

HOUSE / SENATE FINANCE COMMITTEE MINUTES - 1967-1982 2734

appropriated to these accounts. Subparagraph (b) of this section establishes a subaccount called the "general fund contribution account" which consists of the lesser of all revenue from the General Fund from mineral lease rentals, royalty, etc., or any amounts remaining in the General Fund which have not been obligated or for which the appropriation has not lapsed at the end of the fiscal year. The subaccount would be used for any purpose for which the unallocated reserve account may be used subject to legislative appropriation. It should also be noted that subsection (b) is made retroactive to June 30, 1977, pursuant to Section 28 of this Act. The allocation of amounts remaining in the General Fund which have not lapsed at the end of the fiscal year is an unusual form of appropriation which seems hardly consistent with State budgeting procedures and would at best be an uncertain amount depending on lapsed appropriations at the end of the last fiscal year.

AS 45.96.130. DEBT SERVICE RESERVE ACCOUNT: This section mandates that the fund capitalize in each bond issue the maximum permitted reserve fund, currently approximately 15% of the total bond issue under IRS regulations, to secure payment of the obligations being issued. This section is representative of a statutory mandate in connection with the configuration of a financing which should be left to determination at the time of financing within legislative limitations.

AS 45.96.140. CAPITAL RESERVE ACCOUNT; AS 45.-96.150. LOSS RESERVE ACCOUNT; AS 45.96.160. FIRE INSURANCE AND LIABILITY RESERVE ACCOUNT. The capital reserve account is created at the time of each issue of obligations in an amount equal to 5% of the obligations issued. The amount is paid into the capital reserve account from the unallocated reserve account. The 5% paid in reserve which is established here is an obvious assumption by someone that this amount would be sufficient to cause bonds of the fund to be marketable. The same 5% reserve is allocated from the unallocated reserve account to the loss reserve account established under AS 45.96.150. I would question what loan loss or bond reserve experience gives rise to the legislative suggestion of the 5% loss reserve account.

The Commissioner of Revenue is required to replenish the loss reserve from the 1% spread between the rate of interest paid by the borrower and the lending rate. Such a spread except in the case of certain specified "governmental programs" would violate the Internal Revenue Code and Regulations. ✓

AS 45.96.160. The fire insurance and liability reserve account simply provides that the fund may insure loans without requiring proof of insurance against fire and liability if an additional charge of 6/10 of one percent per year is made. I do not see where any amount is allocated to this account, despite the language in Section 120(a).

AS 45.96.170. INVESTMENT OF RESERVE ACCOUNTS: This section provides for investment of the reserve accounts by the Director of the Division of Treasury in certain stated securities and permits investment of the general fund contribution account in obligations of the Loan Programs Fund.

AS 45.96.190. BUDGET; AS 45.96.200. ACCOUNTING. These sections provide for an operating budget from the General Fund and accounting for the fund by the Department of Administration with reporting from the Legislative Budget and Audit Committee to the legislature quarterly.

AS 45.96.210. LOAN PROCEDURES: This section states that the Division of Alaska Loan Programs must establish offices in Juneau, Fairbanks and Anchorage, and provides for loan approval of loans under \$350,000 by the District Director with a committee of two loan officers, while loans over \$350,000 must be approved by a State-level committee.

AS 45.96.220. ALASKA LOAN PROGRAMS EVALUATION COMMITTEE; AS 45.96.230. RENEWABLE RESOURCES LOANS EVALUATION COMMITTEE: These sections set up committees charged with the responsibility for evaluating loans delinquent for a period in excess of 30 days with a view toward renegotiating the loans with alternative terms and conditions where possible, while at the same time protecting the interests of the State. The Director of the Division of Collections in the Department of Revenue and the Director of the Alaska Loan Programs Division sit on both committees;

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the Director of the Division of Economic Enterprises in the Department of Commerce and Economic Development is on the Alaska Loan Programs Evaluation Committee; while the Director of the Division of Renewable Resources Development in the Department of Commerce and Economic Development sits on the Renewable Resources Loans Evaluation Committee. Neither section sets up any guidelines or criteria for renegotiating loans under the respective sections.

AS 45.96.240. COLLECTIONS; DIVISION OF COLLECTIONS: This section sets up a division within the Department of Revenue to be headed by a classified employee, range 27. For whatever reason, it is provided that the Director be an attorney licensed to practice in Alaska with at least four years of practice in "business law and business practices". Upon a finding that a delinquent loan should not be renegotiated, and the loan is not brought current within 30 days, the loan is transferred to the loss reserve account and transmitted to the Division of Collections for collection.

AS 45.96.250. LOAN PURPOSES: This section contains the general statement that the fund may make loans for residential housing, commercial purposes, public purposes and education.

AS 45.96.260. RESIDENTIAL HOUSING: This section seems to be an extrapolation of the primary purposes of the Alaska Housing Finance Corporation with special permission to sell loans to the Teachers Retirement Fund or Public Employees Retirement Fund if the borrower is a teacher or public employee.

AS 45.96.270. COMMERCIAL LOANS: This section provides for a wide variety of commercial or other public purpose loans of one type or another. Specifically mentioned are farmers, commercial fishermen, local development companies, child care facilities, loggers, etc. One provision in subsection (2) requires a commercial fisherman to have had a commercial fishing license for three years in order to obtain a loan for the upgrading of his equipment. Also worthy of particular attention is subsection (6) which, along with subsection (9) on small businesses, are broad

enough to fit in virtually any activity. Finally, under subsection (8) you may note that loans are available to investor-owned public utilities for hydroelectric generation and for water utilities. It is unclear as to whether an investor-owned electric utility generating power by oil, natural gas or coal would be eligible for a loan of this type, and it is unclear whether a sewer utility if investor-owned would be eligible for an Alaska Loan Programs Fund loan. (But the answer is probably no.) Note that the definitions in AS 42.05.701(2)(A) and (C) include all electric utilities and also include sewer utilities. Also noteworthy is the deliberate omission of investor-owned natural gas distribution utilities and telephone utilities from this subsection.

AS 45.96.280. CERTIFICATE OF NEED FOR CHILD CARE FACILITIES; AS 45.96.290. VOLUNTARY ASSESSMENT ON SALE OF SALMON. These sections provide respectively for certificates of need for child care facilities and assessment of members of an association of licensed fishermen to be benefited by hatchery programs. These sections are interrelated with the loan permissions provided under AS 45.96.270.

AS 45.96.300. PUBLIC PURPOSES: This section is apparently designed to replace the Alaska Municipal Bond Bank Authority. This section provides that the Director of the Division of Alaska Loan Programs shall lend money to municipalities with populations of less than 5,000 and to corporations eligible under subparagraph (d) of this section. These are non-profit corporations either designated as tax exempt under 501(c)(3) and (4) of the Internal Revenue Code or a public corporation or other municipal instrumentality created under AS 29.59.010. This section provides that loans to municipalities should be made through the purchase by the fund of municipal bonds and that loans to non-profit corporations shall be made through revenue bonds issued on behalf of the corporation by the municipality in which the project is constructed. I believe there is a reversal in terms here and that it is intended that the revenue bonds be issued on behalf of the municipality by the corporation. Under this section, loans to municipalities of 5,000 or less population could be made if certified to their legality

by the borough or city attorney or if made outside the municipality by the Department of Law and that the loans be payable within 30 years on an even annual debt service basis. This section further provides that the Director of the Division of Alaska Loan Programs submit a bid for all general obligation bonds offered on a competitive basis by any municipality if the municipality provides its bid form to the Director at least 10 days before opening a bid. This section goes on to provide that the bid be determined on the basis of the Daily Bond Buyer 20-bond average with provisions for various maturities above or below the average depending on the rating of bonds. Bids for revenue bonds under subsection (c) issued on behalf of a non-profit corporation are also required to be submitted by the Director of the Division of Alaska Loan Programs again on a bid basis determined on the Daily Bond Buyer average. This section is objectionable in its design to internalize borrowing by municipalities instead of encouraging borrowing on the ordinary tax exempt market and because there is no apparent rationale for the bid scheme set forth in the statute particularly for revenue bonds. Revenue bonds vary substantially in quality according to the project being financed and no generally applicable bid scheme can be arbitrarily set as is attempted in this section.

AS 45.96.310. DEFAULT ON MUNICIPAL BONDS: This section provides for a default provision for payment of State monies owing to municipalities directly to the fund similar to that contained in the existing Alaska Municipal Bond Bank Authority Act.

AS 45.96.320. MUNICIPAL BOND CAPITAL RESERVE ACCOUNT: This section sets up a reserve from the unallocated reserve account equal to five percent of the obligations issued and sold after July 1, 1978. Again, there is no rationale for the fixing of the percentage necessary to secure the bonds or any flexibility in establishing a different or other percentage depending on bond market conditions.

AS 45.96.330. INDUSTRIAL DEVELOPMENT BONDS: Under this section the fund is to make loans to businesses conducting exempt activities under Section 103(b)(4) and (5) of the Internal Revenue Code either directly or through purchase by the fund of the industrial development bonds

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issued by the State Bond Committee, this section is apparently intended to replace the Alaska Industrial Development Authority.

AS 45.96.350. EDUCATION: This section effectively replaces the present Alaska Scholarship Loan Program, leaving that program with only a grant function. Curiously, it adds the five-year residency requirement of Section 370 as a criteria for grant of a student loan, meaning an Alaska high school graduate would necessarily have to have been a State resident since entering the eighth grade. The former statute simply required residency. Even more curious is the fact that subsection (f) allows a forty percent forgiveness if repayment of the initial sixty percent is made with no delinquency. The former program required five years residency upon completion of the course of study in order to be eligible for the maximum forty percent forgiveness - this program requires no residency for forgiveness purposes.

AS 45.96.360. TOURISM, HISTORICAL AND OPEN SPACE LOANS: This section provides, in addition to Section 270, loans to businesses involved in the tourist industry. It also provides loans under certain conditions for historical structures, but fails to mention open space loans specifically.

AS 45.96.370. ELIGIBILITY: This section bears careful reading as it proposes a five-year residency requirement in order to be eligible to apply for a loan. In addition, one must be 18 years of age, apparently eliminating even applications from 17 year old students. A corporation must have 60 percent of its shareholders with five-year Alaska residency and must have a board of directors and chief executive officer each of whom have been residents of the State for at least five years. Should any of these criteria as to a corporation fail (e.g., board of director member moves outside the State while he continues to serve) the loan becomes immediately due and payable. In addition, the chief executive officer and board of director members must assume full individual liability for repayment of any loans to the corporation. This section would appear to be extremely onerous, and may very well be unconstitutional as in derogation of the right to travel, etc.

AS 45.96.380. MAXIMUM LOAN AMOUNTS: This section sets up various loan limits including those for residential

housing and under subsection (b) for commercial loans which may be increased under subsection (c) by bringing more eligible individuals into the project. Perhaps worthy of particular note is subsection (e) which provides that no more than three loans may be made to any person or to any of his "associates". Under this subsection it would appear that the partners in a firm would be limited to three loans between them, while each of their employees might have an additional three loans each. The section also provides for an automatic escalation in loan limits in response to increases in the consumer price index for Anchorage.

AS 45.96.390. AREA COST DIFFERENTIAL. Here a formula based upon both the cost of living and the cost of construction as determined annually by the Department of Transportation and Public Facilities is used to increase the Section 380 limits, which it turns out are intended for the lowest cost areas in the State.

AS 45.96.400. ADDITIONAL LOAN LIMITATIONS: This section provides for the limits previously established to be decreased as much as 50% for those with less than five years experience in the activity for which the loan is made. There appear to be no exceptions. Clearly, this would be difficult to administer and the criteria, of course, may not bear a rational relationship to probable success in a particular business.

AS 45.96.410. VALUE LIMITATION: In this section the loans are further limited to 90% of the appraised value of real property pledged as security for the loan. However, if the loan is for residential housing and is made in an area where FHA mortgage insurance is not available, the loan may be for 95% of the appraised value. Presumably, in areas where FHA mortgage insurance is available the limit reverts to 90%. When equipment is pledged as security the limit is 80% of loan to value.

AS 45.96.420. MAXIMUM TERMS OF LOANS: Loan terms are limited to the useful life of the property. Specific limitations are set at 30 years on a loan secured by real property, 15 years or the life of the equipment on a loan secured by equipment used for production of income and 7

years or the life of the chattel on a loan secured by other chattels. Working capital loans are for one year.

AS 45.96.430. RATE OF INTEREST: For borrowers other than municipalities the interest rate is set at one percent over the anticipated cost to the fund plus the amount required for necessary insurance. In the case of loans to veterans or loans for agricultural purposes, the rate of interest is reduced by one percent with the difference made up by the veterans or agricultural revolving loan funds. Except for certain specific "governmental programs" the Internal Revenue Code and Regulations prohibit any spread between borrowing and tax exempt lending rates.

AS 45.96.440. ELIGIBILITY FOR VETERANS' INCENTIVE: This section sets out the criteria for the special interest rates allowed veterans under 430(b) and appears to be similar to those found in AS 26.15, the Alaska World War II Veterans' Act.

AS 45.96.450. EMPLOYMENT PRACTICES: This section provides that in the case of any contracts let by a recipient of a loan from the fund, that the employees on those contracts be 95% residents where they are available and qualified. While not a durational residency requirement as we found in Section 370, this provision may be subject to challenge. See the comments under Section 370.

AS 45.96.460. COOPERATION WITH OTHER AGENCIES: This requires that other State agencies provide information, services and facilities to the fund on request. Presumably, the requirement here is limited to non-confidential data.

AS 45.96.470. BANK PARTICIPATION: Provision is made here for participation in a loan with a financial institution, and for the financial institution to act as an agent for the loan program in the initial processing of applications. Subsection (c), however, appears to allow the participating financial institution to fix the interest charged by it up to the legal limit prescribed by law. It is unclear to us precisely how this would operate.

AS 45.96.480. ASSURANCE REQUIRED: The prohibition set out in this section is that no person who provides services to the borrower in the preliminary phases of a

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project may participate in the implementation stage of the project. While the policy behind this is again unclear to us, it would appear to prevent a consulting engineer or architect who helped to design a project from supervising construction and, likewise, would appear to prevent an attorney from continuing his representation through all stages of a project.

AS 45.96.490. DEFINITIONS: Defines the "fund" and "the loan programs fund" to mean the Alaska Loans Program Fund created by AS 44.96.

Section 2 of SB 429

Section 2 of SB 429 adds a new chapter (AS 37.13) entitled ALASKA PERMANENT FUND. The initial section sets up the Permanent Fund to consist of 25% of all mineral lease rentals, royalties, royalty sale proceeds, federal revenue sharing payments and bonuses received by the State. In AS 37.13.020 the investment criteria are set out in detail. See pages 28 and 39 of SB 429.

Section 3 of SB 429

Section 3, beginning on page 40 of SB 429, adds a new Article 4, Alaska Renewable Resources Development Financial Assistance Program, to AS 37.11. The legislation contains an extensive declaration of policy and legislative findings, creates a Division of Renewable Resources within the Department of Commerce and Economic Development, and sets out the purposes of that division. AS 37.11.150 provides that the receipts of the renewable resources development fund (AS 37.11.020) are appropriated to the new division. The fund receives by statute five percent of mineral lease rentals, bonuses and royalties. Section 160 sets forth the qualifications for the Director, including eight years of administrative or management experience in resource planning or development, etc., and Section 170 sets the compensation, salary range 27. The powers and duties of the Director found in Section 190 include consideration of investment proposals and approval of applications for financial assistance. Eligibility requirements for financial assistance set out in Section 200 include the provision that the

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applicant meet the eligibility requirements for the Alaska Loan Programs Fund.

The new division in Section 200(b) is limited in its investment in a single project without legislative approval to a "combination of equity purchases and interest incentives" of no more than 5% of the annual receipts of the renewable resource development fund or \$1.5 million, whichever is less.

Section 210, Financial Assistance, limits the division's financial assistance to investment in not more than 50% of the capital stock or other ownership interest in a project, provided that the applicant has borrowed the maximum amount allowed by the Alaska Loan Programs Fund first. This provision seems inconsistent with the limitation in Section 200(b). The division may also offer an interest incentive by paying part or all of the interest on loans from the Alaska Loan Programs Fund, but may only give grants for public purposes when the amount of the grant has been included in the "general budget" of the State for the next fiscal year.

Section 220 provides that the division guarantee all loans made to a renewable resource project from the Alaska Loan Programs Fund. Section 230 provides for payment of interest incentives with repayment to begin after net profit is generated by the company. Section 240 sets up a loss reserve account equal to 10% of the estimated total amount of all loans guaranteed by the renewable resources development fund. Investment and accounting provisions are similar to those set up for the Alaska Loan Programs Fund.

Section 4 of SB 429

This section amends the present AS 37.11.060, Fund Principal, by providing that balances remaining in the Alaska Renewable Resources Development Fund at the close of each fiscal year be deposited in the "Alaska Renewable Resources Fund", rather than in the Permanent Fund as in existing law. However, it would appear that this should read "the Alaska Renewable Resources Permanent Fund"; the word "Permanent" found in the present text having been omitted from the bill.

Section 5 to 29 of SB 429

Many of the remaining sections of SB 429 are devoted to altering existing State loan programs so that they continue only to administer existing loans. In some cases, programs are also left with a grant function.

Special note should, however, be made of:

SECTION 13 which adds a new section to Title 29 (29.58.290) which would prevent any municipality from issuing a revenue bond which is an industrial development bond under Section 103 of the Internal Revenue Code.

SECTION 15 which now would allow investment of some treasury surplus in loans made under the Alaska Loan Programs Fund.

SECTION 16 places responsibility for formulating investment policy on the Director of the Division of Treasury and eliminates the present Advisory Committee which had legislative input. The Director must, however, present his policy to the legislature at the beginning of every regular session.

SECTION 20 requires deposit of State funds not being used for specified purposes in Alaskan financial institutions which offer the highest bid for the State funds.

SECTION 21 insures that all four of the new positions set up are in the classified service, and the Governor may not designate them as partially exempt.

SECTION 25 sets up by statute a division of the Treasury in the Department of Revenue, headed by a Director whose qualifications and duties are set out - including investment and management of State funds, etc.

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SECTION 26 confirms that administration of the Alaska Loan Programs Fund and the Renewable Resources Development Fund is by the Department of Commerce and Economic Development.

SECTION 27 is a far reaching section which repeals:

1. Most of AS 03.10 (Alaska Agricultural Loan Act).
2. Parts of AS 14.40.751-806 (Relating to loans under Art. 9 of AS 14.40 - Scholarship Loans and Tuition Grants).
3. Most of AS 16.10.300-370 (Commercial Fishing Loan Act).
4. Major portions of AS 16.10.500-620 (Fisheries Enhancement Loan Program).
5. Most of AS 18.56.010, et seq. (Alaska Housing Finance Corporation).
6. Most of AS 18.100.030, et seq. (Housing Development Revolving Loan Fund).
7. Most of AS 18.100.070 (Senior Citizens Housing Development Fund).
8. Major portions of AS 26.15 (Alaska World War II Veterans Act).
9. AS 37.10.065 (Investment of Alaska Permanent Fund) [replaced by AS 37.13].
10. AS 37.10.075(b)-(d) (deposit of State funds) [subsection (a) was expanded by Section 20 of SB 429 to require bids, but limits to financial institutions within State].
11. AS 37.10.079 (purchase of bonds).
12. AS 37.11.030 (fund utilization) [this refers to the Alaska Renewable Resources Development Fund which is now covered adequately by the new sections in AS 37.11].

13. Most of AS 41.22.10, et seq. (Outdoor Recreation, Open Space, and Historical Properties Development Fund).

14. All of AS 40.30 (area redevelopment).

15. Most of AS 44.33.240, et seq. (Child Care Facility Revolving Loan Fund).

16. Most of AS 44.58 (Alaska Municipal Bond Bank Authority).

17. Major portions of AS 44.59 (Alaska State Development Corporation).

18. Major portions of AS 44.60 (Small Business Development Corporation of Alaska).

19. All of AS 44.61 (Alaska Industrial Development Authority).

20. Almost all of AS 45.86 (Water Resources Revolving Loan Fund).

21. Almost all of AS 45.90 (Tourism Revolving Fund).

22. Major portions of AS 45.95 (Small Business Loans).

23. Most of AS 45.98 (Historical District Revolving Loan Fund).

SECTION 28 of the bill makes AS 45.96.120(b) retroactive to June 30, 1977. This is the funding for the subaccount "General Fund Contribution Account". See the discussion above under Section 1.

SECTION 29, the final section, makes Senate Bill 429 effective immediately. The bill will create a complete disruption in the activity of existing loan funds which are operating now on a regular basis as well as the cessation of bond financing activities by the Alaska Housing Finance Corporation which now has outstanding in excess of \$300 million in bonds and notes and other important agencies such as the Alaska Municipal Bond Bank Authority with ongoing

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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programs. The findings of the bill do not support a simplistic conclusion that elimination of all bond financing for loans by State agencies and combination of those activities with State general fund lending activities is in the public interest. The bill completely ruptures the pattern of municipal bond financing in the State limiting local powers to finance in the interest of centralization in the State.

From an administrative if not a legal standpoint, it would seem far better to set an effective date of at least 90 days after passage. Ideally, January 1, 1979 or even July 1, 1979, would seem to make more sense for those portions of the Act which will require establishment of a totally new structure. However, it is submitted that the wholesale repealers and transplanting of functions mandated by the bill is not indicated. Rather, any legislative effort should be preceded by careful study of those State lending programs which have succeeded and those which need improvement.

EEW:jr

ED

General Subject: Education short form budget

Present: Hohman, Meland, Lillion, Butrovich, Sackett, Dave Scott.

Log #	Description
957	FY 79 Budget requests - Ed. category - 20 proposed
970	Underfunding of Current Legislative Statutes
984	" Transportation & debt retirement
998	" Administrative Services
1006	" Community schools - \$1m short
1015	Why was transportation underfunded? Answer -
1036	Supplementals - AK arts Council 39,800 ⁰⁰
1047	" Pupil transportation
1052	" Student Financial Aid Administration
1066	Short forms - pg.
1090	Pg. 2 Alaska Historical Commission - need funding to complete textbook
1106	Pg. 6 " Arts Council - non profit corp.
1123	Pg. 8 " " grants -
1133	Pg. Order of info in short forms
1140	Pg 10 State Retirement - increase of 20% in eligible payroll
1150	What was it last year? 10%
1157	Pg 14 Foundation program - regular, special & vocational education students
1175	Combine related areas of foundation
1180	BIA school transfers - 4 identified out of 20
1197	Special education portion of foundation audit
1203	Pg 16 Transportation - 87% funding
	New regulations in Sept. - District to get 3 contracts - new reporting requirements

General Subject: Short form - Education Budget

Log #	Description
1227	Pg 18 - 87% funding level - are districts adding special buses to pick up only private students?
1249	Pg 22 Debt Retirement - Local
1257	Pg 30 Supplemental Programs - no sabbatical leaves after '78
1266	Pg 32 - Local Formula - REAA
1275	Pg 36 - Bilingual Fund - inflation funding request
1291	Pg 48 Administration Services - governor did not fund anything for school lunch program
1309	Pg 50 Financial accounting & audit - correspondence study rate charged
1330	Correspondence Study - could be fewer students using program or by reimbursements need legislation - big increase of students in Anchorage - Fairbanks in correspondence study - religious group against school
1372	Pg 56 Cross Cultural Education - losing 1/3 of federal funds - general funds propped to back up that loss
1403	Pg 60 Scholarships loan program -
1413	2500 ⁰⁰ for undergraduate student
	5000 ⁰⁰ for graduate student

General Subject: short form - Education Budget

Log #	Description
1432	Why decrease in amt from last year to this year?
1440	Governor increased amt by 200,000 ⁰⁰ - 4 new positions
1450	Analysis to whether or not 2500 ⁰⁰ is sufficient? Has not been changed for several years 3000 ⁰⁰ has been recommended from constituent
1471	Pg 62 - Administration - 4% delinquency rate
1481	Supplemental for ADP program
1493	How far behind in delinquency?
1508	Pg 66 - General Administration
1530	Pg 70 - Wuche Program - can fund only 37 out of 86 eligible students
1545	Wuche is a 13 state program - 3 of commissioners here
1554	Pg 74 - Adult Basic Education
1563	Pg 78 Adult Vocational Education - want to fund new programs
1572	Pg 80 Community Schools
1583	Pg 84 - Grants Administration - 76,000 ⁰⁰ loss in CETA funds
1589	Agency requesting funds for regional coordinator for fire training center
1597	Pg 86 - Skill Center - fire training center in Bethel

FY 79 GOVERNOR'S PROPOSAL
EDUCATION CATEGORY
Underfunding of Current Legislative Statutes

		<u>Total</u>
Pupil Transportation -	<u>\$2,640.0</u>	\$2,640.0
	Public - \$2,589.9	
	Private - 50.1	
Debt Retirement - Local HB 89, Chapter 120	<u>\$5,110.8</u>	7,750.8
Administrative Services -	<u>\$2,000.0</u>	9,750.8
School Lunch Supplement - 2,000.0 HB 212, Chapter 90		
Community Schools - AS.14.36.030	_____	

FY 79 BUDGET REQUEST ANALYSIS
LEGISLATIVE FINANCE DIVISION
SUPPLEMENTAL SCHEDULE FOR
ALASKA PUBLIC BROADCASTING COMMISSION

Station: _____ Owner: _____

Original License Date: _____ Current License Expiration: _____

B U D G E T

	FY 76	FY 77	FY 78	FY 79 Maint.	FY 79 Request
Total Operating Budget	\$ _____	_____	_____	_____	_____
State Fund Portion	\$ _____	_____	_____	_____	_____
State Fund Percentage	_____ %	_____	_____	_____	_____

OTHER SOURCES

Federal:

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Local:

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Other:

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

TOTAL

_____	_____	_____	_____	_____	_____
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STATE FUND RECAP

APBC Grant

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

TOTAL

_____	_____	_____	_____	_____	_____
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S T A F F I N G

Weekly Hours

Paid Staff

_____	_____	_____	_____	_____	_____
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Volunteer Staff

_____	_____	_____	_____	_____	_____
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TOTAL

_____	_____	_____	_____	_____	_____
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General Subject: Education

All members were present except Senator Sackett. List attached for additional people present.

Log #	Description
1284	Meeting called to order 8:40 a.m.
1290	Mr. Cole, Deputy Commissioner, Dept. of Ed. - begin pg. 14
1301	Foundation Program, pg. 14
1314	Dave Scott - Will you be able to set up format such as suggested on pg. 14? Ans. by Mr. Cole - Yes.
1328	Senator Orsini - question regarding federal funds
1348	BIA transfer units
1364	Pupil Transportation - about \$3m low in Governor's budget
1386	Mr. Scott: Why did Governor choose to underfund transportation?
1395	Senator Orsini: Is there any state attempt to exert pressure in this regard or do we just underfund? Ans:
1427	Revenue sharing - pg. 21
1431	Debt Retirement - pg. 23
1443	Senator Croft: What's the rationale for that? Do you just not believe in bill that was passed last year?
1468	Senator Croft: Total underfunding of education is \$2 1/2 m as I understand it. Ans: Better than \$10m including hot lunches, transportation, retirement, etc.
1487	Senator Orsini: Is any of this fund kept by the Department for administration use? Ans: No.
1510	Supplemental Program - sabbatical
1515	Local form of REEA
1518	Do you anticipate Governor will send through a budget amendment on this one? Mr. Cole: Probably.

Tape #: SF 78 #7RECORDER LOGDate: 2/6/78Page: 2

General Subject: Education

Log #	Description
1569	SOS ASHA payment - pg. 34
1575	pg. 37 - Bilingual Funds
1580	Up-date on programs to include in program.
1589	Will be meeting with Senator Ferguson on this.
1595	Senator Croft: Does this amount of money adequately take care of program? Mr. Cole: Quite short. Will need approximately \$3m additional.
1610	Senator Orsini: What do you mean by "realistic?" Ans: Senator Croft
1627	Pg. 39 - Regional Resource Centers
1666	Mr. Scott: Are you assuming any different distribution for FY 79? Ans: Mr. Cole
1675	Pg. 41 - Federal Programs - hot lunches, disadvantages students, libraries, etc.
1687	Mr. Scott: Why has there been no increase in these three areas in three years? Ans: Mr. Cole. Mr. Scott: Do these funds include carry-over funds? Ans: Mr. Cole.
1697	Senator Orsini: Do you know where in the State the various funds are going? Mr.: I can provide this information for you.
1717	Pg. 43 - Tuition Students - students from areas where there is no secondary education - being boarded elsewhere
1722	Pg. 45 - Boarding Home Grants
1729	Mr. Scott: Is this just an inflationary increase? Is the number of students stabilizing? Mr. Cole: Yes.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

FY 79 BUDGET REQUEST ANALYSIS
LEGISLATIVE FINANCE DIVISION
SUPPLEMENTAL SCHEDULE FOR
ALASKA PUBLIC BROADCASTING COMMISSION

Station: _____ Owner: _____

Original License Date: _____ Current License Expiration: _____

B U D G E T

	FY 76	FY 77	FY 78	FY 79 Maint.	FY 79 Request
Total Operating Budget	\$ _____	_____	_____	_____	_____
State Fund Portion	\$ _____	_____	_____	_____	_____
State Fund Percentage	% _____	_____	_____	_____	_____

OTHER SOURCES

Federal:

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Local:

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Other:

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

TOTAL

_____	_____	_____	_____	_____	_____
-------	-------	-------	-------	-------	-------

STATE FUND RECAP

APBC Grant

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

TOTAL

_____	_____	_____	_____	_____	_____
-------	-------	-------	-------	-------	-------

S T A F F I N G

Weekly Hours

Paid Staff

_____	_____	_____	_____	_____	_____
-------	-------	-------	-------	-------	-------

Volunteer Staff

_____	_____	_____	_____	_____	_____
-------	-------	-------	-------	-------	-------

TOTAL

_____	_____	_____	_____	_____	_____
-------	-------	-------	-------	-------	-------

BROADCAST AREA

Cities:

Villages:

BROADCAST LANGUAGE(S)

PROGRAMMING HOURS

	FY 77	FY 78	FY 79	
			Maint.	Request
Weekly Broadcast Hours (Monday-Sunday)	_____	_____	_____	_____
Average Daily Broadcast Hours				
Monday-Friday	_____	_____	_____	_____
Saturday	_____	_____	_____	_____
Sunday	_____	_____	_____	_____

Broadcast Days-Please Circle

M	Th	M	Th	M	Th	M	Th
T	F	T	F	T	F	T	F
W	S	S	S	W	S	W	S
S		S		S		S	

PROGRAMMING SOURCE(S) & TYPE(S)

FY 78 WEEKLY HOURS

	LIVE				TAPE/FILM			
	Local	State	Other	Total	Local	State	Other	Total
News	_____	_____	_____	_____	_____	_____	_____	_____
Entertainment	_____	_____	_____	_____	_____	_____	_____	_____
School/College Credit	_____	_____	_____	_____	_____	_____	_____	_____
Public Aff/Ser.	_____	_____	_____	_____	_____	_____	_____	_____
TOTAL								

FY 79 WEEKLY HOURS-MAINTENANCE

News	_____	_____	_____	_____	_____	_____	_____	_____
Entertainment	_____	_____	_____	_____	_____	_____	_____	_____
School/College Credit	_____	_____	_____	_____	_____	_____	_____	_____
Public Aff/Ser.	_____	_____	_____	_____	_____	_____	_____	_____
TOTAL								

FY 79 WEEKLY HOURS-REQUEST

News	_____	_____	_____	_____	_____	_____	_____	_____
Entertainment	_____	_____	_____	_____	_____	_____	_____	_____
School/College Credit	_____	_____	_____	_____	_____	_____	_____	_____
Public Aff/Ser.	_____	_____	_____	_____	_____	_____	_____	_____
TOTAL								

PROGRAMMING POLICY-STATEMENT

PROGRAMMING HOURS

	FY 79			
	FY 77	FY 78	Maint.	Request
Weekly Broadcast Hours (Monday-Sunday)	_____	_____	_____	_____
Average Daily Broadcast Hours				
Monday-Friday	_____	_____	_____	_____
Saturday	_____	_____	_____	_____
Sunday	_____	_____	_____	_____

Broadcast Days-Please Circle	M	Th	M	Th	M	Th	M	Th
	T	F	T	F	T	F	T	F
	W	S	S	S	W	S	W	S
	S		S		S		S	

PROGRAMMING SOURCE(S) & TYPE(S)

FY 78 WEEKLY HOURS

	LIVE				TAPE/FILM			
	Local	State	Other	Total	Local	State	Other	Total
News	_____	_____	_____	_____	_____	_____	_____	_____
Entertainment	_____	_____	_____	_____	_____	_____	_____	_____
School/College Credit	_____	_____	_____	_____	_____	_____	_____	_____
Public Aff/Ser.	_____	_____	_____	_____	_____	_____	_____	_____
TOTAL								

FY 79 WEEKLY HOURS-MAINTENANCE

News	_____	_____	_____	_____	_____	_____	_____	_____
Entertainment	_____	_____	_____	_____	_____	_____	_____	_____
School/College Credit	_____	_____	_____	_____	_____	_____	_____	_____
Public Aff/Ser.	_____	_____	_____	_____	_____	_____	_____	_____
TOTAL								

FY 79 WEEKLY HOURS-REQUEST

News	_____	_____	_____	_____	_____	_____	_____	_____
Entertainment	_____	_____	_____	_____	_____	_____	_____	_____
School/College Credit	_____	_____	_____	_____	_____	_____	_____	_____
Public Aff/Ser.	_____	_____	_____	_____	_____	_____	_____	_____
TOTAL								

PROGRAMMING POLICY-STATEMENT

General Subject: Education

All members were present except Senator Sackett. List attached for additional people present.

Log #	Description
1284	Meeting called to order 8:40 a.m.
1290	Mr. Cole, Deputy Commissioner, Dept. of Ed. - begin pg. 14
1301	Foundation Program, pg. 14
1314	Dave Scott - Will you be able to set up format such as suggested on pg. 14? Ans. by Mr. Cole - Yes.
1328	Senator Orsini - question regarding federal funds
1348	BIA transfer units
1364	Pupil Transportation - about \$3m low in Governor's budget
1386	Mr. Scott: Why did Governor choose to underfund transportation?
1405	Senator Orsini: Is there any state attempt to exert pressure in this regard or do we just underfund? Ans:
1427	Revenue sharing - pg. 21
1431	Debt Retirement - pg. 23
1443	Senator Croft: What's the rationale for that? Do you just not believe in bill that was passed last year?
1468	Senator Croft: Total underfunding of education is \$2 1/2 m as I understand it. Ans: Better than \$10m including hot lunches, transportation, retirement, etc.
1487	Senator Orsini: Is any of this fund kept by the Department for administration use? Ans: No.
1510	Supplemental Program - sabbatical
1515	Local form of REEA
1538	Do you anticipate Governor will send through a budget amendment on this one? Mr. Cole: Probably.

General Subject: Education

Log #	Description
1569	SOS ASHA payment - pg. 34
1575	pg. 37 - Bilingual Funds
1580	Up-date on programs to include in program.
1589	Will be meeting with Senator Ferguson on this.
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	of program? Mr. Cole: Quite short. Will need approximately \$3m
	additional.
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	in three years? Ans: Mr. Cole. Mr. Scott: Do these funds
	include carry-over funds? Ans: Mr. Cole.
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	are going? Mr.: I can provide this information for you.
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	no secondary education - being boarded elsewhere
1722	Pg. 45 - Boarding Home Grants
1729	Mr. Scott: Is this just an inflationary increase? Is the
	number of students stabilizing? Mr. Cole: Yes.

Tape #: SF 78 #7
SF 78 #8

RECORDER LOG

Date: 2/6/78

Page: 3

General Subject: Education

6

Log #	Description
1736	Pg. 47 - State Contract Programs
1750	Mr. Scott: Is FY 79 year for PL 874? Yes.
1758	Senator Croft: Will contract return to Anchorage District?
	Ans: Commissioner Marshall Lind: I'm not sure.
0003	Mr. Grieser - Administration Services
0049	Mr. Grieser - Administration Services - pg. 49
0075	Mr. Scott: Did the Department request funding of \$2.4m for program?
	Mr. Cole: Governor said priorities are not included here.
0157	Senator Croft: Do you have a breakdown by District on amount of school lunches? Mr. Cole: No, but I can get it for you.
0181	Financial Accounting & Audit
0195	Mr. Scott: Could you explain difference in your request for "Other Funds" and Governor's request for same. Ans: Mr. Cole.
0236	Senator Orsini left the meeting at this point.
	Pg. 53 - General Overhead - ASHA & Centrex - general supplies to operate office
0265	Alaska Arts Council
0280	Roy Helms, Executive Director, Council on the Arts Janet Green, Administration Office of the Governor
0300	Explaining need for requests of new personnel
0316	Mr. Scott: Are you withdrawing one position from current staff and Director of Performing Arts?

General Subject: Education

Log #	Description
0375	Drop of \$30,000
0381	Pg. 7 - new positions will cost \$47.8 - we are requesting more funding
0405	Senator Butrovich: What is the relationship between Alaska Arts Council & Community Arts Agency? Ans: Mr. Helms
0455	Operate as fund raising agency
0466	Were 1 1/2 new positions requested by AAC formerly working for Arts Agency? Ans: Yes.
0504	Only travel requests increased for Alaska Arts Council
0521	Programming area of Council
0526	New program with Anchorage - more funds needed for travel
0550	New piano tuners needed
0555	Moving works of art around State
0570	Co-ordinating visual arts
0593	Bush school funds
0599	Resource musicians should be in schools
0608	Community Bloc Grants - would like to see program grow - \$44,000 present funding
0631	Senator Tillion: would like more information on art collection. Ans: by Mr. Helms - to be available in public places
0650	Senator Tillion: I thought the museum collection was in our offices?
0665	Senator Hohman: Are there three collections in State? Ans: I'm not sure.

Tape #: SF 78 #8RECORDER LOGDate: 2/6/78Page: 5

General Subject: Education

Log #	Description
0690	Trying to fill need in bush areas
0700	Mr. Scott: The Council does not receive any private funds?
	Ans: That's right.
0710	Senator Tillion: Does Arts Alaska Inc. receive funds that the
	Legislature does not get to scrutinize? Ans: Mr. Helms.
0740	Mr. Helm: We don't account for private funds received throughout
	State.
0760	Tour recently to Tokyo.
0793	Akaska Historical Program
0	three pages of original contractual services budget (see attached)
0845	Programs of Histroical Commission carried on through Contractual
	Services
0869	Programs of interest on Alaska's past
0880	Works being readied for publication in FY 78
0902	modern Alaskan history
0925	Lawrence Rakestraw - <u>The Forest History of Alaska</u>
0937	Why is Forest Service not paying for publication? Ans:
0952	Ronald L. Lautaret
0957	Louis L. Renner
0960	Barbara Sweetland Smith
0968	five-year plan of tipics
0980	Writings by Catholic nun - 30 years in Alaska

General Subject: Education.

[illegible]

Explanation

320 Printing continued
during FY79.

The Alaska Historical Commission has scheduled the following volumes to be published

Lawrence Rakestraw, The Forest History of Alaska. Manuscript completed to 1970 through a 33.0 grant from the Forest Service. Is to be up-dated to 1976-77 by Professor Rakestraw. Ms. presently in Juneau office of Regional Forester. Also to be included in the appendix will be "A History of the Forest Service Role in Totem Pole Restoration and Preservation, 1904-1972" and "Index of Sources for U.S. Forest Service Work in Reference to Totem Poles and Related Matters." (1972)

Gerard Steckler, S.J., Charles John Seghers: Catholic Missionary in the North Pacific West, 1939-1886. Manuscript completed.

Ronald L. Lautaret, Steamboating in Alaska: the Steamboat Inspection Service in the Great Land. Manuscript in preparation.

**Please note
"Item" at the
bottom of 3 of 3

Louis L. Renner, S.J., Jesuitica Alaskana: A Bibliography. Manuscript completed.

Barbara Sweetland Smith, Bibliography of Archival Material Concerning the Alaska Diocese, Orthodox Church in America, Revised and Expanded Manuscript being revised and expanded.

The budgeted amount of 25.9 will not be enough to publish the above. Additional funds will need to be raised from the private sector.

330 Space Expense The Commission's Offices are in the College of Arts & Sciences quarters at the University of Alaska, Anchorage. They are also in the same building which houses the University of Alaska, Anchorage, Library. Having access to such a library is a prerequisite for adequate functioning of the Commission Staff. The Commission has office space as follows: room 306, secretarial bay 323, use of workroom (xerox machines, other duplication equipment, etc.), storage area for publications and display materials, use of a conference room, parking lot privileges for three staff members and visitors. In this regard, it is difficult to assess a cost-per-foot figure. The use of the space will cost 10.0 for the fiscal year. It should be noted that the University granted the Commission free use of its offices and facilities from May 1973 to July 1977.

BRU Alaska Historical Commission AGENCY Office of the Governor REVISED

15 Contractual Services

CODE	CONTRACTUAL SERVICES CLASSIFICATION	PRIOR YEAR (PY) ACTUAL	CURRENT YEAR (CY) AUTHORIZED	BUDGET YEAR (BY)			GOVERNOR'S BUDGET
				AGENCY			
				MAINTENANCE	CHANGE	REQUEST	
300	TOTAL CONTRACTUAL	50.2	35.2	51.9		51.9	37.3
310	COMMUNICATIONS	2.8	2.1	2.2		2.2	
320	PRINTING AND ADVERTISING	41.3	17.9	25.9		25.9	
330	SPACE EXPENSE AND FEES	.1	9.6	10.2		10.2	
340	REPAIR AND MAINTENANCE		.1	.1		.1	
350	UTILITIES OTHER THAN SPACE						
360	EQUIPMENT RENTAL-OTHER THAN HWCF AND WP	2.0	2.2	2.3		2.3	
364	EQUIPMENT RENTAL-WORD PROCESSING	2.5	3.3	3.5		3.5	
368	EQUIPMENT RENTAL-HIGHWAY WORKING CAPITAL FUND						
370	JUDICIAL EXPENSE						
380	PROFESSIONAL FEES AND SERVICES	.5		7.7		7.7	
390	OTHER FEES OR EXPENSE						
930	INTER-AGENCY TRANSFERS (NON-ADD)						

EXPLANATION:

320 Printing From year to year, depending upon the projects to be funded, whether the monies are dedicated to research and the preparation of a manuscript or to the publication of a manuscript, the largest program categories except for personal services of the Commission Staff will be in 320 or 390, either in printing (publishing) and binding or in professional fees and services (grants to individuals to accomplish the research and writing of a manuscript). It should be noted that in FY77 Commission publication and preparation expenditures were 41.3. The reason they radically dropped in FY78 is that it was anticipated that the Commission would be moved to the Department of Natural Resources where it would become a part of the Office of History and Archaeology. As a result, the publication schedule of the Commission is suffering greatly in the current fiscal year. The program has been unnecessarily handicapped as a result, and titles and projects which were scheduled for the current year will necessarily be deferred into FY79. It now appears that the Governor is not intent upon the move and the Legislature did not concur in the passage of HB142. Thus, the Commission should surely get back on its program schedule in FY79. The requested 25.9 is a most modest amount and should be double this if the following projects are to be accomplished in FY79 as planned.

BRU Alaska Historical Commission AGENCY Office of the Governor REVISED

15 CONTRACTUAL SERVICES

000024

Explanation

*cost: two to four cents per copy dependent on number of copies

- 360 Equipment Rental - other The Commission Office uses the Xerox equipment and mimeo equipment of the University of Alaska on a cost share basis.* Rentals also include a Pitney-Bowes postal meter.
- 364 Equipment Rental - Word Processing The Commission Office leases an IBM Mag-card II machine. This is an excellent tool for the typing of manuscripts, multiple letters, and many other uses which are required operations of an office which exercises editing functions, etc. Rental at \$268 per month.
- 380 Professional Fees and Services As explained in 320 (Printing) above, the bulk of program and projects of the Commission is expended in these two categories. The preparation of manuscripts is costed through professional fees and services. Grants are handled in several categories, or a combination thereof, depending on the content of the grant, the type of costs which are included in a grant.

For FY79, the Commission plans the following activities under 380 expenditures.

- Research and writing of a manuscript entitled, A Century in One Alaskan Town - HAINES. The work is to be done by Doris Ward and Elizabeth Hakkinen. It is anticipated that this project will prove a model for other Alaskan communities for the generation of community history and community biography.
- Develop an historical model for the writing of Alaska Native History. A joint venture with the Alaska Native Foundation, Native corporations, and cultural heritage organizations. Commission has already been approached by Raven's Bones Foundation, Cook Inlet Native Association and the Chugach Native Association. Funding will also be sought from the National Endowment for the Humanities and the Arts Endowment.
- The Alaska Office of History and Archaeology (Parks Division) and the Historical Commission plan to sponsor a Conference on Alaska's Maritime and Inland Waterways. It is anticipated that such a conference would stimulate the production of a topical bibliography and monographs. A grant will be sought from the Alaska Humanities Forum to cover Conference costs.

The 7.7 included for this category must be supplemented by private and federal funding.

****Item:** Alan E. Schorr, Assistant Professor, University of Alaska, Fairbanks and on the Staff of the Rasmuson Library, has informed the Commission that he plans to have a completed draft of his Index to the Annual Reports of the Governor of Alaska (75 reports) by early 1979. He has requested publication by the Alaska Historical Commission.

BRU Alaska Historical Commission

AGENCY Office of the Governor REVISED

CITIZEN RESEARCH AND PUBLICATION PROPOSALS PRESENTED TO THE ALASKA HISTORICAL COMMISSION
FOR WHICH THERE HAS BEEN NO AHC FUNDING POSSIBLE

Ann Riordan, Personal and Community History of Nelson Island (Tununak, Nightmute, Umkumute, Newtok, Chefornak and Toksook). (Anchorage)

Gerard Steckler, S.J., Charles John Seghers: Catholic Missionary in the North Pacific West, 1839-1886. (Spokane) (completed)

Mike and Joyce Johnson, Bristol Bay Oral History Project (Ekuk, Clark's Point, Dillingham, Ekwok, New Stuyahok, and Koliganek). (Dillingham)

Louis L. Renner, S.J., Jesuitica Alaskana: A Bibliography. (Spokane) (completed)

Mildred Jacobsson and Donna McAlpine, An Oral History of the Lower Yukon: Anvik and Holy Cross. (Anchorage)

Doris Ward, A History of Haines. (possibly to be combined with the Hakkinen volume below) (Haines)

Janet Maksimoff, An Historical Survey of Indigenous Orthodox Chants of the Yupik. (Kodiak)

Elizabeth S. Hakkinen, Musings: Weekly Museum Column on History of Haines in Chilkat Valley News. (Haines)

Emily Ivanoff Brown, An Eskimo Encyclopedia. (Fairbanks & Unalakleet)

Laura Hendricks, Oral History on the Kenai and the Life Review Process. also A History of the Tustumena Lake Region. (Clam Gulch)

Marian E. Chambers, An Historical Study of Aleut Internment on Hokkaido During World War II. (Anchorage)

F. Lawrence Pennett et al, A History of Alaska Engineering. School of Engineering, University of Alaska, Fairbanks. (Fairbanks)

Andrew J. Chikoyak, Cultural Heritage of the Yupik: A Film Record. Yupik Films, Inc. (Tununak)

Stephen W. Conn, A History of the Alaska Justice System: Territory and State. (Anchorage)

Frederick and Gail Luttmann, A History of Eskimo Dance. (Sonoma)

Claus-M. Naske, Eagle and the Fortymile: An Oral History. (Fairbanks)

Lydia T. Black, Aleut Ethnohistory and Culture Change. (Providence, R.I.)

Melody Webb Grauman, A Social History of Homesteading in Alaska. (Fairbanks)

Antoinette Shalkop, Russian Writing in Alaska: the Alaska Church Archives Collection in the Library of Congress. (Anchorage)

Art Davidson, A Pioneer Family in Alaska. (a film record of homesteading in Alaska) (Homer)

Winston Sarafian, A Bibliography of Russian-American Company Records on Aleut Ethnohistory. (Oxnard) (completed)

Blanche Preston McSmith, A History of Negroes in Alaska Since 1867. (Juneau)

Stephen J. Haycox, An Alaska Historical Dictionary and Chronology. (Anchorage)

Alaska Pioneer Homes Oral History Project. (Sitka, Fairbanks, Palmer, Kotzebue, and Anchorage)

PLEASE SIGN YOUR NAME, TITLE, AND AGENCY FOR THE RECORD
AND RETURN THE LIST TO THE SECRETARY. THANK YOU.

NAME	TITLE	AGENCY
Vanita Thomsen	Coordinator	Rural Student Voc. Program
Eric Davidge	Facilitator	Alaska Student Lobby
Shirley Jackson	Admin C/S Programs	Dept of Educ
Judy Flemming	Admin Assistant C/S	Dept of Educ
KERRY D. ROMESBURG	DIRECTOR	AK Commission - Postsecondary EDUC.
PAUL GULYAS	ASSIT DIR.	AK COMMISSION PS EDUC
GREG THIES	Budget & TRANSPORT	Dept of Ed.
Ken Grieser	Deputy Director	Dept of Ed.
Marshall Lind	Commissioner	Dept of Ed.
Janet Green	Admin. Officer	Office of Gen.
Allan Garner	Director	SE & RC
PAUL B. ARNOLD	DIRECTOR	Div of Retirement
Barbara McIntosh	Budget Analyst	Div of Budget & Mgmt
Roy H. Helmer	Executive Director	Council on the Arts
Paul Brown	Producing Director	Alaska Repertory Theatre
Robert A. Frederick	Exec. Dir	Alaska Historical Comm.

Tape #: 849

RECORDER LOG

Date: 2/7/78Beg. #: 8(0995-end)Time: 8:35am-10:00amEnd #: 9(0008-0818)Page: 1General Subject: Education Budget Agency ReviewPresent: Chairman Sackett, Senators Meland, Batrovick,
Orsini, Tillion, Croft.Kerry Romesburg - Past. Sec. Ed. Paul Davis + Michael
Porcero, Pub. Broad. Comm. Paul Arnoldt, Retirement Benefits.
Nat Cole + Wanda Cooksey, Education,
Mr. Murphy, Cross Cultural Ed. Ms. Walsh, Cross Cult. Ed.
Mr. Mendenhall, Cross Cultural Ed.Press: Joe LaRocca

Log #	Description
995	Call to order 8:35 a.m.
	Paul Arnoldt, Director, Div. of Teacher's Retirement Benefits.
1012	17.2m for matching moneys FY 79 Fed. Reg.
1021	Determination of rates and evaluation 6.70 to 6.43
1042	Anticipated reduction of 3.4m over 17.2m.
1049	Factor affecting reduction
1056	40 yr. amortization period reduced to 30 to be more consistent w/ private
1067	Actuarial contribution rates.
1070	Board meeting in March
1071	Sackett question re: effect of change
1085	Batrovick question re: reason for reduction.

General Subject: Education Budget Review

Log #	Description
1090	Arnoldt reply - also increase if amortization period is shortened.
1123	Reason amortization was not earlier reduced - funding over 14 year period
1136	Arnoldt reply to 20% increase
1145	Intensive review of past practices
1160	Crendahl question re: other large retirement system projections for salary increases
1169	Data available from the U. of A. - largest employer of teachers.
1170	Projection of 10%
1180	Arnoldt out - P. 57 - Out of town representatives
1190	Murphy Director - Cross Cultural Ed. - Rural
1213	Representatives & graduates from program.
1221	Dilemma - pressure to increase programs.
1229	Contract & BRU in Dept. of Ed. & Univ.
1243	Operation in 5 areas - 80 students
1251	1 prof. of Ed. 1 grad. student covering large area on road 60% of the time
1258	Pressure to increase program.
1260	Educational openings statewide
1273	Educational systems are of largest employers in

General Subject: Education Budget Review

Log #	Description
	the state.
1280	Out-of-state teacher orientation
1295	Walsk statement regarding contact between teachers.
1306	Orsini question re: % of Alaskan teachers hired
1310	Reply roughly 1/2 large amount are rural teachers statement re: turn over and adolescent problems.
1330	Mendenhall Statement re: problems teachers encounter in not listening to local aides. Outside problems to be dealt with.
1340	Benefits of local rural teachers - culture oriented
1350	Orsini - are new teachers recent graduates? Graduates are cheaper to acquire right out of school for teachers than those w/experience.
1369	Orsini enculturation problems when teachers transfer from village to village.
1381	Past rural experience is an asset
1388	Teacher orientation program would help. Native People would like to see their own people in teaching positions
1401	% of rural people who graduate and return to the village to teach
1409	Need for natives w/degrees and positions

General Subject: Education Budget Review

Log #	Description
	available within native corporations
1422	Metlakatla graduates have returned to their own area to teach.
1433	Regional panel functions battles between regions
1440	Students who wish to continue education but not leave home.
1448	Orsini question re: people who graduate in Ed. but go into other fields.
1458	Various agencies attempting to train in other areas also & ed has served as model.
1473	Murphy - Complexity to maintain integrity as program expands.
1483	Inter-disciplinary programs.
1488	Comm. College Activities - Orsini
1490	Field delivery
1498	Comm. College Functions
1512	- Bethel region statement re: those progressing toward A.D. degree.
1520	Accepting No new applicants for fall semester.
1525	Murphy - reply re: small rural high school.
1534	Difficulty of preparing program to enculturate teachers within the villages

General Subject: Education Budget Review

Log #	Description
1546	Butrovich question
1554	Executive committee mtg. in Anchorage Program not created to become an institution in itself.
1573	Requirements are more than current program provides, could double capacity and still retain quality
	460,000 Gen Fund 200,000 Fed. money
1587	Federal funds now cannot be used for instruction but must be allocated for planning
1590	Loss in effect of federal funds.
1601	If successful in obtaining other grants could increase from 5 to 8 locations
1613	Difference in funding 4 graduate students - stipends
1623	20,000 match in federal funds 50,000 small high school activity 327,000 fed. teachers money
1630	University grants.
1642	442,400 maintenance now 664.7 request. - from 5 to 8 centers.
1645	120,000 per field center
1654	Scott question re: dropping of field center & reduction of secondary program.

General Subject: Education Budget Review

Log #	Description
1665	Supply w/ copy of revised budget. & summary of testimony
1674	p. 89 Alaska Public Broadcasting
1680	Brief Overview (Porcano)
	Radio network, Wash. D.C. programs (five)
	Capital Broad. Tuneau.
1690	Satellite and bush programs
	Copyright Problem resolved
1699	Budget request FY 79 maintenance.
	2.6 Fed. grants. Gov.'s rec. not adequate
1708	New stations
1711	(Davis) visit to McGrath - new station.
1720	McGrath geographically ideal to serve small central areas.
1728	Local support & enthusiasm - school bd. support
1730	McGrath pop. 300 smallest village to have a station - tight housing.
1751	Lack of housing detrimental to establishing a station
Change of tape # 9	
0010	Difficulty at McGrath - technical requirements are met - problem is housing.
003	Other village request - Sand Point unserved by radio broadcast

General Subject: Education Budget Review

Log #	Description
0095	All elements needed technically are available. $\frac{1}{2}$ of the cost is already met
0130	Sand Point economically viable area. housing is not a major problem due to growth in the area.
0155	Service would extend down Aleutian Chain and serve areas now unserved.
0170	Service to fisherman, weather, etc.
0193	Visit to Haines per request, subsequent to budget preparation. - low power FM station Juneau signal does not reach Haines + Skagway.
0234	Community enthusiasm - volunteer manning
0247	Haines not included in budget request
0258	Sketch reason for 600,000 request
0267	Scott reduction in request column.
0280	B. Thomas reply re. cents.
0310	Anchorage FM included in maintenance.
0320	Scott question re: Sand Pt., McGrath.
0345	Last Year (100,000) program receipts and equipment given to capital community Broadcasters.
0383	p. 55 Correspondence Study Nat Cole - Corresp.
0392	Centralized correspondence study

General Subject: Education Budget Review

Log #	Description
	approp. to founda- tion and then transfer to program.
0420	Status of new regulations.
0426	Regulations to do what Bd. of Ed. intended would be beyond scope of statutes. Regulations would disallow students to take corres. when a local school is readily available
0456	Issue is before legislature
0466	Rep. Swanson's bill - intent of Bd. of Ed.
0483	Buttrick question - do we provide corres. to all who want it?
0485	Cooksey reply "yes"
0499	Cron Dahl - contingency fund?
0507	Cole - will use mechanism for reserving funds If enrollment increases supplemental may be necessary
0529	Effect of proposed legis. on enrollment
0538	p. 59-61 Ramesburg (Post Secondary Ed) \$4,800,000 request
0554	Reduction of gen. fund requirements p. 43 - additional positions (Student Financial Aid) 9 positions last year to 19 this year. Increase is 5. New positions are in collection area Remaining positions are transfers from Dept. of Education and approp. reductions have been shown in that area.

General Subject: Education Budget Review

Log #	Description
0596	Delinquency rate 9% - 21,000,000 loans are out now.
0609	no. of people who should pay + no. who are delinquent = 23% it is reducing - is related to staffing.
0635	p. 65 Scott question re: graduate student loans
0644	Tighter examination of graduates to determine need
	Undergraduate loans have not changed.
0665	Skill center student loans. budget grants reduced by Gov. students will be receiving loans.
0687	Graduate students beyond 18-20 yr. old range
0701	\$5,000 maximum needed by older student.
0719	Federal grants or working spouse fill additional need.
0730	Federal requirements - income tax records.
0734	State need requirements - expenses - need
0744	Older student over 50 w/considerable savings p. 67 Gen. Adm.
0758	Academic Dev. Plan U. of A. 408 recommendations
0773	Status of recommendations
0778	U. could not supply info at standstill.

Tape #:

RECORDER LOG

Date: 2/7/78

Page: 10

General Subject: Education Budget Agency Review

[illegible]

PLEASE SIGN YOUR NAME, TITLE, AND AGENCY FOR THE RECORD
AND RETURN THE LIST TO THE SECRETARY. THANK YOU.

NAME	TITLE	AGENCY
KERRY ROMESBURG	DIRECTOR	POSTSECONDARY EDUCATION
Paul Davis	Engineer	Public Broadcasting Commission
Michael Porcari	Executive Director	Public Broadcasting Commission
Tom Healey	Res. Coordinator	Postsecondary Education
Judy Fremming	Admin. Assistant	Correspondence Study
Margaret Healey	Deputy Director	State Libraries & Museums
PAUL B. ARNEOLDT	DIRECTOR	RETIREMENT & BENEFITS
Vanita Thomsen	Coordinator	Rural Student Voc. Program
Ross V. Saboleff	Mgt Consultant	
Pat Cole	Dep Comm.	Education
Marlene Padden	Director	Education
Shonda Clarke	Admin. Ass. Sec.	Education
Phyllis K. Davis	School Libraries Tech Force	Alaska Library Association

Tape #: SF 78 # 9RECORDER LOGDate: 2/9/78Beg. #: 1185Time: 8:30End #: SF 78 #10 1085Page: 1General Subject: Education

Present: All Senators, Alan Munro, State Museum; Vanita Thomsen, Rural Student Vocational Program; Kerry Ronesburg, Postsecondary Education; Alan Barne, SERA; Margaret Leibowitz, State Librarian Museum; Ernest Polley, Dept of Education; Jerry Hiley, Dept. of Education

Log #	Description
38	p. 70 Ronesburg - Wiche budget
1201	Record number of law students in Wiche
1210	Chart (attached) FY 79 Wiche Student Exchange Program
1233	Ways to fund students in Wiche program
1240	First alternative of funding recommended
1250	Alternative would be additional funds
1254	Why decrease in medicine? Ans
60	How many students do we get back? Ans (Chart Attached)
1286	How long have the program had law? Two years
1292	Support fields -
1298	Podiatry - related field of medicine
11	We are only state that sends out in all fields. - Mr. Scott

FY 79 WICHE STUDENT EXCHANGE PROGRAM

Support Field	Students 1977-78	Continuing 1978-79	New Applications 12-1-77	Estimated Eligible 1978-79	Alternatives at Recommended Funding Level			
					A	B	C	
Medicine (\$12,000)	19	8	23	14	14	11 (3)	12 (2)	
Dentistry (\$9,000)	11	7	13	15	15	13 (2)	10 (5)	
Veterinary Medicine (\$9,000)	8	7	6	11	11	10 (1)	9 (2)	
Optometry (\$4,200)	4	3	5	5	5	4 (1)	3 (2)	
Graduate Library Studies (\$3,400)	1	0	4	1	1	1	2 (1)	
Physical Therapy (\$3,400)	5	2	2	3	3	3	2 (1)	
Pharmacy (\$2,600)	4	3	1	4	4	4	3 (1)	
Dental Hygiene (\$4,200)	1	1	0	1	1	1	1	
Forestry (\$2,600)	4	4	5	3	3	6 (2)	5 (3)	
Law (\$2,600)	67	48	97	101	52 (49)	70 (51)	101	
Public Health (\$3,400)	1	1	1	2	2	2	1 (1)	
Occupational Therapy (\$3,400)	3	3	1	4	4	4	3 (1)	
Graduate Nursing Ed. (\$4,200)	1	1	2	2	2	2	1 (1)	
Architecture (\$2,000)	7	6	3	9	9	9	8 (1)	
Podiatry (\$4,800)	0	0	0	0	0	0	0	
TOTAL	134	94	163	180	151 (49)	140 (40)	159 (21)	

2/9/78

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12/8

FY 79 WICHE STUDENT EXCHANGE PROGRAM

Support Field	Students 1977-78	Continuing 1978-79	New Applications 12-1-77	Estimated Eligible 1978-79	Alternatives at Recommended Funding Level			
					A	B	C	
Medicine (\$12,000)	19	8	23	14	14	11 (3)	12 (2)	
Dentistry (\$9,000)	11	7	13	15	15	13 (2)	10 (5)	
Veterinary Medicine (\$9,000)	8	7	6	11	11	10 (1)	9 (2)	
Optometry (\$4,200)	4	3	5	5	5	4 (1)	3 (2)	
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Pharmacy (\$2,600)	4	3	1	4	4	4	3 (1)	
Dental Hygiene (\$4,200)	1	1	0	1	1	1	1	
Forestry (\$2,600)	4	4	5	3	3	6 (2)	5 (3)	
Law (\$2,600)	67	48	97	101	52 (49)	70 (51)	101	
Public Health (\$3,400)	1	1	1	2	2	2	1 (1)	
Occupational Therapy (\$3,400)	3	3	1	4	4	4	3 (1)	
Graduate Nursing Ed. (\$4,200)	1	1	2	2	2	2	1 (1)	
Architecture (\$2,000)	7	6	3	9	9	9	8 (1)	
Podiatry (\$4,800)	0	0	0	0	0	0	0	
TOTAL	134	94	163	180	131 (49)	140 (40)	159 (21)	

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ALASKAN WICHE STUDENT EXCHANGE PROGRAM GRADUATES
IN DENTISTRY, MEDICINE, AND VETERINARY MEDICINE

FIELD	TOTAL AK GRADS	LOCATION						
		AK	CALIF	ORE	WASH	Other WICHE	Other U.S.	Unknown
DENTISTRY	11	4		1	2	1	2	1
MEDICINE	21	2	3	3	4	1	6	2
VET. MED.	3	2					1	

FIELD	SEP GRADS - ALL STATES IN AK		
	AK	OTHER	TOTAL
DENTISTRY	4	3	7
MEDICINE	2	2	4
VET. MED.	2	3	5

NOTE: Dentistry and Veterinary Medicine Totals are through 1975. Medicine Totals are through 1970.

2/9/78

1260

General Subject: Education

Log #	Description
1329	Rep. Anderson - problem in sale of bonds re. 600,000 in g.o 1976 bond.
1352	Mr. Cole - requested that bonds be sold in normal market manner. - legal problem
1370	Who is bond council? Ans.
1387	Mr. Jim Rhode - purpose of bond to reimburse Bristol Bay School District
1405	No state money involved
1418	Precedents for buying raw ground - Rhode
1434	Real question is whether or not you can sell bonds - Croft
1440	Tillion - constitutional section that says education is problem of state
1455	Is state trustworthy? - Hickman
1476	Cole Debt retirement program
1487	Jerry ^{Hiley} Higley - Adult Continuing Education p. 75
1494	Serve approx. 4000 people state wide
1501	12 sites now. Would like to have 15 next year.
1508	Are fighting training
1516	Relationship of new these programs + new centers Mr. Scott. Ans. by Higley Hiley
1523	What is difference between Governor's figure + your figure Mr. Scott. Ans. by Higley Hiley

General Subject: Education

Log #	Description
1558	Pg. 85 - asking for supervisors for fire fighters.
1570	Adult Voc. - p. 85
1579	Is there a requirement of federal funds - Croft.
1590	What is income derived from this - Arseni
1595	Community schools. What is your funding?
	97%
160	You're only funding 70% of need? Croft -
	Mr. Highly - yes.
1615	Ceta p. 83
1625	Grants - p. 83
1632	What is reason for reduction in funds from
	current year to FY 79? - Brendahl - Mrs. Highly
1643	Pg. 87 - Skill center
1652	180 students in skill center now
1656	Ceta remarks by Mr. Scott & Mr. Highly
1672	Governor's office has eliminated tuition fees?
	Mr. Scott - Ans: Mr. Highly
1686	House building program by students. Is this
	still included in budget?
1694	Personal Services - 4 new positions allowed
	by Governor.
1710	Why is gross ^{amt} under what was allocated.
1715	Arseni - How is tuition determined - basically
	same as U of A

General Subject: Education

Log #	Description
1725	Orsini - Univ. doesn't include housing - What about this? \$70 ⁰⁰ per week for board & room
1735	Do you have to be a resident of Alaska to go to Skull Center? - No stipulations at this time.
1745	~~Museum~~ - Allen Munro - p. 91
1763	Survey state wide 76-77, treatment needed to preserve museum items.
1777	Critical need of preserverator - \$8.5m needed.
0004	Mrs. Wolfe - from Museum cannot meet needs of small museums with funds allocated.
0045	not adequate staff or place to store artifacts
0074	needs of museums outlined
0084	rich heritage we want to share with others
0096	idea of state-wide plan
0101	\$30,000 requested for continuance of small museums
0120	request not in keeping up with inflation - Croft
0143	increase in acquisitions in FY 78 - Munro
0162	also 50,000 for maintenance - total 80,000
0185	State Library - Margaret Leibowitz
0195	request for Health Science Library

General Subject: Education

Log #	Description
0210	15,000 more needed for Health Science
0213	dropped out of grant area - federal funds meant for development programs
0255	fairly large increase in Anchorage
0271	cannot get commitment confirmed on \$35,000 grant from Univ. of Alaska - Mr. Scott
0300	would you be coming back to Committee for funds increase if you don't receive these funds? - Ans: Unknown
0312	Sizeable need for school library program
0334	In rural training with Alaskan Institute?
0364	By 101 - Program evaluation
0370	By 102 - Special education
0398	RSVP - on job training - 2-week period 50% state 50% fed funding
0414	Are there funds allocated for FY 79 from federal? yes
0443	FY 79 lost year for federal funding
0459	Mr. Thompson - RSVP - continuity in funding should be developed - to assure program year after year.
0479	Schools showing interest for 6 1/2 years + will continue
0499	160 students required for 2 units.

General Subject: Education

Log #	Description
0500	Change in funding program would be good
0500	How did RSVP get federal funding for FY 78 + FY 79? - Dan
0550	How much problem in feds. letting us take over whole program?
0582	Did Legislature have role in setting up this program?
0591	Regional Resource program - p. 39
0607	Carl Blake
0623	Information packet on Regional Resource Centers
0632	Outline on funding level
0656	Two operating centers at present - asking one additional center
0690	RRC are locally controlled
0695	750,000 funds request
0699	100,000 to each center
0710	90,000 students in State served
0720	100,000 per center absolutely necessary to operate
0728	Do you anticipate any support from CEA?
0732	How much did you receive this year - approx. 25,000 ⁰⁰ (Allen Barnes)
0758	Question from Mr. Scott as to how they need 750,000 to operate for year?
0776	What is the nature of physiological services?

General Subject: Edu

Log #	Description
0789	Wiskee testing - done by certified psychologist
0796	p. 111 - Professional Teaching Practice - Mr. Cole
0800	funds will not exceed 20,000.
0820	Commissioner's Office - p. 115
0851	p. 118
0859	What is activities association?
0869	Project Eta - p. 121
0880	Ernest Polly
0896	3.5m by federal government over 4-year period
0923	Labor + technology need to be mixed
0936	4.6m to hire 250 teachers
0949	per pupil cost of education rose 15% between 1972 & 1976
0964	recommending Telecommunication
0980	600,000 was approval for planning - Croft
0985	What are operational plans for FY 79? - Croft
0995	50 school districts in State - Croft
1000	What will you do first year? - Croft
1008	What services will Districts receive in Fall of FY 79? - Croft
1026	What courses do you use radio education with? - Croft
1038	Where are you getting radio programs? Croft
	We'll design - - 37 -

General Subject: Education

Log #	Description
1045	How does this save the state money? Orsini
1063	18.3 students to 1 teacher - state-wide ratio
1085	meeting adjourned

UAS

SENATE FINANCE COMMITTEE

April 3, 1978

8:05 a.m.

Vice-Chairman Hohman convened the meeting in the absence of Chairman Sackett at approximately 8:05 a.m. All committee members were present with the exception of Senators Croft and Meland who arrived after the meeting commenced, and Senator Sackett who was traveling. Also attending were Fiscal Analyst, Dave Scott; Administrative Assistant to Senator Sackett, Judy Crondahl; Regent Mildred Banfield; Joe LaRocca of the press; and representatives from the University of Alaska listed on the attendance sheet attached to these minutes.

PRESENT

Vice-Chairman Hohman advised that the purpose of the meeting was review of the University budget and its zero-base analysis.

UNIVERSITY
BUDGET
OVERVIEW
& ZERO-BASE
ANALYSIS

Dave Scott directed committee attention to the proposed UA budget hearing schedule and advised that budget review would involve use of the Revised short form (3/30) for the University plus the accompanying workbook. Mr. Scott stated that the workbook would assist in detailing the University's zero-base analysis ordered by the Legislative Budget & Audit Committee.

Committee attention was directed to page 19 of the short form, specifically columns 10, 11, 12, and 13. Column 10 (UA - 90%) contains component appropriations at 90%; Column 11 (US - 95%) shows appropriations at 95%; Column 12 (UA - RB) sets forth the Revised Base; and Column 13 (UA - CS) displays Current Services. The differences between the columns reflect the effect upon the component of 90 or 95% funding, and reflect the steps the University went through in reaching its zero-base analysis. The "revised base" refers to fiscal 78 totals for the University.

To a question from Senator Butrovich regarding the Governor's figures, Dave Scott replied that the Governor has made a lump sum appropriation for the University (page 5 of the revised short form), and neither the Governor nor the House has made an allocation distribution.

GOVERNOR &
HOUSE
LUMP SUM
APPROPRIA-
TION

Referring to the workbook, Mr. Scott advised that pages in the workbook correspond to those in the short form, workbook figures reflecting the dollar differences (or add on's) between columns (specifically 10 through 13) in the short form.

Columns 11, 12, and 13, are supposedly all current programs at the University. Column 10 funding is less than the current year. If funding were cut to 90%, Columns 11, 12, and 13 show what the University would elect to add back in; conversely, items included within these columns represent areas the University would be forced to do without should the Legislature fund at 90%.

Mr. Scott added that the zero-base analysis was done in two phases. First, the budget was prepared, and then the University went back and performed the zero-base analysis. The analysis was done completely separate from the budget, and there is no correlation between the two. For this reason, an overlap exists in Column 6, necessitating the use of minus figures in the workbook when dealing with salary, promotion, and merit increases.

ZERO-BASE
ANALYSIS
PREPARED
IN TWO
PHASES

(Senator Meland entered the meeting at this time 8:20 a.m.)

Mr. Scott next directed committee attention to a list of questions compiled during University hearings before the House Finance Committee, advising that he had asked University representatives to comment upon and clarify these areas when making its presentation to the committee.

(Senator Croft entered the meeting at this time 8:25 a.m.)

Mr. Diebold commented that in terms of problems with the figures in Column 6, Dr. Brewer and Ashok Dningra would be meeting with Mr. Scott in an attempt to arrive at mutually agreeable figures.

Mr. O'Rourke, Acting Chancellor, Community College, Rural Education and Extension, began his presentation, advising that the Division of Community Colleges and Rural Education consists of approximately 15 BRU's commencing with page 101 of the short form. He added that basic budget development for the community colleges is done at the individual college level on internal University forms and then submitted through statewide channels.

O'ROURKE
BASIC BUDGET
DEVELOPED
AT CC LEVEL
& SUBMITTED
TO UA
ADMINISTRATION

Mr. O'Rourke advised that the zero-base analysis began with current services and moved downward. Various priorities were determined within the division. At this point Mr. O'Rourke distributed an Evaluation Criteria for Zero Base Budget Analysis (copy attached to these minutes). This criteria was used by all community colleges in adding items to the budget. The first priority involves contractual agreements, and the 90-95% funding shows current BRU levels. The second criteria pertains to improving division management systems in reducing BRU's for community college administration. This involves an attempt to achieve equity between the various instructional units, and an attempt to look at the costs associated with each unit.

ZERO-BASE
ANALYSIS
PRIORITY
CRITERIA

At this point Mr. O'Rourke distributed a table entitled Community Colleges, Rural Education & Extension, Comparative Costs of Instruction FY 79 (copy appended to these minutes). The chart projects student credit hours for each unit in the instructional budget. Mr. O'Rourke added that he had used just "Fund 1" (general fund and unrestricted revenue such as student fees) for preparation of the table, adding that a comparable document to the table appears on page 5 of the short form. He added that several years ago, funding of community college contracts on an area differential basis was introduced. When compiling the comparative figures, these differentials were removed. In addition, Mr. O'Rourke used a "size criteria" which he applied against the entire instructional budget. The size criteria is a floating factor based on size. The handout reflects adjusted costs per credit hour after the above considerations had been deleted.

INSTRUCTIONAL
COSTS

Senator Orsini questioned the rationale behind the contract differentials and size criteria, and Mr. O'Rourke replied that when the contracts with community college personnel were adopted, the rationale for funding the contracts was predicated upon an area differential based upon a University study, adding that in actuality the contracts were based upon dollars the legislature placed in the community colleges at that particular time. Mr. Scott advised that figures used in the cost of living study resulting in the contract differential were derived from a study done by Dr. Soley in 1973. Dr. Soley's figures were applied to the 1974 community college contracts and have not been adjusted for current contracts. Dr. Tilsworth added that Dr. Soley used the Department of Labor differential based on Anchorage when preparing his study.

CONTRACT
DIFFERENTIALS

Soley Study

Dr. O'Rourke stated that the size factor represents recognition that smaller units do not function with the efficiency of larger units. The floating size scale goes up to a factor of 2.5, reflecting the fact that a unit initially beginning operation functions at 1/2 the efficiency of a larger unit, and increase in size brings greater efficiency. He added that the size factor is based upon his own experience, advising that the University had begun to collect comparative data on unit costs, but it will be some time before the data is available.

SIZE FACTOR

Mr. Scott questioned the change in student credit hours between the December and most current report, and Mr. O'Rourke replied that the December report was based on preliminary information. Dr. Tilsworth replied that the final enrollment figures projected came from the Office of Instructional Planning and represent an initial attempt to formulate such projections. Mr. Scott again referred to the apparent shift of approximately 1500 credit hours from the major University units to community colleges, adding that he did not understand the shift. Fairbanks has experienced a shift of 8300 down to 7680, Anchorage from 4500 to 4300, and Juneau from 6000 up to 7000. Dr. Tilsworth advised that part of the shift was due to an update on enrollment figures and reorganization of administrative units. Concerning other discrepancies, Dr. Tilsworth replied he had no information.

SHIFT IN
CREDIT
HOURS FROM
UNIVERSITY
TO CC

Judy Crondahl advised committee members that there was a substantial difference between estimates, revised estimates, and what actually happened for 1977. To illustrate the problem, Judy stated that for the University at Fairbanks the original figure was 65.9, which was revised downward to 61.0, and ended up actually being 68.0. The same problem occurred at Juneau, but in the opposite direction. She added that it was her hope that current revised figures would be closer to reality than what happened in 1977. Dr. Tilsworth replied that the University is now using a system-wide projection rather than local enrollment figures, adding that he believes current figures to be conservative.

DIFFERENCES
IN ESTIMATES,
REVISED
ESTIMATES,
AND ACTUALITY

Dr. O'Rourke concluded his overview advising that the University had placed low priority on Item 6 (special programs), adding that Anchorage Community College runs the adult literacy program while Kuskokwim operates the language program. In the event of

budget tightening, the instructional units would receive priority.

Dr. Bill Stewart, Campus President for Anchorage Community College next appeared before the committee. Judy Crondahl cited a problem in areas where community colleges offer courses to inmates at a local correctional institution. She inquired concerning what could be done to reduce cutbacks at the institution when the community college course demand increases. Dr. O'Rourke replied that local community college administration would control the above situation, and Dr. Stewart advised that if the college had the money, it would maintain the current course level at institutions and perhaps increase it. Judy replied that she understood him to say that if funds are not decreased, course levels will remain the same, and Dr. Stewart replied, "yes."

DR. STEWART
ANCHORAGE
COMMUNITY
COLLEGE

CORRECTIONAL
INSTITUTIONS

Senator Orsini inquired concerning what constitutes instructional costs. Do these costs include faculty, classroom and office space, secretarial salaries, etc.? Dr. O'Rourke replied that instructional costs include all personal services, contractual, commodities, equipment, and miscellaneous, which make up the instructional budget. Physical plant facilities would not be included, and an increase in faculty office space would occur in the capital budget rather than the BRU, but secretaries who work directly for faculty would be included in the instructional unit.

INSTRUCTIONAL
COSTS

Dr. Stewart advised that Anchorage Community College runs the largest number of vocational and technical programs. Vocational programs such as dental hygiene are extremely costly because of the necessary teacher-pupil ratio, and technical programs are costly because of equipment needs. Anchorage Community College is in serious financial condition in that it has purchased no new programs and is behind in its equipment purchases. The college has grown at a rate of 6%, but its budget has not kept up with the growth percentage. The college has developed a master plan using community input and assistance, and the plan will be available in 3 to 5 weeks.

ACC
VOCATIONAL
& TECHNICAL
PROGRAMS

Dr. Stewart referred to Column 10 of the short form (UA - 90), advising that 90% funding would in actuality be 86% funding for ACC, adding that should the Column 10 budget be adopted, it would be a disaster for ACC.

90-95%
FUNDING
DISASTER
FOR ACC

Senator Croft asked Dr. Stewart if he had been requested to put together the budget for ACC, and Dr. Stewart replied that he put together the budget, and what the committee has before it for consideration is approximately 1/2 of what he originally requested. Senator Croft next asked Dr. Stewart if he was present when statewide University administration made decisions concerning his final budget, and Dr. Stewart replied that he was not present and made no presentation before statewide administration on behalf of his community college. Dr. Stewart replied that this year's budget process was actually an improvement over prior years when statewide University administration prepared and submitted the budget to the Legislature and community colleges never saw it. Senator Croft asked if this was a reasonable way to handle the largest budget unit for the University, and Dr. Stewart replied he would like to see formula budgeting used for community colleges.

ACC BUDGET
REQUEST
AND
SUBMISSION

Dr. Fate advised that when the budget came before the Board of Regents, it came for approval with priorities already set. He added that the Board of Regents was under a time deadline for submission to the Legislature and, therefore, relied on established priorities, adding that the Regents did not approve the total budget, but sent back several areas for further work. Mr. Diebold stated that the resulting budget did not reflect a total disregard for ACC, advising that Mr. O'Rourke was in charge of priority review. He further stated that he believed the community colleges should have an opportunity to make their presentations before the Board of Regents.

BOARD OF
REGENT
BUDGET
REVIEW

Senator Tillion raised a question concerning the relationship between, and the cost of, credit hours offered by the University which are career or job oriented, versus those which are of strictly personal interest. Dr. Stewart advised that he would provide such information. Senator Tillion advised that he believed programs which are not related directly to employment but simply of personal interest should receive lower priority when considered for budget purposes.

RELATIONSHIP
BETWEEN
AND COST OF
JOB ORIENTED
V. INTEREST
COURSES

Senator Orsini asked how the University determines which students are taking courses as a matter of interest, and which students are taking courses toward

a degree, and Dr. Stewart replied that he really could not provide such information because the University makes no attempt to ascertain motives when students enroll for courses; however, ACC is attempting to compile this information through its master plan. Senator Tillion reiterated that he wanted to be able to evaluate the cost of courses, and course effectiveness, in terms of the percentage of graduates who immediately go to work in their field of study upon graduation. Senator Croft further advised that he wished information on:

- (1) The number of individuals upgrading their present positions through additional courses.
- (2) Whether a correlation can be established between employment and courses taken.

He further added that he would like to receive a copy of Dr. Stewart's original budget.

Dr. O'Rourke advised that budget priorities were established for increases in the work load, and the University went strictly by priorities for the two phases of budget development:

TWO-PHASE
BUDGET
PREPARATION

- (1) First phase (original phase) did not have adequate priorities and was based primarily on decisions of former President Humphrey.
- (2) Second phase involved decreasing the budget to the 90-95% levels for zero-base analysis.

Dave Scott asked if President Humphrey had made cuts before or after the budget had been submitted, and Mr. O'Rourke replied that the budget packets were submitted, and President Humphrey then made the decision as to what should be cut. Mr. Scott advised that President Humphrey had indicated displeasure with the budget he presented in December, and asked University representatives if the budget now before the Legislature is essentially the one submitted by Dr. Humphrey. Mr. O'Rourke replied that the Legislature should review the budget in two stages, adding that anything over and above current services has not been changed since December, but decreases and changes between current services represent new material.

DR. HUMPHREY
DECEMBER
BUDGET

Senator Orsini inquired concerning the total cost of instruction, including classrooms, on a by-campus basis, adding that he did not consider such items as

TOTAL
COST OF
INSTRUCTION

counseling to actually be instructional costs. Mr. O'Rourke replied that page 5 of the short form lists figures for total cost per credit hour. Dave Scott added that the instructional budget as identified by the University utilizes the National Credit Information System for computing instructional costs and includes the cost of actual instruction, academic support, institutional support, and student services. Dr. Tilsworth advised that the University has no capability for determining an instructional cost factor because such costs as amortization of capital items are included.

Responding to an inquiry from Senator Orsini regarding utilization of classroom space, Dr. Stewart stated that ACC is in the process of shifting more classes to Friday, as well as using Saturday mornings for classes. He added that ACC does not have any more classroom space available for Saturday morning, and has a very high proportion of full time instructors teaching in the evening, which provides a high level of instruction, and ACC has cut down on overloads in all areas but math.

UTILIZATION
OF CLASSROOMS
AT ACC

Dave Scott referred to the Workbook, page 108, asking if the totals there represent ACC's entire summer session. Dr. Stewart replied that the figures did not represent the total, but reflected a large portion of it (approximately 35%), further advising that the figures in Column 11 represent a normal summer session.

ACC
SUMMER
SESSION

Responding to inquiry from Mr. Scott concerning the labor pool, Dr. Stewart replied that the labor pool would effect programs "across the board," adding that all general interest courses would be gone and ACC would be down to programs to complete degrees and vocational/technical programs. He added that ACC needs the figures in Column 12 in order to protect these courses, adding that ACC does not have any support; when the legislature cuts ACC, it starts cutting programs right away.

ACC LABOR
POOL

Mr. Scott inquired concerning the organizational chart for ACC, and Mr. O'Rourke replied that it had been prepared and submitted to Representative Cowper pursuant to House Finance Committee requests.

ORGANIZA-
TIONAL
CHART

Dr. Stewart requested that if the Legislature decides to limit ACC to 95% funding, it allow ACC some leeway in handling matters such as retirement in order to make adjustments within ACC staff.

Replying to a question concerning organizational and unit ranking, Ashok Dningra replied that the organization rank represents Dr. Stewart's priorities, while the unit rank represents Dr. O'Rourke's priorities. Dave Scott added that with reference to the workbook, the unit rank is simply a numerical sequence for items listed on a given page. Dr. O'Rourke advised that he had discussed internally the ranking of units and whether such ranking should be statewide, adding that Legislative Budget and Audit determined that ranking be statewide. Mr. Diebold added that the Board of Regents sent the priority order back to be reprioritized in concurrence with the wishes of individual chancellors.

ORGANIZA-
TIONAL AND
UNIT
RANKING

Mr. Diebold advised that the zero-base analysis document is not a good basis for making budget decisions at this time. Dr. Stewart added that the University has had the most turbulent administrative year in history, and he would prefer that the zero-base information not be used in budget determinations, adding that should the analysis be used, he was not sure he could run all of ACC's degree programs for the coming year. Dr. O'Rourke concurred that the zero-base information did not provide a good document for budget purposes.

ZERO-BASE
DOCUMENT
NO GOOD FOR
BUDGET
PREPARATION

Senator Croft inquired concerning the concept behind the University's zero-based analysis, and Mr. Diebold replied that he understood the analysis should begin with programs at zero and work forward; however, this could simply not be done by the University. Senator Croft stated that the University's analysis then appeared to be simply a method of asking departments how they would respond to arbitrary cuts.

CONCEPT
BEHIND
ZERO-BASE
ANALYSIS

Dr. John Wilsey next appeared before the committee on behalf of the Kenai Peninsula Community College, advising that Kenai is now the second largest in size, having grown from a rural college with 3,000 credit hours to 9,000 hours.

DR. WILSEY
KENAI
PENINSULA
COMMUNITY
COLLEGE

Dr. Wilsey added that KPCC had more than 2,400 individuals enroll in one or more classes this year, and the credit hour increase (not including inflation) was 42.2%. KCC offered only four new courses this year, and in order to offer more courses, it must have additional money. KPCC has offered no community school-type courses, no classes for children, and no low contact courses. The average student age at KPCC is 31 years.

INCREASED
ENROLLMENT

Concerning petroleum-oriented courses, Dr. Wilsey stated that 94% of the students are employed upon graduation; in fact, KPCC is having problems keeping these individuals in college because oil companies hire them before the semester is completed.

PETROLEUM
ORIENTED
COURSES

Dr. Wilsey added that KPCC attempts to run an efficient operation, adding that it has no admissions office, no dean of students, and no business manager. He further added that in attempting to reduce its budget to the 90-95% level, KPCC had attempted to do so in a manner which would not hurt the students. He added that the remedial reading and math programs proposed for KPCC were priority items necessary because many KPCC students had been away from school for a substantial length of time. He closed his statements by advising that KPCC had determined that the best way to reach the 90-95% level would be to simply close its doors for the 3 month summer period.

90-95%
BUDGET
LEVEL WOULD
CLOSE KPCC
FOR THE
SUMMER

Vice-Chairman Hohman introduced a visiting group of students from Dillingham to committee members, advised that the committee would reconvene at 8:00 a.m. tomorrow morning to continue University review, and adjourned the meeting at approximately 10:05 a.m.

ADJOURN

SF-78 #27 (1573 - end)
 #28 (entire tape)
 #29 (atart - 0144)

3/3/78

PLEASE SIGN YOUR NAME, TITLE, AND AGENCY FOR THE RECORD
AND RETURN THE LIST TO THE SECRETARY. THANK YOU.

NAME	TITLE	AGENCY
LARRY SWEET	EXECUTIVE OFFICER/RESEARCH	UNIV OF ALABAMA
Paul Gulyer	ASST DIR.	AK CAMP. ON REEDUC.
Tom Healey	Research Planning & Coordinator.	" " " "
TIM TILSWORTH	ASS'T TO PRESIDENT	UOFA
Ric Dainoff	Facilitation, Lobbyist	AK Student Lobby
Rob Munn	SAHAA Senator, Lobbyist	And Student. SAHAA
Ashok Dhirgira	Budget Development	ASL
Alfred Tate	Pres. Board of Regents	UA
FOSTER DIEBOLD	PRES. UNIV OF AK	U of A
E. Earl Bremer	VP for Int. U. of A.	U. of A
Pat Spence	Acting Director of Community College, Alaska State Education	U of A
Vern Owens	Assoc. President	SDCC
Harry T. Keim	Director of Adm. Services	JACC/UAJ
Carol Brown	Board of Regents	U/A
Bill Stewart	Campus Pres	ACC
James Wilby	Campus Pres	KPCC
F. L. Saville	Director Admin. Serv.	UAA/ACC/MSCC
Mason West Jr.	President	ACCFT
Howard Cutler	Chancellor	U of A Father

COMMUNITY COLLEGES, RURAL EDUCATION AND EXTENSION

Evaluation Criteria - Zero Base Budget Analysis

Program Decision Packages from each of the 15 BRU's within this division were prioritized for inclusion into each of the less-than-base levels according to the following criteria: (these are listed in the order of their importance for inclusion)

Priority 1. Meeting contractual agreements.2. Improving Division management system.3. Achieving more equitable Instructional costs between all Units.

This gave priority for Instruction to certain units who appeared underfunded and excluded instructional packages from some units who appeared overfunded.

4. Equity in Academic support relative to size of the instructional program.

Based on the assumption that such support should grow as instructional programs grow, it recognized the size factor (i.e. proportionate costs for small units will be higher) by comparing support costs to adjusted instructional costs.

5. Equity in Institutional Support relative to size.

Same assumptions and method apply here as in #4, Academic Support

6. Special programs not integral to the primary missions of the units.7. Individual BRU priorities.

This critereon actually overlaps all of the above and was considered jointly with each. Within each general priority listed above, the unit's order for decreases was followed.

PROCESS AND EFFECT

As a result of Criteria #1 and #2, two BRU's, Community College Contract Funding and Community College Administration, received full funding at both the 90% and 95% levels.

Under criterion #3, full funding in the Instructional component was given to those units that had particularly low cost/credit hour on the adjusted scale. These included, in order, Northwest, MatSu, Kenai and Ketchikan. Conversely, those units with particularly high costs per credit hour -- Rural Learning Centers, Kodiak, JDCC, ACC, Kuskokwim and TVCC -- had programs excluded from the 90% and 95% bases. Size and rural factors were already taken into consideration.

Under priorities # 4 and #5, the percentage ratio of Academic and Institutional support costs to Instruction were taken into account; the assumptions are mentioned under the priorities. Thus, under Institutional support, program decision packages from REA, Sitka, Ketchikan and Kodiak were given priority for inclusion at all levels while under Academic Support, packages from Kenai, Kuskokwim, Kodiak, JDCC and ACC were given priority consideration. TVCC, Sitka and REA had high percentage ratios in the areas and thusly, many of their Academic Support packages were excluded from various levels.

The overall process stressed building in certain areas where units were weak and developing greater cost effectiveness where units seemed out of proportion in their costs.

COMMUNITY COLLEGES, EXTENSION & REA
COMPARATIVE COSTS OF INSTRUCTION 1977-78

UNIT	Credit Hours	Instruc. \$	1 Rural Factor	Instruc. \$ Revised	Cost/ \$ Cr/hr	2 Size Factor	Adj. Cost Cr/hr \$	% Comparison to Instruction		% Comparison to Total		
								Instit. Spt.	Acad. Spt.	Instruction as % of Total	Instit. Spt. as % of Total	Acad. Spt. as % of Total
ACC	114,200	6688.7	1.000	6688.7	58.57	1.000	58.57	-	18%	78%	-	18%
JRCC	11,200	977.1	1.071	912.3	81.45	1.25	65.16	-	14%	88%	-	14%
NECC	8,700	624.4	1.105	565.1	64.95	1.50	43.30	36%	10%	57%	21%	6%
KETCH	4,400	490.1	1.006	487.2	110.72	2.0	55.36	20%	20%	62%	12%	10%
KODIAK	3,200	477.9	1.142	418.5	130.78	2.0	65.39	26%	13%	56%	15%	7%
HUSKO.	10,500	1046.4	1.418	737.9	70.28	1.25	56.22	36%	10%	57%	21%	6%
WAT-SU	5,400	366.7	1.018	360.2	66.70	1.75	38.11	35%	19%	47%	16%	9%
SITKA	2,800	262.0	1.100	238.2	85.07	2.5	42.53	20%	24%	52%	10%	16%
TYCC	19,100	1388.0	1.079	1286.4	67.35	1.20	56.13	-	40%	63%	-	31%
EXPAREA	5,400	1225.2	5.400	1225.2	226.88	2.50	90.75	13%	35%	60%	89%	21%
N.W.	4,000	229.7	1.238	188.4	47.10	2.0	23.55	75%	17%	48%	37%	6%

1. Adjusts cost of instruction by area differentials applied to each unit

2. Takes into account, Economy of size and recognizes that smaller units function with fewer students per class.
The following ratio was used:

0 to 3,000 SCH = 2.5	15,000 to 20,000 SCH = 1.00
3,000 to 5,000 SCH = 2.0	20,000 to 30,000 SCH = 1.10
5,000 to 8,000 SCH = 1.75	30,000 to 40,000 SCH = 1.05
8,000 to 10,000 SCH = 1.50	40,000 to plus SCH = 1.00
10,000 to 15,000 SCH = 1.25	

COMMUNITY COLLEGES, RURAL EDUCATION & EXTENSION

Comparative Costs of Instruction FY79

Maintenance Level - Fund 1

01 Review ②

4/3/78

% Comparison to Adjusted Instruction

Unit	CREDIT HOURS	Instruc. \$	Rural ¹ Factor	Instruc. Revised	Cost Cr/hr	Size ² Factor	Adj. Cost Cr/hr	Instit. Spt.	Acad. Spt.	Student Services	Physical Plant
ACC	118,100	7318.1	1.000	7318.1	61.96	1.000	61.96	-	18%*	06%	-
JDCC	12,700	1139.5	1.071	1064.0	83.78	1.25	67.02	-	17%*	-	-
KPCC	9,800	739.4	1.105	669.1	68.28	1.50	45.53	55%	15%	18%	24%
KETCH	5,000	573.1	1.006	569.7	113.94	1.75	65.11	32%	40%	07%	39%
KODIAK	3,800	552.8	1.142	484.1	127.39	2.0	63.69	79%	30%	15%	66%
KUSKO.	12,200	1172.4	1.418	826.8	67.77	1.25	54.21	54%	17%	17%	28%
MAT-SU ³	6,100	409.2	1.018	402.0	65.90	1.75	37.66	44%	24%	-	31%
EAGLE RIVER	2,500	182.8	1.018	179.6	71.84	2.5	28.74	-	-	-	-
SITKA	3,200	288.2	1.100	262.0	81.88	2.0	40.94	41%	66%	12%	33%
TVCC	22,500	1752.0	1.079	1623.7	72.16	1.1	65.60	-	47%*	08%	-
EXT&REA	6,000	1419.4	-	1419.4	236.57	2.50	94.63	32%	72%	-	-
N.W.	4,700	328.5	1.238	265.3	56.44	2.0	28.22	136%	32%	-	33%

-15-

1. Adjusts cost of Instruction by area differentials applied to each unit

2. Takes into account, economy of size and recognizes that smaller units function with fewer students per class.

3. Eagle River is administered by MatSu CC, thus support costs are included in MatSu's components.

*Much of the Institutional Support, Academic Support and all Physical Plant current supplied by UAF,UAA and UAJ

0 to 3,000 SCH = 2.5
3,000 to 5,000 SCH = 2.0
5,000 to 8,000 SCH = 1.75
8,000 to 10,000 SCH = 1.50
10,000 to 15,000 SCH = 1.25

15,000 to 20,000 SCH = 1.20
20,000 to 30,000 SCH = 1.10
30,000 to 40,000 SCH = 1.05
40,000 tp plus SCH = 1.00