

**SENATE BILL NO. 94**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY SENATOR ELLIS BY REQUEST

Introduced: 2/23/07

Referred: Labor and Commerce, Health, Education and Social Services, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act establishing a division of blind services within the Department of Health and  
2 Social Services; and relating to the administration of the vocational rehabilitation  
3 program."

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

5 \* **Section 1.** AS 23.15.010 is amended to read:

6 **Sec. 23.15.010. Administration of vocational rehabilitation.** The  
7 commissioner shall administer the vocational rehabilitation program, except that the  
8 commissioner of health and social services shall administer the program as it  
9 relates to blind persons.

10 \* **Sec. 2.** AS 23.15.100 is amended to read:

11 **Sec. 23.15.100. Powers and duties [; VENDING FACILITIES].** (a) In  
12 carrying out AS 23.15.010 - 23.15.210, the agency shall

13 (1) take the action it considers necessary or appropriate to carry out the  
14 purposes of AS 23.15.010 - 23.15.210 and adopt regulations in conformity with these

1 purposes;

2 (2) determine the eligibility of applicants for vocational rehabilitation  
3 service;

4 (3) submit to the governor annual reports of activities and expenditures  
5 and, before each regular session of the legislature, estimates of sums required for  
6 carrying out AS 23.15.010 - 23.15.210 and estimates of the amounts to be made  
7 available for this purpose from all sources;

8 (4) cooperate with public and private departments, agencies, and  
9 institutions in providing for the vocational rehabilitation of individuals with  
10 disabilities, studying the problems involved in providing this rehabilitation, and  
11 establishing, developing, and providing, in conformity with the purposes of  
12 AS 23.15.010 - 23.15.210, the programs, facilities, and services that may be necessary  
13 or desirable [;

14 (5) SURVEY THE POTENTIAL FOR PROVIDING VENDING  
15 FACILITIES ON PUBLIC PROPERTY AND, WHEN FEASIBLE, ESTABLISH  
16 VENDING FACILITIES OPERATED BY BLIND PERSONS AND PERSONS  
17 WITH SEVERE DISABILITIES ON PUBLIC PROPERTY;

18 (6) LICENSE BLIND PERSONS AND PERSONS WITH SEVERE  
19 DISABILITIES IN ACCORDANCE WITH AS 23.15.133 FOR THE OPERATION  
20 OF VENDING FACILITIES ON PUBLIC PROPERTY, WITH BLIND PERSONS  
21 HAVING FIRST PRIORITY FOR OPERATION OF THE VENDING FACILITIES;

22 (7) PROVIDE THE TRAINING AND SUPERVISION NECESSARY  
23 TO ENABLE BLIND PERSONS AND PERSONS WITH SEVERE DISABILITIES  
24 TO OPERATE VENDING FACILITIES;

25 (8) PROVIDE THE EQUIPMENT AND INITIAL STOCK  
26 NECESSARY TO ENABLE BLIND PERSONS AND PERSONS WITH SEVERE  
27 DISABILITIES TO OPERATE VENDING FACILITIES].

28 (b) In carrying out AS 23.15.010 - 23.15.210, the agency may

29 (1) enter into agreements with other states to provide for the vocational  
30 rehabilitation of residents of the states concerned;

31 (2) establish and operate rehabilitation facilities and workshops and

1 make grants to public and other nonprofit organizations for these purposes;

2 (3) supervise the operation of [VENDING STANDS AND OTHER]  
3 small businesses established under AS 23.15.010 - 23.15.210 to be conducted by  
4 individuals with severe disabilities;

5 (4) make studies, investigations, demonstrations, and reports, and  
6 provide training and instruction, including the establishment and maintenance of the  
7 research fellowships and traineeships with the stipends and allowances that are  
8 considered necessary, in matters relating to vocational rehabilitation; and

9 (5) adopt regulations necessary for carrying out the provisions of  
10 AS 23.15.010 - 23.15.210.

11 \* **Sec. 3.** AS 23.15.120(a) is amended to read:

12 (a) The agency shall cooperate with the federal government in carrying out the  
13 purposes of federal laws pertaining to vocational rehabilitation [, INCLUDING THE  
14 LICENSING OF BLIND PERSONS TO OPERATE VENDING STANDS ON  
15 FEDERAL PROPERTY,] and may adopt the methods of administration that are found  
16 by the federal government to be necessary for the proper and efficient operation of  
17 agreements or plans for vocational rehabilitation. The agency may comply with the  
18 conditions that are necessary to obtain the full benefits of the federal laws for the state  
19 and its residents.

20 \* **Sec. 4.** AS 23.15.130(c) is amended to read:

21 (c) The commissioner of administration shall separately account for receipts  
22 under (b) of this section that are paid into the vocational rehabilitation small business  
23 enterprise revolving fund. The annual estimated receipts of the fund may be used by  
24 the legislature to make appropriations to the **division of blind services, established**  
25 **under AS 47.80.500** [DEPARTMENT TO AID LICENSEES IN OPERATING  
26 VENDING MACHINE FACILITIES].

27 \* **Sec. 5.** AS 23.15.130(d) is repealed and reenacted to read:

28 (d) In this section,

29 (1) "licensee" has the meaning given in AS 47.80.600;

30 (2) "net proceeds" means the gross receipts from operating a vending  
31 facility less the costs of operation and a fair return to the operator, to be determined by

1 the division of blind services established under AS 47.80.500;

2 (3) "public property" has the meaning given in AS 47.80.600;

3 (4) "vending facility" has the meaning given in AS 47.80.600.

4 \* **Sec. 6.** AS 23.15.133(b) is amended to read:

5 (b) A license issued **before the effective date of this Act** under this section  
6 does not expire. However, a license may be revoked **or relinquished** if the **division of**  
7 **vocational rehabilitation** [AGENCY] finds that the licensee is not operating the  
8 facility in accordance with regulations adopted by the **division of vocational**  
9 **rehabilitation** [AGENCY].

10 \* **Sec. 7.** AS 39.30.090(a) is amended to read:

11 (a) The Department of Administration may obtain a policy or policies of group  
12 insurance covering state employees, persons entitled to coverage under AS 14.25.168,  
13 14.25.480, AS 22.25.090, AS 39.35.535, 39.35.880, or former AS 39.37.145,  
14 employees of other participating governmental units, or **a licensee as defined in**  
15 **AS 47.80.600** [PERSONS ENTITLED TO COVERAGE UNDER AS 23.15.136],  
16 subject to the following conditions:

17 (1) A group insurance policy shall provide one or more of the  
18 following benefits: life insurance, accidental death and dismemberment insurance,  
19 weekly indemnity insurance, hospital expense insurance, surgical expense insurance,  
20 dental expense insurance, audiovisual insurance, or other medical care insurance.

21 (2) Each eligible employee of the state, the spouse and the unmarried  
22 children chiefly dependent on the eligible employee for support, and each eligible  
23 employee of another participating governmental unit shall be covered by the group  
24 policy, unless exempt under regulations adopted by the commissioner of  
25 administration.

26 (3) A governmental unit may participate under a group policy if

27 (A) its governing body adopts a resolution authorizing  
28 participation, and payment of required premiums;

29 (B) a certified copy of the resolution is filed with the  
30 Department of Administration; and

31 (C) the commissioner of administration approves the

1 participation in writing.

2 (4) In procuring a policy of group health or group life insurance as  
3 provided under this section or excess loss insurance as provided in AS 39.30.091, the  
4 Department of Administration shall comply with the dual choice requirements of  
5 AS 21.86.310, and shall obtain the insurance policy from an insurer authorized to  
6 transact business in the state under AS 21.09, a hospital or medical service corporation  
7 authorized to transact business in this state under AS 21.87, or a health maintenance  
8 organization authorized to operate in this state under AS 21.86. An excess loss  
9 insurance policy may be obtained from a life or health insurer authorized to transact  
10 business in this state under AS 21.09 or from a hospital or medical service corporation  
11 authorized to transact business in this state under AS 21.87.

12 (5) The Department of Administration shall make available bid  
13 specifications for desired insurance benefits or for administration of benefit claims and  
14 payments to (A) all insurance carriers authorized to transact business in this state  
15 under AS 21.09 and all hospital or medical service corporations authorized to transact  
16 business under AS 21.87 who are qualified to provide the desired benefits; and (B) to  
17 insurance carriers authorized to transact business in this state under AS 21.09, hospital  
18 or medical service corporations authorized to transact business under AS 21.87, and  
19 third-party administrators licensed to transact business in this state and qualified to  
20 provide administrative services. The specifications shall be made available at least  
21 once every five years. The lowest responsible bid submitted by an insurance carrier,  
22 hospital or medical service corporation, or third-party administrator with adequate  
23 servicing facilities shall govern selection of a carrier, hospital or medical service  
24 corporation, or third-party administrator under this section or the selection of an  
25 insurance carrier or a hospital or medical service corporation to provide excess loss  
26 insurance as provided in AS 39.30.091.

27 (6) If the aggregate of dividends payable under the group insurance  
28 policy exceeds the governmental unit's share of the premium, the excess shall be  
29 applied by the governmental unit for the sole benefit of the employees.

30 (7) A person receiving benefits under AS 14.25.110, AS 22.25,  
31 AS 39.35, or former AS 39.37 may continue the life insurance coverage that was in

1 effect under this section at the time of termination of employment with the state or  
2 participating governmental unit.

3 (8) A person electing to have insurance under (7) of this subsection  
4 shall pay the cost of this insurance.

5 (9) For each permanent part-time employee electing coverage under  
6 this section, the state shall contribute one-half the state contribution rate for permanent  
7 full-time state employees, and the permanent part-time employee shall contribute the  
8 other one-half.

9 (10) A person receiving benefits under AS 14.25, AS 22.25, AS 39.35,  
10 or former AS 39.37 may obtain auditory, visual, and dental insurance for that person  
11 and eligible dependents under this section. The level of coverage for persons over 65  
12 shall be the same as that available before reaching age 65 except that the benefits  
13 payable shall be supplemental to any benefits provided under the federal old age,  
14 survivors, and disability insurance program. A person electing to have insurance under  
15 this paragraph shall pay the cost of the insurance. The commissioner of administration  
16 shall adopt regulations implementing this paragraph.

17 (11) A person receiving benefits under AS 14.25, AS 22.25, AS 39.35,  
18 or former AS 39.37 may obtain long-term care insurance for that person and eligible  
19 dependents under this section. A person who elects insurance under this paragraph  
20 shall pay the cost of the insurance premium. The commissioner of administration shall  
21 adopt regulations to implement this paragraph.

22 (12) Each licensee holding a current operating agreement for a vending  
23 facility under AS 23.15.010 - 23.15.210 or AS 47.80.500 - 47.80.535 shall be covered  
24 by the group policy that applies to governmental units other than the state.

25 \* **Sec. 8.** AS 47.80.030 is amended by adding a new subsection to read:

26 (b) The council shall cooperate, coordinate, and consult with the division of  
27 blind services whenever the council is carrying out duties of the council that relate to  
28 blind persons.

29 \* **Sec. 9.** AS 47.80 is amended by adding new sections to read:

30 **Article 6. Division of Blind Services.**

31 **Sec. 47.80.500. Division of blind services.** There is established in the

1 department the division of blind services for the purpose of coordinating and  
2 providing services for blind persons.

3 **Sec. 47.80.510. Duties of the division; report; regulations.** (a) The division  
4 shall, to the extent that sufficient appropriations and other funding are available,

5 (1) coordinate services for blind persons, including vocational  
6 rehabilitation services available under AS 23.15;

7 (2) provide independent living and other services for blind persons;

8 (3) receive and disburse money available from federal, state, local, and  
9 private sources for the benefit of blind persons;

10 (4) maintain a confidential register of blind persons who reside in the  
11 state; the register must include the nature and cause of the person's blindness and  
12 identified needs for educational, vocational, and industrial training;

13 (5) establish and implement a job placement program for blind  
14 persons;

15 (6) establish and maintain an orientation and adjustment center with  
16 qualified instructors for prevocational, vocational, and industrial training for eligible  
17 blind persons;

18 (7) purchase specialized equipment and technology for blind persons  
19 without approval of the Department of Administration; however, purchases are  
20 otherwise subject to the requirements of AS 36.30 (State Procurement Code);

21 (8) prepare and update an annual comprehensive plan and long-range  
22 plan relating to the needs of blind persons in the state and the availability of funding to  
23 serve those needs; the division shall hold annual public hearings on the plan;

24 (9) formulate policies and programs to implement the purposes of the  
25 division;

26 (10) provide information and advice, on request, to local, state, and  
27 federal agencies and to individuals, businesses, and community organizations on  
28 matters relating to blindness;

29 (11) survey the potential for providing vending facilities on public  
30 property and, when feasible, establish vending facilities operated by blind persons on  
31 public property;

1 (12) license blind persons in accordance with AS 47.80.520 for the  
2 operation of vending facilities on public property;

3 (13) provide the training and supervision necessary to enable blind  
4 persons to operate vending facilities;

5 (14) provide the equipment and initial stock necessary to enable blind  
6 persons to operate vending facilities.

7 (b) In carrying out the duties under (a) of this section, the division may

8 (1) make recommendations to the governor and the legislature  
9 concerning services and programs relating to blindness and blind persons;

10 (2) enter into contracts and agreements for the benefit of blind persons;  
11 and

12 (3) adopt regulations necessary to implement AS 47.80.500 -  
13 47.80.535.

14 (c) The division shall prepare and submit an annual report to the governor and  
15 the legislature by January 30 of each year concerning the activities of the division  
16 during the prior fiscal year.

17 **Sec. 47.80.515. Vending facilities.** (a) A vending facility may not be  
18 established on public property that is under the jurisdiction of the state except as  
19 authorized by the division.

20 (b) A vending facility authorized by the division shall be selected and located  
21 after consulting with the persons responsible for the maintenance and operation of the  
22 property to be served by the vending facility. A contract for the operation of the  
23 vending facility by a licensee shall be executed by the division and must contain  
24 provisions ensuring that the licensee shall charge reasonable prices and that the  
25 vending facility shall provide high quality merchandise.

26 **Sec. 47.80.520. Vendors' licenses.** (a) The division shall issue a license for the  
27 operation of a vending facility on public property to a blind person who is a resident of  
28 the state at the time of application and who qualifies for a license under

29 (1) 20 U.S.C. 107 - 107f (Randolph-Sheppard Act); or

30 (2) regulations adopted by the division providing for licensing of blind  
31 persons.

1 (b) A license issued under this section does not expire. However, a license  
 2 may be revoked if the division finds that the licensee is not operating the facility in  
 3 accordance with regulations adopted by the agency.

4 **Sec. 47.80.525. Committee of blind vendors.** (a) The Committee of Blind  
 5 Vendors consisting of all blind licensees is established in the division. The division  
 6 shall conduct a biennial election of a president, vice-president, secretary, and treasurer  
 7 of the committee and may conduct an election to fill a vacancy in office at any time.

8 (b) The commissioner of health and social services shall ensure active  
 9 participation by the Committee of Blind Vendors in administrative, policy, and  
 10 program development decisions concerning vending facilities operated by blind  
 11 licensees. The division shall, with active participation by the Committee of Blind  
 12 Vendors,

13 (1) adopt regulations providing for the licensing of blind persons for  
 14 the operation of vending facilities on public property;

15 (2) consider and respond to grievances of blind licensees;

16 (3) develop and administer a statewide system for the transfer and  
 17 promotion of blind licensees;

18 (4) develop training and retraining programs for blind licensees and for  
 19 blind persons interested in obtaining a license to operate a vending facility;

20 (5) organize meetings and conferences for blind licensees;

21 (6) adopt regulations necessary to ensure that vending facilities  
 22 operated by licensees are administered by the division in a substantially equivalent  
 23 manner whether a vending facility is located on state or federal property;

24 (7) designate public property as appropriate for the location of a  
 25 vending facility operated by a blind licensee.

26 (c) To ensure the opportunity for active participation in decisions that affect  
 27 the administration of vending facilities operated by blind licensees, the division shall,  
 28 before each meeting of the Committee of Blind Vendors, provide the committee with  
 29 written information on matters to be considered. The division shall provide the  
 30 committee with reasons in writing for decisions and actions of the division that do not  
 31 conform to recommendations submitted by the committee.

1 (d) In this section, "active participation" means a process through which the  
 2 Committee of Blind Vendors or a licensee is provided the opportunity to exert a major  
 3 influence in program policies, standards, and procedures affecting the operation of  
 4 vending facilities, with the commissioner of health and social services having final  
 5 responsibility.

6 **Sec. 47.80.530. Group insurance for certain licensees.** The division shall  
 7 purchase group insurance coverage under AS 39.30.090 for licensees holding current  
 8 operating agreements. The employer share of the insurance premium shall be paid  
 9 from the vocational rehabilitation small business enterprise revolving fund under  
 10 AS 23.15.130.

11 **Sec. 47.80.535. Hearings.** A blind person aggrieved by a decision or action of  
 12 the division under AS 47.80.500 - 47.80.535 shall receive a hearing on request in  
 13 accordance with AS 44.62.330 - 44.62.630 (Administrative Procedure Act). A blind  
 14 person may also file a complaint in accordance with 20 U.S.C. 107d-1 for arbitration  
 15 of a grievance.

16 **Sec. 47.80.600. Definitions.** In AS 47.80.500-47.80.600,

17 (1) "blind person" means a person whose central visual acuity does not  
 18 exceed 20/200 in the better eye with correcting lenses, or whose visual acuity, if better  
 19 than 20/200, is accompanied by a limit to the field of vision in the better eye to the  
 20 degree that its widest diameter subtends an angle of not greater than 20 degrees; an  
 21 examination by an ophthalmologist or by an optometrist is necessary before a person  
 22 is found to be blind;

23 (2) "division" means the division of blind services;

24 (3) "licensee" means

25 (A) a blind person or a person with a severe disability licensed  
 26 by the division of vocational rehabilitation under 20 U.S.C. 107 - 107b and  
 27 107d - 107f (Randolph-Sheppard Act), former AS 23.15.133(a), and  
 28 regulations adopted under federal or state law; and

29 (B) a blind person licensed by the division of blind services  
 30 under AS 47.80.520;

31 (4) "public property" means real or personal property owned or leased

1 by the state or federal government or an agency of the state or federal government;

2 (5) "vending facility" means a vending machine, cafeteria, snack bar,  
3 shelter, cart, or counter where food, tobacco, newspapers, periodicals, and other  
4 articles are offered for sale to the general public and dispensed automatically or  
5 manually whether prepared on or off the premises; and excludes a facility in a  
6 hospital, school, or other institution where food or other articles are offered for sale  
7 only to patients, inmates, and persons enrolled in or employed by the institution.

8 \* **Sec. 10.** AS 23.15.132, 23.15.133(a), 23.15.134, 23.15.135, 23.15.136, 23.15.180(b),  
9 23.15.210(1), 23.15.210(3), 23.15.210(7), 23.15.210(8), 23.15.210(9), and 23.15.210(10) are  
10 repealed.

11 \* **Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to  
12 read:

13 TRANSITION. (a) A person who is licensed as a vendor under former  
14 AS 23.15.133(a) may continue to operate a vending facility on public property until the  
15 vendor's current license is relinquished or revoked, after which time a new vendor license  
16 shall be issued by the division of blind services under AS 47.80.520, added by sec. 9 of this  
17 Act.

18 (b) A person who is a member of the committee of blind vendors under former  
19 AS 23.15.135 on the effective date of this Act shall continue as a member of the committee  
20 established under AS 47.80.525, added by sec. 9 of this Act, until the expiration of the  
21 member's term.