on real change in the education system. Cooperation from state and local board members is another major factor. With a strong base of support, states like Minnesota have weathered opposition. As Representative Kelso notes, "If acceptance is a measure of success, charter schools have been successful. The opposition that was really intense four years ago has melted away." 

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April 7, 1997

Representative Al Vesey
Room 13
State Capitol Building
Juneau, AK 99801

APR 08 1997

Dear Representative Vesey:

I am writing to ask you to support House Bill 229 which has recently been referred to the Health, Education and Social Services, Committee. This bill amends the Charter School Law passed in 1995. The central points of the amendment are to remove the limit on the number of charter schools in the State and to provide for an alternative to School Districts for approval of charter schools while still maintaining local control. These changes are vital if we are to realize the benefits of the charter concept through introduction of competitive forces to the current monopoly in public education.

The amendment also includes some much needed guidance to agencies tasked with charter school approval by requiring that charter schools have specific grade level goals for student performance as well as specific means of assessment of that performance. If we are going to have charter schools, we need to do everything we can to define the parameters of accountability for them.

I continue to hear from school officials and others that we should wait to see how the current law performs before we rush to amend it. I have observed the process here in Anchorage closely and I can tell you it is not working and is not likely to work in the future without the changes envisioned in HB 229. Over the past six months, I attended twelve of the fourteen publicly scheduled work sessions and School Board meetings as well as many unscheduled meetings as the District considered a total of four charter proposals (a fifth dropped out early on).

The first Charter School approved was the Family Partnership Charter School. While a wonderful idea, it is essentially a means for parents of home schooled students to access public money for materials and professional teachers. It fills a long standing need to include home schoolers in the public system but it is not an option for parents who for whatever reason are unwilling or unable to home school.

Next, there are indications the second Charter approved by the District may run into trouble at the State level. The proposers are planning to build their own building and operate a private day care and preschool alongside the public Charter School. While the space for the public school will be provided at no cost, reservations have been expressed about separation of the public and private functions. Whether these concerns ultimately stymie this Charter remains to be seen when the State Board meets April 28.

The third Charter approved, targeting at risk secondary students and students from the deaf community, is also having facilities trouble. The proposers originally planned to purchase a building near East High. Plans were made to bring the building to school standards and an offer to purchase was made. As the seemingly endless approval process began to drag, the building owners were increasingly anxious to sell and finally accepted another offer. All the planning and work went down the drain and the proposers are scrambling to find other acceptable space. Whether they will be able to before September is now seriously in doubt.

Representative Al Vezey

April 7, 1997

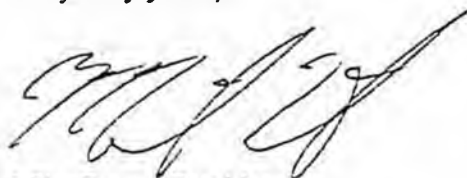
page 2

That leaves the Village Charter School, the only proposal to be turned down. It was voted down by the so-called conservative wing of the school board, for whom school choice and parental control should be bread and butter causes. Unfortunately, a personal vendetta against the prime proposer of the School by one Board member and several top administrators was allowed to color the issues involved. As a result, Anchorage has been denied an exciting educational concept with wide public support. The treatment sustained by the proposers and supporters of the Village Charter school was so blatantly unfair that one Board member felt compelled to apologize publicly on behalf of the Board.

With that, it is likely that Anchorage will begin the 1997-98 school year without a Charter school available to the majority of families. The District has not established objective criteria for Charter School proposals. Students at Charter Schools are treated as second class citizens, with roughly two thirds the funding that other public school students receive. Administrators have made it next to impossible for Charters to be housed in public buildings, forcing them to spend precious classroom dollars on outside space. Clearly, the incentive to come forward with viable Charter proposals does not exist.

Please help bring true competition to public education by supporting HB229. Only by providing a viable alternative to School Districts within the public system can we regain the support of those who are not being served and are leaving public education for other alternatives. Thank you for your time.

Very truly yours,



Mike Boots, President
Alaskans for Educational Choice

PS: I am enclosing a copy of a Compass article about charter schools that I wrote for the Anchorage Daily News last fall.

FORUM / LETTERS

Charter schools can work — if done right

By MIKE BOOTS

The hot topic in school reform in Alaska these days is charter schools. Recent interest by the media, the State Board of Education, and legislative candidates show that the idea is catching on and change is coming. In the midst of all this, we should answer some basic questions.

Why do we need charter schools? What purpose do they serve and how do they fit into school reform? What effect will charter schools have on public education as it now exists?

Our public school system is a large bureaucracy, generally controlled by those whose incentives are to maintain the status quo. The inertia of the system resists change from without and strangles innovation from within. Gov. Tony Knowles' recently announced Quality Schools Initiative addresses part of the problem. It proposes standards for schools and school districts and effective assessment to measure results and give content to the standards. At the state level these standards and compliance with them are voluntary and that's as it should be. Accountability though, is practically nonexistent. If schools do not meet acceptable standards, there is no consequence.

We need a way to provide accountability from without that cannot be controlled by those inside the system. Charter schools can serve that need. When charter schools are



properly implemented they introduce competitive pressure. They allow parents, families and teachers whose needs are not being met an alternative, while still remaining within the public system.

The mere existence of an alternative will serve to spur improvement in the "regular" public schools and encourage flexibility within local school districts. If districts know that a viable, independent alternative exists for those whose needs are not being met, the district will try much harder to meet those needs.

The key to providing accountability through charter schools is independence. If charter schools are not truly independent from the school district, the entire exercise will be a waste of time. No incentive towards accountability will exist. The Charter School Law in Alaska suffers from exactly this problem. It provides that charter schools be approved and funding determined only by the school district with whom they are to compete. This is like requiring Ford to seek General Motors' approval for design and production plans. General Motors has no incentive to approve a design that will be profitable for Ford. Likewise, the school district has no incentive to

approve and fund a Charter School that will succeed.

We must change the Alaska Charter School Law. First, there must be an independent and objective alternative means of approval, or at minimum, appeal for charter school proposals. Such an alternative must be independent of the school district and its influence and be required to judge proposals by locally determined objective criteria, not politics.

Second, economic equity must be guaranteed. The full funding for each child's education, including special funding for students with disabilities, must follow that child to the school chosen by the family. Adequate space for charter schools must be made available, in public school buildings, or in private competitive space if required. Charter schools are public schools and their students are public school students and must not be treated as second class citizens. Economic equity also requires that we consider issues which affect a child's ability to attend a particular school, so that no child is denied an opportunity because of their family's income. This means transportation must be available to schools of choice for all students, not just those whose can afford to drive or provide other alternatives.

Third, the number of charter schools cannot be limited. The number will reach a natural limit as

When charter schools are properly implemented they introduce competitive pressure. They allow parents, families and teachers whose needs are not being met an alternative, while still remaining within the public system.

school districts respond to competitive pressure to meet the needs of families. An artificial limit eliminates such pressure.

Finally, school districts must not be responsible for charter schools. In particular, they must not be held responsible for charter school employees. The charters can operate as independent entities who hire their own employees, but still be required to sign collective bargaining agreements negotiated by the District in which the charter school operates. They are also required to comply with state licensing and tenure laws or to seek waivers when appropriate. However, no teacher can ever be required to work for a charter school and to accept any accompanying risks.

While accountability for all public schools is the driving force for a strong system of independent charter schools, there are many other benefits. The first and foremost is the value added to the system when

parents and teachers are actively involved and enthusiastic about their program. A direct influence and interest in the school produces phenomenal energy and excitement and it doesn't cost a dime. Another benefit is the tendency toward smaller education settings. In schools, smaller is generally better and charter schools provide the opportunity for that to happen. Finally, the impetus and opportunity for innovation in charter schools will result in new ideas and methods of education that are just not possible within the current system. If we can make the changes to Alaska's law that are needed to allow charter schools to blossom, Alaska can lead the nation in real public school reform. If not, we're back to the blackboard.

Mike Boots is an Anchorage certified public accountant with a long-time interest in education and the Anchorage School District.

National School Board Resolutions
Adopted on Monday by the Delegate Assembly in Anaheim,
California and the annual convention.

Charter Schools

NSBA recognizes "charter schools" are one of several mechanisms available to a local school board provided that the school board:

- (a) retains the sole authority to grant the charter;
- (b) retains the option to decertify any school that fails to meet criteria set forth in the Charter or as otherwise specified by the local school board;
- (c) maintains accountability, such as determining the criteria, standards or outcomes that will be used in establishing the charter; and
- (d) does not approve a plan that fosters racial, social, religious, or economic segregation or segregation of children with disabilities.

NEA-AK

No clear floor of minimum curricular expectations established for any contract to establish a charter school.

School boards become advisory to municipalities in establishing a charter school. Charter schools operate under a contract between either the school board, the state charter school board or the municipality. This creates a condition where teachers in a school district could be employed by up to three sets of employers.

How are charter schools funded under this arrangement? Does the municipality fund its contacted schools? The state charter school board its schools?

The bill states a charter school operates as a school in the local school district in which it is located. Does this mean that a charter school can be chartered in one community and operated in another? - *Can a charter school be considered a private school?*

Can charter schools establish contract provisions in local contracts that are in total conflict or are inconsistent with specific provisions of this bill? (line 27 page 4).

What will a state board of charter schools do that can't or isn't being done with the current State board of Education?

There is no assurance that teachers must clearly meet current, let alone tougher, certification standards.

Under the bill is a charter school still considered a public school within a school? *district*

Even though the bill provides for an unlimited number of charter schools. How will, for example, 100 new charter schools be funded?

Since children will be selected on a first come first served basis how are children and his/her family not selected assured the same experience in a regular classroom?

What are the minimum professional qualifications of the chief administrator of a charter school?

Line 11-12 page 6 - It appears that teachers must possess valid teaching certificates but the chief school officer is not limited to hiring teachers who hold valid teaching certificates.

How does Sch. B. contract apply



Juneau Community Charter School

Juneau, Alaska 99801 ••• Telephone: (907) 463-3029

May 6, 1997

Senator Wilken
Senate HESS
MS 3100
Juneau, AK 99801

Dear Senator Wilken:

Alaska's charter law has set in motion a major wave of volunteerism focused on improving choice within the public education system. I commend the Alaska Legislature for encouraging widespread improvement in public education, and encourage your support of SB 182. Community members, parents and teachers have been empowered by their ability to make meaningful contributions in the formation of progressive educational opportunities for young Alaskans. Volunteerism should not be restricted. Please support removal of the 30 school limit that the current law requires.

Many educators try to make improvements in their schools, but are often faced with strong opposition from fellow educators and unions. Eliminating the "exclusive franchise" that local districts have will encourage further expansion of charter schools in Alaska. Accountable public organizations (i.e. public universities, state agencies, city councils) should have the authority to approve new schools, or the law should be revised to allow organizers to have the option of applying directly to the State Board of Education. This takes local politics out of the equation.

Although some people may continue to see charter schools as a threat, I believe that their introduction into Alaska will benefit the entire public education system. More choices are becoming available. Levels of community and parental involvement have greatly increased. Districts have another means to meet state academic standards. This is a chance of a lifetime. Please strengthen Alaska's charter school legislation.

Sincerely,

Cathy Munoz
for Juneau Community Charter School

May 7, 1997

Senator Wilken, Chair
Senate HESS
Capital Building
Juneau, Alaska
sent via fax

Dear Senator Wilken and HESS members;

Today you will hear SB182-the revamping of the Charter Schools law currently on the books. Please consider voting for the changes it presents. These changes will help other parents like myself to feel empowered in educational choices for their children.

Charter schools are new to Alaska. They have been working in the lower 48 for a number of years now but there is not much information that tells us how they will or are working for our children in Alaska. Outside of Anchorage there are not many choices in educational format. And it is well known that people, children, have a variety of learning styles. Please pass SB182 so that we can continue to charter schools, gather information and make an informed decision on their effectiveness or ineffectiveness in the future.

I am sorry not to be there in person to deliver this message but I thank you for considering it anyway.

Sincerely,

Frankie Pillifant, Parent
Juneau Community Charter School

May 10, 1997

RECEIVED
MAY 11 1997

The Honorable Gary Wilken
Senate
State Capitol
Juneau, AK 99801-1182

Dear Senator Wilken:

My reason for writing to you today is my concern with the legislation that rewrites the Charter School program (SB 182 and HB 229). HB 229 is still sitting in House HESS. SB 182 is now in Senate Finance and may be poised for positioning on a fast track.

It is my understanding that there was little, if no, public hearing in Senate HESS on SB 182, prior to being sent to Senate Finance. This legislation, which is designed to ultimately dismantle the Public Education system in this State, needs many more public hearings.

This single-purpose, narrow minded, hateful legislation is the product of what I call "playground politics", i.e. I'll take my ball home, if you won't play by my rules. Linda Sharp (along with Mike Boots and Robert Gottstein) has been working on the bill since last summer. Linda was probably being prophetic, as her Charter School proposal was denied by the Anchorage School Board this spring.

Her proposal was denied for several reasons. One of the reasons was because she plagiarized the curriculum from another Charter School proposal. No one could tell what she was really going to teach children at her school.

Another reason was her defiance toward the requirement of working with the North Star Elementary School community, which was where she wanted her Charter School located. Her attitude was that she would only deal with those "yahoos", after she had been awarded their school.

I hope that this gives you an understanding of why this legislation is before you. Now I would like to discuss my reasons for strongly opposing this bill.

Aside from the dismantling of Public Education, this bad piece of legislation has a number of malevolent features.

Page 2

- establishment of a new level of bureaucracy entitled the State Board of Charter Schools and the Municipal Board of Charter Schools. (Section 1 - AS 14.03.250 and Section 2. - AS 14.03.253)

This is just what we need, more bureaucracy! This State Board would also take care of Linda's problem of having her proposal denied by the Anchorage School Board. With this provision she would be able to amend her proposal and go to another Board to try to get it approved. Who then would be accountable for this educational program? Even though the initial list of possible Board appointees does not need to be associated with Charter Schools, subsequent appointees can only come from Charter Schools. At this juncture can anyone ever imagine a Charter School proposal being denied by this Board?

- the provisions of AS 14.03.250 - 14.03.290 or the Charter School contract take precedence over State law. (Section 3 - AS 14.03.255 (a) (5))

This is an unusual prospect to me. I would love to have the chance to write a contract that is more powerful and legal than State law. Why would any Legislator want to give up this power and authority?

- the discriminatory tactics employed in the enrollment procedures. (Section 6 - AS 14.03.265(b))

If the enrollment can be satisfied by admitting children only in the order of receipt of their applications, there could be a number of singularly ethnic Charter Schools established. I can envision the children being preselected to attend a certain Charter School, and then putting a proposal together for this certain Charter School. This has happened in Arizona.

Having just participated in an Office of Civil Rights investigation on the recent High School Boundary changes in Anchorage, I do know that the Office of Civil Rights is but a letter away, and they do investigate! I can only assume that the Legislature and/or State is prepared to indemnify the Districts and Municipalities from liability resulting from litigation caused by this legislation.

- the contract extension. (Sections 8 and 9 - AS 14.03.275)

Page 3

My concern is that the contract extension could be between the Charter School and the Charter School Board. The automatic renewal of the contract is bothersome to me. There is no public accountability nor opportunity for public input from parents, teachers and taxpayers, when the contract is between the State Board and the Charter School.

- no limitation to the number of Charter Schools. (Section 10 - AS 14.03.280)

This is the section that endorses the dismantling of Public Education.

- no local control over location of Charter Schools

One other concern that I find throughout the legislation is the complete undermining of local control over where these Charter Schools will be located. If the contract is between the Charter School and the Charter School Board, that Charter School can displace students at or overcrowd your neighborhood schools.

Can you imagine your next constituent meeting (usually held at a neighborhood school), where you have to explain to parents, children and taxpayers why the neighborhood children have been displaced or why the school is so crowded? Who will you say is responsible? This is a question that you really need to find an answer to, as this has happened in Arizona. You may also need to discuss why you have allowed a religious cult to operate in the Public School system and indoctrinate minor children in this religion without the parents knowledge or permission. This has happened in both Arizona and California.

There is also the general question of a lack of accountability or oversight for K-12 education. I find this ironic so soon after the adoption of HB 465, requiring new performance standards for certificated employees throughout the State.

I am sure that I have more objections to this legislation, but I believe the high points have been discussed. These bills should not be moved from their present committees now or ever, without extensive rewriting and public hearings.

This issue has had virtually no public discussion. It is being forwarded by a select minority who anticipate receiving compensation as employees of

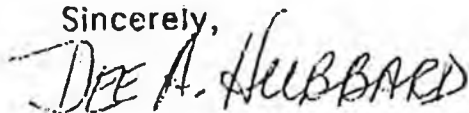
Page 4

their proposed Charter Schools. Where does the conflict of interest lie? I believe that when the public becomes aware of the ramifications of this legislation, some very specific questions will arise. I would hope that you would go back and talk with your constituents, before you vote on this.

If you have any questions of me or comments about my letter, can be reached at 337 - 6370 (Fone and FAX) or 223 - 7379.

Thank you in advance for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Dee A. Hubbard". The signature is written in a cursive style with a large initial "D".

Dee A. Hubbard
4251 Pinnacle Circle
Anchorage, AK 99504



Anchorage School District

4600 DeBarr Road
P.O. Box 196614
Anchorage, Alaska 99519-6614
(907) 333-9581

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SUPERINTENDENT

Bob Christal

May 8, 1997

Dear Senator Sharp:

I have been advised that you are under heavy pressure to move a Charter School bill, S.B. 182, that bypasses the local school board for approval of charter schools. In Anchorage, we have undertaken the responsibility to maintain a high level of accountability by holding all of our programs, including charter schools, to high standards. In an age when the Department of Education, the Governor and State legislators all are calling for high standards and close scrutiny and accountability for public schools, I find it ironic that individuals would look to design ways to provide for the means to avoid the most accountable elected officials--the local School Board--to provide oversight and accountability for new schools such as charter schools.

In Anchorage, we have a long standing process to insure program quality and accountability when new programs are requested to be established. We have endeavored to follow that model in our locally approved charter schools. Three of the four applications for Anchorage charter schools were approved administratively, by the Anchorage School Board, and by the Alaska Department of Education. In fact, the Department of Education was very complimentary of the work of our District to insure quality in the charter school applicants.

I would encourage you and other legislative leaders to allow the law and the system you designed a year ago to be in place and operating before you modify the law. Because one or two applicants are not successful is no reason to take local control away from a group of elected officials. People who cannot pass the muster or meet criteria for building homes or opening new businesses are not able to go to some other governing body for approval when they fail to meet fair and reasonable criteria. Our children deserve no less when developing accountability measures for new schools. Thank you and I hope you do consider our position on this issue.

Sincerely,

Bob Christal
Superintendent

gl
cc:

Senate Finance Committee



Anchorage Pioneer Schoolhouse, built 1915
Anchorage Women's Club

TOTAL P.01

FYI Larry Wiget dropped this letter off

Testimony of Chris Cassler
P.O. Box 875735
Wasilla, AK 99687

She supports the charter school amendment. It has to happen in order for real educational reform to happen. Anything short of this legislation will not be effective. The Valley's maximum amount of charter schools is 3, and they have 2. Anchorage's amount is 10, and they also have 2.

The established educational bureaucracy cannot be counted on to be honorable in impartially deciding what is genuinely good for public education outside of their own system. They keep throwing up road blocks to educational reform.

This bill gives charter school advocates hope of having the proposals be judged based on their merits. If serious parents could get the educational system to address their concerns, there would be no need for this bill. It is not appropriate for the school board to be the last word on whether or not charter schools are appropriate or not. They have too much bias. Without the teeth in this bill, it will be much too easy for the powers that be to continue to manipulate the system.

May 7, 1997 12:40pm

Sheila

Mr. Leo Albert just called to ask about testifying on SB 182. He supports SB 182.

He believes that parents need choices besides the School District monopoly. He believes Charter Schools need to be sponsored by someone other than the Districts in which they are located.

He believes that the State Board of Education should perhaps be involved.

Phone: 907-243-0809

Address: 3624 Carleton Avenue, Anchorage, AK 99517



STEPHANIE PATEL
1545 So. Hoyt #103
Anchorage, AK 99507
338-3579

April 28, 1997

Dear Legislators,

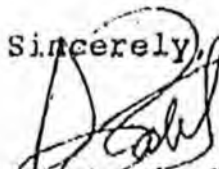
I am the headmaster of Walden Pond Charter School and was the chair of the proposal team for that school. I have a background both as a lawyer and as a teacher/director of a small private school in Alaska. I have been aware of the course of Alaska charter school legislation since its inception. I had been following the course of charter schools outside Alaska prior to that time. I am a founding member of Alaskans for Educational Choice, Inc., which has worked hard to raise public awareness about the role charter schools can play in educational change.

I would like to voice my support for HB 229 and SB 182. The goal to which we are all striving, I believe, is improvement in educational opportunities for Alaskan youth. It has amazed me to see elderly Alaskans who were educated in impoverished little pre-Statehood schools that have better literacy skills than their grandchildren, who had the benefit of the wealthy schools of the late seventies and eighties. My children have been in schools in Kenai, Anchorage and Fairbanks, and in each case I felt frustrated with a take-it-or-leave-it educational system. As a result, more and more Alaskans have left it -- for private education or homeschooling. I believe that the problems stem from the institutionalization of education in this state, a condition that disempowers the principal parties in the education triangle: parents, students, teachers. Charter Schools are a breath of fresh air in what has become a rhetoric filled but stagnant educational system.

I support HB 229 and SB 182 because, while a step in the right direction, the present charter school law does not adequately provide for the even and fair-handed development of responsible, well thought out educational programs. There must be flexibility in the system and room for innovation, but there must also be a fair review process. I support a local independent board for charter schools that would be an alternate route (to the local school district) for charter school applications. I believe that there are other changes that would assist in the implementation of strong charter schools, but I think this is a good start.

I would be happy to answer any questions.

Sincerely,



Stephanie Patel

RECEIVED

MAY 08 1997

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT

520 Fifth Avenue

Fairbanks, Alaska 99701-4756

(907) 452-2000



Board of Education

May 8, 1997

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Representative
372-2434

Rick Carlson, Major
Fort Wainwright Army Post
Representative
356-7840

Larin Gillingly
Student Representative
478-2051

The Honorable Gary Wilken
Alaska Senate
State Capitol, MS 3100
Juneau, Alaska 99801-1182

Dear Senator Wilken:

The Fairbanks North Star Borough School Board has some serious concerns about SB 182 relating to the establishment and operation of charter schools. We feel that our current state statute regarding charter schools is working well and is too new to revise at this time.

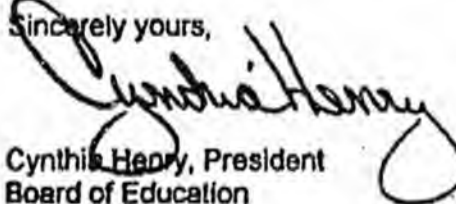
The Fairbanks North Star Borough School Board supports charter schools in theory and in practice. As you know, ours was the first urban district to have a charter school. Chinook Charter School opened in the fall of 1996; all indications are that it has had a very successful first year of operation. New Beginnings Charter School has been approved by the local and state school boards, and will begin operating in the 1997-98 school year.

Operation of a charter school is a major effort on the part of the school district and the proposers of the charter school. From my front row seat in this process since its inception, I have observed that cooperation with the local school board is essential in order to precipitate a charter school. Local school boards are in the best position to assist a charter school with some of the challenges inherent in the process. Although funding for the students follows them to the charter school, charter schools struggle with funding their needs because of the high cost of personnel and the higher overhead of a small school. Our district has solved some of these funding problems for our charter school and subsidized its operation with our district budget.

Please allow our school board members an opportunity to testify before acting on new legislation for establishing and operating charter schools. We could accomplish this via teleconference.

Thank you for your consideration of our opinions on this important issue.

Sincerely yours,


Cynthia Henry, President
Board of Education
CH/plh

cc: Board of Education

SB

187

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 4/25/97

FURTHER:

Date of 5-Day Notice: 4/25/97
 (in accordance with Uniform Rule 23)
 (conference cmte appointed)

DATE TURNED
 IN TO OFFICE: 4/28/97

Health, Education and Social Services Committee considered

SENATE BILL NO. 187

UNIVERSITY TUITION PAYMENT PROGRAM

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR# _____

SIGNING/DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Loren A. Luman</i>	✓				
<i>Angela</i>	✓				
<i>Ab Evers</i>	✓				
<i>Lynne Green</i>	✓				
CHAIR: <i>Gary White</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

University of Alaska	4/25/97	✓	

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

**STATE OF ALASKA
1997 LEGISLATIVE SESSION**

BILL NO. SB 187

Revision Date:
Title: An Act relating to disclosure of public records...of the
Alaska advance college tuition payment fund.
Sponsor: Senator Wilken
Requestor:

Department Affected: **University of Alaska**
BRU: All
Component:

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
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						
----------------	--	--	--	--	--	--

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

FUNDING: (Thousands of Dollars)

1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF/MHTIA						
OTHER						
TOTAL FUNDING	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Marylou Burton Phone: 463-3086
 Division: Statewide Budget Office Date: 4/25/97
 Approved by: *MJB* Marylou Burton, Director
 Agency: Statewide Budget Office - U of Alaska Date: 4/25/97

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

GARY WILKEN

SENATOR
Districts 29 & 30
West Fairbanks

Senate Standing Committees

Chairman: Health, Education,
and Social Services (HESS)
Vice Chairman: Transportation
Vice Chairman: Community and
Regional Affairs

Special Committee

Member: Administrative Regulation Review



During Session:
State Capitol, Room 510
Juneau, Alaska 99801-1182
(907) 465-3709 (v)
(907) 465-4714 (f)
[www: akRepublicans.org/wilken.htm](http://www.akRepublicans.org/wilken.htm)
E-mail: Senator_Gary_Wilken@legis.state.ak.us

Interior:
119 N. Cushman St., Room 213
Fairbanks, Alaska 99701
(907) 452-3421
Fax (907) 452-3426

SPONSOR STATEMENT

SB 187 – University Tuition Payment Program

In August 1996, Congress passed legislation that exempts qualified state prepaid tuition programs from income taxes similar to exemptions provided other non-profit activities. Senate Bill 187 makes the necessary statutory changes to conform the Advance College Tuition (ACT) payment plan with the new federal law.

The ACT plan, established in 1990 under AS 14.40.803, offers an incentive for Alaskan residents to save for college. Under this plan one-half of a participating individual's annual permanent fund dividend can be used to prepay college tuition credits at the current cost per credit. The University of Alaska guarantees that ACT credits can be used for tuition *regardless of the amount paid for the ACT credit or the cost of tuition at the time they are used*. Currently there are over 6,300 prepaid tuition contracts in place totaling approximately \$17.6 million.

On February 14, 1997, the University of Alaska Board of Regents adopted a revised ACT plan which conforms to the new federal requirements. The changes proposed in SB 187 will strengthen the Advance College Tuition exempt status with IRS. Failure to comply with the new tax law in a timely manner could result in retroactive taxation of the program back to 1991 and destroy the financial viability of this very worthwhile program. For this reason, I recommend passage of Senate Bill 187.



ACT

Advance College Tuition
Alaska's Prepaid College Tuition Program

**Save now for your
child's college
education.**

&

**Prepay future
tuition costs at
today's rate!**

- The Alaska Legislature and the University of Alaska have developed the Advance College Tuition (ACT) payment plan to help Alaskan residents save for college.
- You can use one-half of your permanent fund dividend to prepay college tuition costs at the University of Alaska for yourself or your child.

HOW DO I SIGN UP FOR THE ACT PROGRAM?

Check the box on line 10 of an adult or line 12 of a child's application. One-half of the 1997 dividend will be used to purchase ACT prepaid tuition credits.

If this is the first time you are buying ACT tuition credits, call the ACT office at 1-800-478-0003 (907-474-7469 if in Fairbanks or outside Alaska) to receive a complete information packet and required forms.

What is a credit?

Just as a high school student is required to complete a specified number of course credits to receive a high school diploma, a college student is required to have a minimum number of course credits to receive a college degree.

How many credits do I need?

It generally takes a minimum of 60 course credits to acquire an associate's (2-year) degree and 120 course credits to acquire a bachelor's (4-year) degree. A student will need approximately 15 credits for each college semester. The number of course credits taken each semester determines the tuition cost for that semester. A student who purchases ACT prepaid tuition credits simply uses these credits to cover future tuition costs.

How many credits can I buy with one-half of my 1997 dividend?

In 1996, one-half of the dividend purchased approximately six ACT credits at a cost of \$77 per credit. The number of credits you can buy this year will depend on the amount of the dividend and the 1997 price of ACT credits.

Can I buy additional credits?

Yes, you may buy ACT credits directly from the ACT office at any time. You may even buy 120 credits all at one time!

When can my credits be used?

You may use your ACT credits two years after payment is received by the ACT program.

continued on next page...

Copied from the 1997 PFD Application Booklet



University of Alaska
Statewide System of Higher Education

THE ALASKA ADVANCE COLLEGE TUITION PAYMENT FUND

The Alaska Advance College Tuition (ACT) Payment Fund, as established in 1990 under AS 14.40.803, was created by the legislature to provide an incentive for Alaskans of all ages to continue and complete their secondary and post-secondary education. The ACT plan provides for future redemption or refund of ACT credits for payment of tuition and other qualified higher education expenses at the University of Alaska or any eligible college, university or vocational/technical institution.

The ACT fund consists of permanent fund dividend (PFD) and cash contributions under the terms of an advance college tuition payment contract. Under the PFD program, half of a participating individual's annual PFD dividend can be deposited directly into the ACT fund. Currently, there are over 6,300 pre-paid tuition contracts in place totaling approximately \$17.6 million. The Commissioner of Revenue is the custodian of the fund and the University of Alaska Board of Regents administers the program.

P.L. 104-188, signed into law on August 20, 1996, included a provision of the Internal Revenue Code (Section 529) that defined the federal tax treatment of qualified state tuition programs, thereby clarifying the tax-exempt status of the ACT fund and the tax-deferred status of a participant's earnings on any increase in value of ACT credits prior to actual use. Congress has given states with pre-paid tuition programs until August 1997 to bring their plans into conformance with the new law. The University Board of Regents has revised the ACT plan to conform with federal legislation; however, state statute changes are also necessary to better assure full compliance. Although the Internal Revenue Service will make any final determination, failure to pass conforming state legislation could result in retroactive taxation of the ACT program and its participants back to 1991 and virtually eliminate the financial viability of the program.

CORRECTION

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



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska



ACT Advance College Tuition

Alaska's Prepaid College Tuition Program

Save now for your child's college education.

&

Prepay future tuition costs at today's rate!

- The Alaska Legislature and the University of Alaska have developed the Advance College Tuition (ACT) payment plan to help Alaskan residents save for college.
- You can use one-half of your permanent fund dividend to prepay college tuition costs at the University of Alaska for yourself or your child.

HOW DO I SIGN UP FOR THE ACT PROGRAM?

Check the box on line 10 of an adult or line 12 of a child's application. One-half of the 1997 dividend will be used to purchase ACT prepaid tuition credits.

If this is the first time you are buying ACT tuition credits, call the ACT office at 1-800-478-0003 (907-474-7469 if in Fairbanks or outside Alaska) to receive a complete information packet and required forms.

What is a credit?

Just as a high school student is required to complete a specified number of course credits to receive a high school diploma, a college student is required to have a minimum number of course credits to receive a college degree.

How many credits do I need?

It generally takes a minimum of 60 course credits to acquire an associate's (2-year) degree and 120 course credits to acquire a bachelor's (4-year) degree. A student will need approximately 15 credits for each college semester. The number of course credits taken each semester determines the tuition cost for that semester. A student who purchases ACT prepaid tuition credits simply uses these credits to cover future tuition costs.

How many credits can I buy with one-half of my 1997 dividend?

In 1996, one-half of the dividend purchased approximately six ACT credits at a cost of \$77 per credit. The number of credits you can buy this year will depend on the amount of the dividend and the 1977 price of ACT credits.

Can I buy additional credits?

Yes, you may buy ACT credits directly from the ACT office at any time. You may even buy 120 credits all at one time!

When can my credits be used?

You may use your ACT credits two years after payment is received by the ACT program.

continued on next page...

Copied from the 1997 PFD Application Booklet

continued from previous page...

What is the guarantee offered by the University of Alaska?

The University guarantees that ACT credits can be used for tuition at any University of Alaska campus *regardless of the amount paid for the ACT credit or the cost of tuition when they are used.*

Can ACT credits be used at other colleges, universities, vocational or technical schools?

The student may use ACT credits to pay for tuition at almost any college, university, vocational or technical school in the nation. Payment will be made to the student to help defray their tuition costs, however the amount cannot be guaranteed. The amount of the payment will depend upon the original purchase price, tuition rates at the University of Alaska, and earnings of the ACT program.

Can I get a refund if my child doesn't go to college?

Your child may obtain a refund of the original purchase price of the ACT credits if he or she chooses not to attend college, unless you named another child or student as an alternate recipient of the credits in the ACT contract.

If I used the ACT check-off last year, do I have to check it again?

Yes. Each year you must check-off the Advance College Tuition box on the dividend application. However, you do not need to complete new contract forms unless you are buying ACT credits for a different individual than in the past.

Do I have to pay any fees?

Yes. There is a one-time, nonrefundable administrative fee for setting up an ACT contract and several transaction processing fees. Currently there is no fee for redemption or use of the ACT credits.

What about federal taxes?

The portion of your dividend paid into the ACT program is taxable to you or your child as though it had been received directly by you. Under current tax rules, the increase in value of the ACT credits from the date of purchase to the date used is taxable to the recipient when they are used or refunded. In August 1996, Congress passed legislation which exempts qualified state prepaid tuition programs from income taxes similar to exemptions provided other non-profit activities. Subject to adoption of certain plan amendments to be developed over the next year, the ACT program is expected to meet the requirements for exemption under the new law.

If I change my mind, can I get my dividend money back?

Yes, you can get your dividend money back in full if you properly notify the ACT office by February 1, 1998. After that date you can still get a refund but there is a processing fee deducted. Contact the ACT office for a withdrawal form if needed.

IMPORTANT!!

When you sign up for the ACT program do the following:

- **Request an information packet** from the ACT office, as noted on the previous page. This packet includes an ACT Plan booklet, ACT contract form, and other information about the program.
- **Read the ACT Plan booklet very carefully.** The information included in the permanent fund dividend application package is not a complete description of the ACT program.
- **Complete and return the ACT contract form** to the ACT office. Your purchase of ACT credits is not complete until the contract form is received and accepted by the University of Alaska. There are deadlines for completing these forms in order to purchase credits at the 1997 rate.

**ACT • UNIVERSITY OF ALASKA • P.O. BOX 755120 • FAIRBANKS, ALASKA 99775-5120
(WITHIN ALASKA) 1-800-478-0003 • (FAIRBANKS AND OUTSIDE ALASKA) 907-474-7469**



University of Alaska
Statewide System of Higher Education

THE ALASKA ADVANCE COLLEGE TUITION PAYMENT FUND

The Alaska Advance College Tuition (ACT) Payment Fund, as established in 1990 under AS 14.40.803, was created by the legislature to provide an incentive for Alaskans of all ages to continue and complete their secondary and post-secondary education. The ACT plan provides for future redemption or refund of ACT credits for payment of tuition and other qualified higher education expenses at the University of Alaska or any eligible college, university or vocational/technical institution.

The ACT fund consists of permanent fund dividend (PFD) and cash contributions under the terms of an advance college tuition payment contract. Under the PFD program, half of a participating individual's annual PFD dividend can be deposited directly into the ACT fund. Currently, there are over 6,300 pre-paid tuition contracts in place totaling approximately \$17.6 million. The Commissioner of Revenue is the custodian of the fund and the University of Alaska Board of Regents administers the program.

P.L. 104-188, signed into law on August 20, 1996, included a provision of the Internal Revenue Code (Section 529) that defined the federal tax treatment of qualified state tuition programs, thereby clarifying the tax-exempt status of the ACT fund and the tax-deferred status of a participant's earnings on any increase in value of ACT credits prior to actual use. Congress has given states with pre-paid tuition programs until August 1997 to bring their plans into conformance with the new law. The University Board of Regents has revised the ACT plan to conform with federal legislation; however, state statute changes are also necessary to better assure full compliance. Although the Internal Revenue Service will make any final determination, failure to pass conforming state legislation could result in retroactive taxation of the ACT program and its participants back to 1991 and virtually eliminate the financial viability of the program.

Senate Bill 187
Sectional Analysis
Advance College Tuition (ACT) Program

Purpose of the bill:

The bill is intended primarily to conform the state statutes related to the Advance College Tuition payment plan with federal tax legislation passed by Congress with the help of Senators Murkowski and Stevens as part of the Small Business Job Protection Act in August 1996. On February 14, 1997, the Board of Regents adopted a revised ACT Plan which was intended to conform the Plan and operation of the program to the new requirements. Congress has given prepaid tuition programs until August 1997 to bring their plans into conformance with the new law. The Internal Revenue Service (IRS) will make all determinations regarding compliance and have not yet issued any regulations or guidelines on the issues. Although the university believes that the revised ACT Plan adopted by the Board of Regents in February is adequate to comply with the new law, the proposed changes to the statute included herein will be of substantial assistance in making that argument with the IRS. Failure to comply with the new tax law in a timely manner could result in retroactive taxation of the program back to 1991 and destroy the financial viability of the program.

Section 1

AS 09.25.120(a) is amended to limit access of public records requests for personal identifying information of participants in the ACT program. The ACT records include social security numbers of purchasers and beneficiaries and personal financial information regarding amounts deposited with the Fund and the values of any participants interest in the program.

Section 2

AS 14.40.803(b)(2) is amended to eliminate unnecessary wording regarding contributions to the fund, if any.

Advance College Tuition Program

Section 3

AS 14.40.803(c) is amended to authorize payments to other eligible educational institutions, if payments to other institutions are required. Internal Revenue Service (IRS) regulations are expected to provide certain safe harbor provisions to qualified state tuition programs if payments are made directly to an eligible educational institution. An "eligible educational institution" is a defined term under the Internal Revenue Code (Code).

Section 4

AS 14.40.805(11) is amended to add the word "awards" in order to make the terminology the same as that used in AS 14.40.803(c).

Section 5

AS 14.40.809(a) is amended to clarify that ACT credits can be used for payment of "qualified higher education expenses," which are defined in the Code (basically tuition, fees, books, supplies, and potentially room and board at some future time). This change is beneficial to participants in that it allows tax deferred savings for certain expenses in addition to pure tuition. It also limits the sale of tax deferred ACT credits to purposes of funding "qualified higher education expenses" as required by federal law. In order for a prepaid tuition plan to be exempt from federal income tax, redemptions must be limited to use for "qualified higher education expenses" at an "eligible educational institution."

AS 14.40.809(a) is amended to clarify that students can utilize ACT credits for tuition and qualified expenses at other "eligible institutions." This change is beneficial to participants in that credits can be redeemed for use at institutions other than the University of Alaska. It also limits the sale of tax deferred ACT credits to use at an eligible institution as required by federal law. In order for a prepaid tuition plan to be exempt from federal income tax, redemptions must be limited to use for "qualified higher education expenses" at an "eligible educational institution."

AS 14.40.809(b)(2) is amended to indicate that the formal Plan adopted by the Board of Regents is part of the contract with the purchaser. This is intended to emphasize the fact that the terms and conditions of the ACT Plan will be deemed part of the ACT contract.

Advance College Tuition Program

AS 14.40.809(b)(4) is amended to allow the Board of Regents to enter into reciprocal agreements with other eligible educational institutions or qualified state tuition programs as considered beneficial by the Board of Regents. The Code provides for rollover provisions which are yet to be defined in IRS regulations. The university believes that it may be advantageous for participants or for qualified state programs to allow reciprocal transfers of participants between contracts, institutions, or between state programs. Although reciprocal agreements with Sheldon Jackson University and Alaska Pacific University have been authorized by statute, uncertain tax treatment of the program itself and the benefits to participants has made consideration of any such agreement unfeasible.

AS 14.40.809(b)(5) is deleted as unnecessary. This provision was added to the statutes in an effort to seek exemption of the ACT program income tax as an integral part of a tax exempt instrumentality of the state. Passage of Section 529 of the Internal Revenue Code last year eliminated the need for this provision. The commitments under the ACT Plan are, and will continue to be, a contractual obligation of the university in accordance with the terms and conditions of the ACT Plan; however, the university does not intend to make ACT participants a special or preferred class of creditors.

Section 6

AS 14.40.811(a)(1) is amended to delete the provisions related to installment contracts. This provision was included in the law prior to development of the ACT program. It was intended to apply to a situation where a purchaser would agree to payment for four years of education to be paid in installments in advance of coming to school. This provision is currently nonfunctional because the ACT program developed into a unitized program, where a purchaser receives the number of units of education that were paid for rather than making a contractual commitment to make payments in the future. Under the ACT program, there is no commitment to purchase or pay for any specified number of additional units or credits.

AS 14.40.811(a)(2),(3), and (5) are amended to clarify some of the essential information which is required for a prepaid tuition contract including name and date of birth of the purchaser and the beneficiary (prospective student), the number of credits purchased, and the commitment by the Board of Regents to provide education to the beneficiary in accordance with the terms and conditions of the Plan.

Advance College Tuition Program

AS 14.40.811(a)(7) is amended to clarify the Board of Regents will make whatever terms and condition are required by the Internal Revenue Code part of the contract with participants of the program.

Section 7

AS 14.40.817(1) is amended to clarify that "contract" as used in AS 14.40.803 - 14.40.817 means an ACT Contract.

AS 14.40.817(2) is amended to make the definition of a beneficiary under state statute the same as the definition under the Internal Revenue Code. The concept of residency for eligibility is unchanged and is retained in the formal Plan adopted by the Board of Regents.

AS 14.40. 817(4) and (8) are added to adopt the same meaning for an "eligible educational institution" and "qualified higher education expenses" as provided by the Internal Revenue Code. These definitions are critical to federal tax treatment under the Code.

AS 14.40. 817(7) is amended to clarify who is the contracting party or purchaser and to accomodate situations where payments under a contract are made by persons, such as grandparents, who are not the formally named as a purchaser or participant under a contract.

James F. Lynch
Associate Vice President for Finance

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Statewide System of Higher Education

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April 28, 1997

The Honorable Gary Wilken
Chair, Senate HESS Committee
Alaska State Senate
State Capitol: Mail Stop 3101
Juneau, AK 99801-1182

Dear Senator Wilken:

RE: Federal Legislation, Prepaid Tuition Programs

At the Senate Hess Committee meeting earlier today, I agreed to provide additional information on federal legislation which may alleviate the income tax burden for individuals saving for college. Enclosed is a copy of the McConnell Graham College Savings Act of 1996 (S.594).

The McConnell Graham bill provides fixes for a number of technical problems with last year's prepaid tuition legislation, but primarily it authorizes state sponsored prepaid tuition and college savings programs to include payment of "room and board" and completely exempts the student from the federal income tax on any increase in value or earnings credited to their prepaid tuition account. Under the current law, any distributions for room and board must be subject to a payout penalty. This bill does not provide for a federal tax deduction for contributions or payments by participants into the program, but it is the next best thing. Although a student's tax rate should be relatively low, the tax bill will come when they have no source of funds from which to pay the tax. If the funds are used in accordance with the law (exclusively for qualified expenses), there is no "cash distribution" from which to pay any tax due.

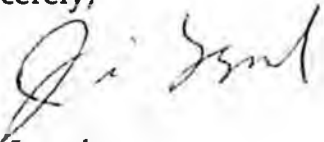
The concept of college savings programs has only recently picked up momentum. When Alaska initiated its program, there were only four other state programs. We have been actively working through the National Association of State Treasurers at obtaining national recognition for these programs and their issues. There are now approximately 20 states with active programs or are actively implementing programs, and almost every state is at some stage of evaluating the viability of a college prepaid or savings program. Today's students are leaving school with incredible amounts of debt (in many cases uncollectible) to be paid in the future. College savings programs are

University of Alaska
The Honorable Gary Wilken
Page 2
April 28, 1997

essential to turning this situation around and leverage the time value of money into payment of those costs in advance. The obstacles and disincentives to saving for college must be removed and the students encouraged to act responsibly for themselves. The primary obstacle to implantation of these programs has been the Internal Revenue Service. That problem was substantially mitigated last year. The McConnell Graham bill enclosed is another major step forward.

Senator Murkowski has signed on as a co-sponsor to the McConnell Graham bill, and I believe that Senator Stevens will be supportive. No action has occurred in the House to my knowledge. There is other federal legislation in the works. I will try to keep you informed. Communicating your support for this legislation and prepaid tuition legislation in general to the Alaska delegation will be a big help for the Alaska prepaid tuition participants. Thank you very much for your interest in the program.

Sincerely,



Jim Lynch

JFL/pe

Enclosure

cc: Senator Loren Leman

SB

189

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 4/25/97

FURTHER: Finance

Date of 5-Day Notice: 4/25/97
 (in accordance with Uniform Rule 23)
 24 hr^{rule} in effect

DATE TURNED
 IN TO OFFICE: 4/30/97

Health, Education and Social Services Committee considered

SENATE BILL NO. 189

"An Act relating to eligibility for and default, collection, and repayment of student loans; relating to nonrenewal of certain occupational licenses for default on a student loan; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING/DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Don A. Luman</i>	✓				
<i>John Evers</i>	✓				
<i>Lydia Green</i>	✓				
CHAIR: <i>Carroll R. Wells</i>	✓	CHAIR:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
DOE	4/29/97		* 9.5
Occupational C+ED - Licensing	4/29/97	✓	
ACPE	4/24/97		15.1
Admin	4/28/97	✓	
Worker's Labor - Comp	4/30/97		28.9
Employment Labor - Security	4/30/97	✓	

Labor - Labor Standards 4/30/97 * 15.2
 APPROPRIATION -- no fiscal note

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 189

Revision Date: _____	Dept. Affected: <u>EDUCATION</u>
Title: <u>Education Loan Repayment/Eligibility:</u>	BRU: <u>Teaching and Learning Support</u>
<u>Occupational Licensing</u>	Component: <u>Teacher Certification</u>
Sponsor: <u>Senate Health, Education & Social Services</u>	
Requester: <u>Senate Health, Education & Social Services</u>	COMPONENT SERIAL NO. <u>1240</u>

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	6.5	5.0	5.0	5.0	5.0	5.0
SUPPLIES	3.0	2.0	2.0	2.0	2.0	2.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	9.5	7.0	7.0	7.0	7.0	7.0

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

CHANGES IN REVENUES						
---------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1007 Interagency Receipts	9.5	7.0	7.0	7.0	7.0	7.0
TOTAL	9.5	7.0	7.0	7.0	7.0	7.0

Estimate of current year (FY97) cost: \$

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The legislation would require that teacher certification be withheld if a licensee is in default on a loan issued by the Alaska Commission on Postsecondary Education. The Teacher Certification Unit would be required to match up borrowers in default on a student loan with teaching certificates issued to determine if a license should be withheld. It also requires written notification of denial of renewal and issuance of a 150 day temporary license if the denial is appealed. The requested funding would come through the ACPE to DOE for costs associated with comparing borrower default information with licensees, issuing the written notice and temporary license. Contractual costs include revisions to regulations and procedures, computer programming time, additional phone and copy charges. Supplies costs include purchase of certification forms and office materials

Prepared by: Nancy Buell
Division: Teaching and Learning Support

Phone: 465-8689
Date: 4/29/97

Approved by Commissioner: Shirley J. Holloway, Ph.D.
Agency: Department of Education

Date: 4/29/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 189

Revision Date: _____
 Title: An Act relating to eligibility for and default, collection,
and repayment of student loans;....
 Sponsor: Senate HESS
 Requestor: Senate HESS

Department: Commerce and Economic Development
 BRU: Occupational Licensing
 Component: Operations
 COMPONENT SERIAL NO. 1844

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0
---------------------------	-----	-----	-----	-----	-----	-----

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						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SB 189 repeals AS 08.02.025 and reenacts new requirements under AS 14.43.148 concerning nonrenewal of a license for an individual in default with the student loan program. The renewal requirements are similar to those currently in place under AS 08.02.025 with the exception of adding a new provision for a 150 day temporary license. New funds are not required to implement the license renewal requirements in this bill.

Prepared by: Jennifer Strickler, Administrative Manager
 Division: Occupational Licensing
 Approved by Commissioner: William L. Hensley
 Agency: Commerce and Economic Development

Phone: 465-2144
 Date: 4/28/97
 Date: 4-27-97

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