

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

May 3, 2007

1:33 p.m.

MEMBERS PRESENT

Senator Johnny Ellis, Chair
Senator Gary Stevens, Vice Chair
Senator Con Bunde

MEMBERS ABSENT

Senator Bettye Davis
Senator Lyman Hoffman

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 136(FIN)(title am)

"An Act relating to the supervision of dental hygienists by dentists, establishing a restorative function license endorsement for dental hygienists and allowing collaborative agreements between licensed dentists and dental hygienists."

MOVED CSHB 136(FIN)(title am) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 170(FIN)

"An Act relating to annual audit reports by insurers, to custodians of insurer assets, to writing workers' compensation insurance by surplus lines insurers, to reports by surplus lines insurers, to the definition of 'wet marine and transportation insurance,' to false or misleading financial statements concerning insurance audits, to high deductible health plans, to retaliation for obligations, prohibitions, or restrictions imposed on Alaska insurers by other states or countries, and to the membership of the Alaska Life and Health Insurance Guaranty Association; and providing for an effective date."

MOVED CSHB 170(FIN) OUT OF COMMITTEE

SENATE BILL NO. 117

"An Act relating to the presumption of coverage for a workers' compensation claim for disability as a result of certain diseases for certain occupations."

HEARD AND HELD

SENATE BILL NO. 94

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

HEARD AND HELD

SENATE BILL NO. 99

"An Act relating to the composition of the Alaska Police Standards Council; and providing for an effective date."

SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 136

SHORT TITLE: DENTAL HYGIENISTS

SPONSOR(S): REPRESENTATIVE(S) STOLTZEE

02/14/07	(H)	READ THE FIRST TIME - REFERRALS
02/14/07	(H)	HES, L&C
03/06/07	(H)	HES AT 3:00 PM CAPITOL 106
03/06/07	(H)	Moved Out of Committee
03/06/07	(H)	MINUTE(HES)
03/07/07	(H)	HES RPT 5DP
03/07/07	(H)	DP: CISSNA, FAIRCLOUGH, GARDNER, ROSES, WILSON
03/07/07	(H)	FIN REFERRAL ADDED AFTER L&C
03/19/07	(H)	L&C AT 3:00 PM CAPITOL 17
03/19/07	(H)	Moved Out of Committee
03/19/07	(H)	MINUTE(L&C)
03/21/07	(H)	L&C RPT 7DP
03/21/07	(H)	DP: GARDNER, NEUMAN, BUCH, LEDOUX, GATTO, RAMRAS, OLSON
03/27/07	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
03/27/07	(H)	Moved CSHB 136(FIN) Out of Committee
03/27/07	(H)	MINUTE(FIN)
03/28/07	(H)	FIN RPT CS(FIN) 5DP 6NR
03/28/07	(H)	DP: FOSTER, NELSON, STOLTZEE, KELLY, MEYER
03/28/07	(H)	NR: GARA, CRAWFORD, HAWKER, JOULE, THOMAS, CHENAULT
04/11/07	(H)	TRANSMITTED TO (S)
04/11/07	(H)	VERSION: CSHB 136(FIN)(TITLE AM)
04/13/07	(S)	READ THE FIRST TIME - REFERRALS
04/13/07	(S)	HES, L&C, FIN
04/23/07	(S)	HES AT 1:30 PM BUTROVICH 205
04/23/07	(S)	Moved CSHB 136(FIN)am Out of Committee
04/23/07	(S)	MINUTE(HES)
04/25/07	(S)	HES RPT 3DP 2NR

04/25/07 (S) DP: DAVIS, ELTON, THOMAS
04/25/07 (S) NR: COWDERY, DYSON
05/01/07 (S) L&C AT 1:30 PM BELTZ 211
05/01/07 (S) Heard & Held
05/01/07 (S) MINUTE(L&C)
05/03/07 (S) L&C AT 1:30 PM BELTZ 211

BILL: HB 170

SHORT TITLE: INSURANCE

SPONSOR(s): LABOR & COMMERCE BY REQUEST

03/01/07 (H) READ THE FIRST TIME - REFERRALS
03/01/07 (H) L&C, FIN
03/23/07 (H) L&C AT 3:00 PM CAPITOL 17
03/23/07 (H) Heard & Held
03/23/07 (H) MINUTE(L&C)
04/04/07 (H) L&C AT 3:00 PM CAPITOL 17
04/04/07 (H) Moved Out of Committee
04/04/07 (H) MINUTE(L&C)
04/05/07 (H) L&C RPT 4DP 3NR
04/05/07 (H) DP: BUCH, NEUMAN, RAMRAS, OLSON
04/05/07 (H) NR: GARDNER, LEDOUX, GATTO
04/19/07 (H) FIN AT 1:30 PM HOUSE FINANCE 519
04/19/07 (H) Moved CSHB 170(FIN) Out of Committee
04/19/07 (H) MINUTE(FIN)
04/23/07 (H) FIN RPT CS(FIN) NT 9DP
04/23/07 (H) DP: FOSTER, NELSON, JOULE, THOMAS,
CRAWFORD, STOLTZEE, KELLY, HAWKER,
MEYER
04/24/07 (H) TRANSMITTED TO (S)
04/24/07 (H) VERSION: CSHB 170(FIN)
04/25/07 (S) READ THE FIRST TIME - REFERRALS
04/25/07 (S) L&C
05/03/07 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 117

SHORT TITLE: WORKERS' COMP: DISEASE PRESUMPTION

SPONSOR(s): SENATOR(s) FRENCH

03/14/07 (S) READ THE FIRST TIME - REFERRALS
03/14/07 (S) L&C, HES, FIN
04/12/07 (S) L&C AT 1:30 PM BELTZ 211
04/12/07 (S) Heard & Held
04/12/07 (S) MINUTE(L&C)
05/03/07 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 94

SHORT TITLE: SERVICES FOR THE BLIND
SPONSOR(s): SENATOR(s) ELLIS BY REQUEST

02/23/07 (S) READ THE FIRST TIME - REFERRALS
02/23/07 (S) L&C, HES, FIN
05/03/07 (S) L&C AT 1:30 PM BELTZ 211

WITNESS REGISTER

BEN MULLIGAN

Staff to Representative Bill Stoltze
Alaska State Capitol
Juneau AK

POSITION STATEMENT: Commented on CSHB 136(FIN)(title am) for the sponsor.

LINDA HALL, Director

Division of Insurance
Department of Commerce, Community & Economic Development
Juneau AK

POSITION STATEMENT: HB 170

ANDY MODEROW

Staff to Senator French
Alaska State Capitol
Juneau AK

POSITION STATEMENT: Commented on SB 117 for the sponsor.

ROD HARRIS

Alaska Professional Firefighters' Association
Eagle River AK

POSITION STATEMENT: Supported SB 117.

MIKE DAVIDSON

Alaska Professional Firefighters' Association
Girdwood AK

POSITION STATEMENT: Supported SB 117.

JEFF BRIGGS

Alaska Professional Firefighters' Association
Juneau AK

POSITION STATEMENT: Supported SB 117.

SENATOR HOLLIS FRENCH

Alaska State Legislature
Juneau AK

POSITION STATEMENT: Sponsor of SB 117.

WALLY BAIRD, City Manager
Bethel AK
POSITION STATEMENT: Opposed SB 117.

JOHN CYR, Executive Director
Public Safety Employees Association
Juneau AK
POSITION STATEMENT: Supported SB 117.

JOHN GRUMMET, President Elect
Alaska Independent Agents and Insurance Brokers
Juneau AK
POSITION STATEMENT: Opposed SB 117.

DOMINIC LEZANO, President
Fairbanks Firefighters' Association
Fairbanks AK
POSITION STATEMENT: Supported SB 117.

KATE HERRING
Staff to Senator Ellis
Alaska State Capitol
Juneau AK
POSITION STATEMENT: Commented on SB 94 for the sponsor.

SANDY SANDERSON, President
Alaska Independent Blind
Anchorage AK
POSITION STATEMENT: Supported SB 94.

KARLA JUTZI, Director
Alaska Center for the Blind and Visually Impaired Anchorage AK
POSITION STATEMENT: Neutral position on SB 94.

LYNN CORRAL
Alaska Center for the Blind and Visually Impaired Anchorage AK
POSITION STATEMENT: Supported SB 94.

JANICE WEISS
Juneau AK
POSITION STATEMENT: Opposed SB 117.

ELMER LINDSTROM, Project Manager
Office of the Commissioner
Department of Health and Social Services (DHSS)
Juneau AK

POSITION STATEMENT: Opposed SB 94, but offered to work with everyone on resolving issues in it.

STEVEN J. PRIDDLE, Attorney and President
State Chapter of the National Federation of the Blind
Fairbanks AK

POSITION STATEMENT: Opposed SB 94.

BOBBI CLELAND
Anchorage AK

POSITION STATEMENT: Opposed SB 94.

WILLIAM CRAIG
Anchorage AK

POSITION STATEMENT: Passed this time so he could testify in person.

JOAN O'KEEFFE, Executive Director
Southeast Alaska Independent Living
Juneau AK

POSITION STATEMENT: Opposed SB 94.

CLAUDIA CRISS
Juneau AK

POSITION STATEMENT: Opposed SB 94.

RICK RENAUD, Vendor
Alaska Business Enterprise Program
Anchorage AK

POSITION STATEMENT: Opposed SB 94.

JAMES SCHWARTZ, Vendor
Alaska Business Enterprise Program
Anchorage AK

POSITION STATEMENT: Supported SB 94.

ACTION NARRATIVE

CHAIR JOHNNY ELLIS called the Senate Labor and Commerce Standing Committee meeting to order at [1:33:04 PM](#). Present at the call to order were Senators Stevens, Bunde, and Ellis.

CSHB 136(FIN)(title am)-DENTAL HYGIENISTS

[1:33:44 PM](#)

CHAIR ELLIS announced CSHB 136(FIN)(title am) to be up for consideration.

BEN MULLIGAN, staff to Representative Bill Stoltze, sponsor of HB 136, recapped that HB 136 is meant to expand some of the duties of dental hygienists in the state so they can work a little more with fillings, local anesthesia under general supervision and to enter into collaborative agreements with dentists in order to go out under their direction to do work they normally can't do now.

CHAIR ELLIS asked if there were further questions or discussion. There was none.

SENATOR BUNDE moved to pass CSHB 136(FIN)(title am) from committee with individual recommendations and attached fiscal note. There were no objections and it was so ordered.

CSHB 170(FIN)-INSURANCE

[1:37:23 PM](#)

CHAIR ELLIS announced HB 170(FIN) to be up for consideration.

LINDA HALL, Director Division of Insurance, explained that she requested this bill. She explained that it has two purposes; the basic one is financial regulation enactment of measures she needs to maintain the division's National Association of Insurance Commissioners (NAIC) accreditation. Alaska and all other states are accredited by the NAIC as part of their solvency oversight. Each state relies on the quality of other state's financial review and oversight and the accreditation process insures that Alaska's financial regulation meets certain standards. Alaska has been accredited for several years.

She said the basic model regulations are actually part of the financial statement and they are referenced in AS 21.09.200. The financial statement instructions are going away and she is seeking to have them put into statute so she still has the authority to enforce them.

MS. HALL said the director can require a report describing internal controls and request reports of misstatement of financial conditions from a CPA. Basically, she is making sure the division is doing appropriate financial oversight.

[1:39:04 PM](#)

Section 3 requires that the custodial oversight is in writing and clarifies who can have the assets of the insurer. The idea is to make sure the risk of insurers becoming insolvent because

of dishonest or unqualified custodians does not exist. These are the main financial pieces, she said.

MS. HALL said another clarification includes tax equalization - if other states charge our domestic insurers their higher rate of premium tax, Alaska will charge, in return, their companies the higher rate of tax. "It's not meant to be punitive."

She said sections 9, 12, and 13 clarify that retaliatory fees are not to negate various premium tax credits this body has enacted in prior pieces of legislation. Last year a bill passed that gave premium tax credits for contributions to the high risk health insurance pool. She wants to make sure insurers who are paying those assessments are not penalized. The same thing is true for charitable contributions to colleges or the Alaska Fire Standards Counsel.

The balance of the bill deals with changing words such as "directive" to "order" because Ms. Hall said she issues orders, not directives. Changes were made in high deductible health insurance plans so that they meet IRS standards. Guarantee Association references were changed so that an insurance company that is authorized to write health insurance policies in Alaska can be assessed for administrative charges. Unless they actually write policies they would not pay insolvency assessments. The rest of the bill gives her authority to adopt regulations and it has some "unusual" effective dates.

[1:41:08 PM](#)

Pieces of bill, she said, are not effective until 2010 because they impact industry. This effective date gives them time to adjust to changes in the bill. She has heard no negative testimony about the bill.

[1:41:38 PM](#)

SENATOR BUNDE said considering the late date of the session, he would be comfortable moving it now.

CHAIR ELLIS asked if anyone would like to testify on this bill. He saw none. He asked Ms. Hall if she wanted to comment.

MS. HALL said she has not heard of any opposition and she had taken care of the one concern that was raised.

[1:42:18 PM](#)

SENATOR STEVENS moved to pass CSHB 170(FIN) from committee with individual recommendations and attached fiscal note. There were no objections and it was so ordered.

SB 117-WORKERS' COMP: DISEASE PRESUMPTION

[1:45:01 PM](#)

CHAIR ELLIS announced SB 117 to be up for consideration. He asked Mr. Moderow to review the subject and take the committee through the proposed committee substitute.

ANDY MODEROW, staff to Senator French, commented on SB 117 for the sponsor. He explained that this bill is about presumptive disability for certain classes of first responders. It would create a presumption that certain diseases that are found more often in firefighters are work-related. The proposed CS would make it very clear that the employer would not have to cover the cost of the qualifying medical exam. However, it does provide an option for an individual who is not provided with a medical exam to get it on his own. The presumption would not apply without this baseline exam.

[1:46:55 PM](#)

ROD HARRIS, Alaska Professional Firefighters Association, said they supported SB 117. However, he wanted them to remember that every engineering device that has been invented to improve the health of firefighters has been implemented, but until something is invented that will completely encapsulate a firefighter protecting them from exposure to the significant carcinogens in smoke, they will be constantly exposed to them.

[1:49:02 PM](#)

MIKE DAVIDSON, Alaska Professional Firefighters' Association, supported SB 117. He stated, "It provides a safety net of protections that currently doesn't exist." The nature of the firefighter's job is that it is unpredictable and they often don't know until after a situation occurs that there were health impacts associated with it. That lack of knowledge makes it very difficult to track these exposures even though they know they occur. Every precaution is taken to avoid exposures.

He said this legislation has the potential to fiscally impact employers, but their goal is to have fewer people getting sick to the point that no one gets sick at all and the same illnesses are already covered currently. However, most of these diseases are not only serious, but are also terminal events resulting in huge fiscal impacts that are often borne by the very person who

is in the worst position to deal with it, the sick person and his family. Firefighters put their lives on the line and risk their families to protect the citizens of Alaska. "We owe it to them to provide them these important protections in their time of greatest need."

MR. DAVIDSON also added that it's very difficult to file under the current Workers' Compensation system, because a direct link to exposure is hard to establish. On the other hand, medical evidence demonstrates that the very limited scope of diseases they have named are very likely to be associated with being a firefighter. These illnesses are acquired in rates hundreds of times higher than the average populace. In the case of cancers and contagious diseases, frequently no other link can be drawn to a source of the disease other than the firefighting occupation.

[1:53:10 PM](#)

MR. DAVIDSON said he didn't want to minimize the possibility of fiscal impacts, but many of the state's large employers, including the state itself, already conduct physicals that would meet the requirements to establish a baseline for these employees. The physical exam requirement is not there as a financial burden for employers; it's there for their protection and was placed in there to protect employers from frivolous claims or claims that aren't justified for diseases that had been acquired prior to coming to that employer. He argued that employers who aren't providing the physicals for their employees are being irresponsible to the constituents they represent because they have no baseline to track if later on these employees do become sick.

[1:54:22 PM](#)

JEFF BRIGGS, Alaska Professional Firefighters' Association, said according to the Alaska Department of Public Safety (DPS), there are 1,000 full-time paid firefighters in the State of Alaska. The opponents of SB 117 estimate the number affected by this bill to be in the neighborhood of 9,250. The State Fire Marshall's office has emailed him that there are 4,600 structural firefighters registered in the State of Alaska. The opponents also say the physicals will cost up to \$12 million, which is not the case, because physicals are not mandatory in the bill. In Anchorage, the pre-qualifying hiring medical exam costs \$450 to \$500 per individual.

MR. BRIGGS said he couldn't tell them how scary it is to be crawling around in a structural fire and realize afterwards that

it was a meth lab, one of the worst chemical fires around. He said that all structural fires have tens of thousands of chemicals and there's no telling what they do when they mix together.

In 2002 in the *Moody v. Delta Western* Supreme Court decision, Justice Mathews stated:

Due to what is known as the fireman's rule, both firefighters and police officers are paid to confront crises and allied dangers by un-circumspect citizenry - a circumstance that serves to distinguish firefighters and police from most other public employees.... The public pays for emergency responses of public safety officials in the form of salaries and enhanced benefits.

[1:56:58 PM](#)

He said that American Cancer statistics indicate that 5 out of 10 men in this room will be diagnosed with some sort of cancer in their lifetime if they live to be 90 years old. Approximately 3 in 10 will contract the kind of cancers listed in SB 117. He asked, "How many of those three contracted these cancers while carrying out the course of their occupation? How many contracted this cancer before their 55th birthday? Very few."

SENATOR BUNDE asked if as a public employee he is covered by health insurance.

MR. BRIGGS replied yes.

SENATOR BUNDE asked if this bill passed, would it give him un-rebuttable coverage under workers' compensation.

MR. BRIGGS replied that this is not un-rebuttable language.

Nothing guarantees this coverage. If the employer or the Workers' Comp Board feels there is evidence to disprove the claim, then they have all the power in the world to go ahead and do so.

He said there would probably be an issue with filing through a person's personal health insurance for something that was caused on the job.

SENATOR FRENCH, sponsor of SB 117, explained that the main concern in prior hearings was the cost of implementing the idea

and the CS addresses that by making the medical exam be borne by the firefighter himself.

CHAIR ELLIS asked if there was further discussion of the committee substitute, version E.

[1:59:38 PM](#)

SENATOR STEVENS asked Senator French if new language was on page 3, subsection (e) and to explain what it means.

SENATOR FRENCH replied that the only change in the CS is on page 3, subsection (e). It essentially says that the provisions of the bill call for a medical examination, but don't require a municipality or other employer of firefighters to actually have to provide that qualifying medical examination (line 27). So it imposes no burden at all upon an employer or a municipality. The cost will be borne by the firefighter if at all or if the municipality chooses to do so.

SENATOR STEVENS asked if this is presented as an opt-out feature for the municipalities.

SENATOR FRENCH replied yes. SB 117 is not an unfunded mandate.

CHAIR ELLIS said this was a big bone of contention with the original bill.

SENATOR BUNDE said he understands there is no cost to the municipality for the medical examination, but he thought there would, however, be a cost to the Workers' Compensation rates.

SENATOR FRENCH displayed California statistics that indicated presumption doesn't cause a large rise in rates. In fact, they returned to historical norms after presumption was adopted in 1999.

SENATOR BUNDE noted that it didn't reduce the Workers' Compensation rates either.

[2:02:28 PM](#)

SENATOR STEVENS asked about a letter from Millie Martin, member of the Kenai Borough Assembly, who takes a strong opposing position. Her concern is that all the diseases in SB 117 are chronic and are often caused either by genetics or lifestyle choices. He asked if a chronic smoker would be covered under Workers' Compensation if this passed.

SENATOR FRENCH replied probably not. If the fact of a person's smoking is well-known in the community, established through sales, personal observations or whatever, they are not going to be able to make a workers' compensation claim for lung cancer.

SENATOR STEVENS went back to the statement that all of the diseases are chronic and are often caused by genetics and lifestyle choices and asked if that is a correct statement.

SENATOR FRENCH replied that he is not a doctor and couldn't say.

[2:04:42 PM](#)

WALLY BAIRD, Bethel City Manager, said he had concerns with SB 117 because Bethel is self-insured and has a tight budget. He also thought that life style choices and genetics could account for some of the diseases. A lot of people have contracted prostate cancer and have never entered a building with hazardous materials.

He was also concerned that this would make insurance rates go up because the costs would be spread out across the same population. The assumption is that the Workers' Compensation Program is not adequate or somehow broken, but he thinks it does a very good job.

[2:09:46 PM](#)

SENATOR BUNDE asked if he provides health insurance benefits to his firefighters that cover the illnesses in this bill.

MR. BAIRD replied yes.

SENATOR BUNDE asked if he is having problems recruiting firefighters.

MR. BAIRD replied yes.

SENATOR FRENCH also pointed out that health insurance doesn't cover lost wages.

[2:10:48 PM](#)

SENATOR STEVENS moved to adopt CSSB 117(L&C), version E. There were no objections and it was so ordered.

[2:11:22 PM](#)

JOHN CYR, Executive Director, Public Safety Employees Association, supported SB 117. He said it's only too clear with the rising number of meth labs and the different chemicals that

critically affect long-term health that a bill like this is essential.

[2:12:24 PM](#)

JOHN GRUMMET, President-elect, Alaska Independent Agents and Insurance Brokers, said it would be very hard for employers to controvert claims and the bill's language is unusually broad. He asked why it wouldn't include nurses and doctors. He didn't have any specific suggestions.

[2:13:33 PM](#)

DOMINIC LEZANO, President, Fairbanks Firefighters' Association, said that lost wages are provided under Workers' Compensation, but it's always asked what incident caused the exposure and that's the reason for the bill. That exact date of exposure is often not known. He related a story of a Fairbanks firefighter who contracted lung cancer. He has been a firefighter for over 30 years and didn't smoke. When the idea of Workers' Compensation came up, he was asked for the date the exposure occurred and for the doctor to back it up. It's very difficult when you're going through the chemotherapy to have to worry about going through Workers' Compensation hearings. His health insurance company did what it could, but there are large out-of-pocket costs associated with that and now he's almost out of sick leave. The intent of the bill is to protect individuals like this. If you're a smoker, you're not covered under this presumption.

[2:16:36 PM](#)

CHAIR ELLIS said he thought they had made progress on this issue, but the committee was missing a couple of members and it deserved their input. So he held SB 117 for a future meeting.

SB 94-SERVICES FOR THE BLIND

[2:17:46 PM](#)

CHAIR ELLIS announced SB 94 to be up for consideration.

KATE HERRING, staff to Senator Ellis, sponsor of SB 94, explained that Senator Ellis introduced SB 94 at the request of several constituents who feel that the blind community in Alaska would be better served by an office specifically addressing the blind community rather than the existing Vocation Rehabilitation Program that covers Alaskans with a variety of disabilities. Sometimes the blind community can get lost under the umbrella of the larger program.

She said that SB 94 establishes a Division of Blind Services in the Department of Health and Social Services and makes related changes to the administration of the Vocational Rehabilitation Program (DVR).

[2:20:14 PM](#)

SANDY SANDERSON, President, Alaska Independent Blind, said it is an organization of 450 blind members and that he supported SB 94 for two reasons. He said that nationwide 80.4 percent of blind are unemployed; but in Alaska the figure is 93 percent. This does not say much for those who are supposed to be working with and for the blind.

[2:21:06 PM](#)

He and a friend started the Center for the Blind over 30 years ago and to this day it is not properly funded. It takes professionals who are trained to work with blind people to get them employment. This is not happening because the center is paid a fee for services which means it gets paid when someone comes to it for help. If no one comes, they don't get paid and you can't get people with university degrees on nickels and dimes. People have been brought in off the street to train blind people in various things not knowing the first thing about it and that should not be the situation.

MR. SANDERSON said figures from the DVR indicate there are 29,000 disabled people in the State of Alaska. Of those, 10,000 to 12,000 are visually impaired. Being 40 percent of a disabled community, they should have their own area of health and guidance.

[2:24:08 PM](#)

KARLA JUTZI, Director, Alaska Center for the Blind and Visually Impaired, said this is the agency that Mr. Sanderson helped found 30 years ago. She said the Center does not have an official position on this bill, but she wanted to point out several aspects that deserved more attention. One of them is that the definition of "blind person" who would be served by this agency is very narrow, because it is limited to those who are legally blind. In fact, with Vocational Rehab services as well as her older clients, she serves quite a few people who are not yet legally blind, but who have a visual disability that doesn't allow them to work or to live independently. She didn't want this legislation to reduce the number of people already being served.

The second issue was on page 7, line 15, that establishes and maintains an orientation and adjustment center with qualified instruction for training eligible blind persons and that appears to set up a state-operated agency for training. This would put the Center out of business since that is the agency that provides this adaptive field training in Alaska and it is a nonprofit agency. She assumed it wasn't the intent of the legislation to put an effective organization out of business and though it important to discuss whether the intent is that the state would somehow take over her agency because it could not afford two training centers for the blind.

2:27:29 PM

MS. JUTZI said it's also important that funding this bill wouldn't take funding away from current services provided to visually disabled people.

LYNN CORRAL, Alaska, Center for the Blind and Visually Impaired, said that blind teachers need specialized training. She was told at first that she didn't have an impediment to employment. However she, like most people, felt that she wanted to do better. She appealed and now has a different counselor and has been working for the division for 13 months.

We just believe that this is the right time to have a separate state plan for blind services - will give us better quality services. We know that separate agencies that exist in the United State have a better employment outcomes and better pay at closure.

She was also concerned that the Division of Vocational Rehabilitation was using public funds to talk to vendors against this idea instead of using it to positively deal with their issues of services for the blind.

JANICE WEISS, Juneau resident, said she has two daughters who are both visually impaired since childhood and they are now both adults. Both used DVR services and she has absolutely no complaints about the service they received. The reason they used the DVR services is because they wanted to become self-sufficient and also wanted college and professional careers. Had the same services been offered through the Department of Health and Social Services (DHSS), they would not have been nearly as willing to use them, because even though they were visually impaired, they did not see themselves as being dependent on any government services for their current living as opposed to using DVR which is under the DOLWD - and therefore much more inclined

to be seen as helping people with careers rather than helping them with not being able to take care of their own lives.

She said the Center for The Blind has been absolutely wonderful in working with both of her daughters in many different areas. Having a separate place for the blind to receive the services that DVR now provides would duplicate administration and services that are already established and doing a really good job. She said the DVR counselors have knowledge of many more resources that are available for many kinds of disabilities and often people who have visual disabilities have other disabilities as well.

2:34:25 PM

ELMER LINDSTROM, Project Manager, Office of the Commissioner, Department of Health and Social Services (DHSS), urged the committee to also take testimony from the Division of Vocational Rehabilitation, Department of Labor and Workforce Development (DOLWD), as that is the lead agency that has the expertise and knowledge of the underlying federal law. This bill would require a separate division in the DHSS to meet federal requirements and it would end up being a very small fish in a very big pond. It could easily have a result that is different than anyone intended. Having said that, he said he would be happy to work with the committee and all the advocates interested in this bill to discuss how services can be improved.

2:40:06 PM

STEVEN J. PRIDDLE, President of the State Chapter of the National Federation of the Blind, said it is the largest national organization of blind persons in the United States and has chapters worldwide. In addition, he is a board member of the Assisted Technologies of Alaska, although he is not speaking on its behalf. He is a DVR recipient, but prior to losing his vision, he was a logger and construction worker. Through DVR's services, he was able to acquire several degrees including a juris doctorate. He has worked as a corporate finance attorney for the U.S. Security and Exchange Commission, a former assistant district attorney for the State of Alaska and a district attorney for the state in Whittier and he has his own practice. He has achieved all that through the services he has received from the DVR.

MR. PRIDDLE said that historically and consistently the National Federation of the Blind has promoted separate services for the blind with the State of Alaska being the exception, because statistically speaking, he there is now way a separate agency

for the blind could even come close to what the DVR is able to deliver at this time without a tremendous increase in costs and funds. A separate agency in the future might become more feasible when the state's population its budget are bigger.

[2:43:11 PM](#)

MR. PRIDDLE said also that the registry for all blind persons the bill created was incredibly offensive to him.

[2:44:35 PM](#)

BOBBI CLELAND, Anchorage resident, said the DVR has done an excellent job for her and concurred with Mr. Priddle that a separate center would duplicate the same services that DVR already provides. She has been a business enterprise program person for the past 15 years and thought it should remain within the Department of Labor. She was also disturbed and insulted by the idea of being on a registry saying it would also be a tremendous invasion of her privacy.

[2:47:43 PM](#)

WILLIAM CRAIG, Anchorage resident, said he wanted to testify in person at the next meeting.

[2:48:08 PM](#)

JOAN O'KEEFFE, Executive Director, Southeast Alaska Independent Living, opposed SB 94 saying the state already has the DVR and creating a separate division for the blind would duplicate and waste sparse state resources. She also allowed that it's possible this would be a good bill in states with a very large population of blind individuals and surplus funds, but pointed out that is not the case in Alaska now. She suggested that SB 94 would increase costs more than \$500,000 annually.

Also, she said that federal regulations require a new division to have a full-time director and staff, as well as a State Rehabilitation Counsel. Each would incur additional expense and be a duplication of effort. She said the DVR serves approximately 4,000 people, 2.6 percent of whom are blind. The new division could only serve folks who are legally blind leaving out people with multiple disabilities and the partially blind. There would be no single point of contact for DVR services. The federal dollars that are now granted by DVR to the Centers for Independent Living and the Alaska Center for the Blind and Visually Impaired would go through this new division of blind services. However, the current system is efficient and well managed, she said, and if passed, SB 94 would diminish its services and be a colossal waste of money.

[2:51:25 PM](#)

CLAUDIA CRISS, Juneau resident, said she is visually impaired and is very happy with the services she now receives from the DVR and opposed SB 94. Her personal philosophy of disability is that under the Americans with Disabilities Act (ADA), universal design has been introduced with accessibility for all. The City of Portland, Oregon, is an example of an accessible city. She did not think that establishing a separate agency for the blind wouldn't help or make anything in Alaska better for them. Funds could possibly become misused and mismanaged. She felt that people can have success through their own skills and others need to be educated about disability in a positive way rather than a negative way. Her life has demonstrated that.

[2:53:31 PM](#)

RICK RENAUD said he is severely disabled and is one of the 12 vendors participating in the Alaska Business Enterprise Program. He is the only vendor that is not blind and operates the food services facility in the basement of the court house in Anchorage. He stated, "The Alaska Business Enterprise Program has been critical to my ability to function as an independent self-reliant and contributing member of the community."

MR. RENAUD said his participation in the program has made it possible for him to employ others and to help train blind Alaskans to be successful vendors, too. Since this program is so successful and growing, he couldn't see why any change in the state law is needed. Section 10 of SB 94 would repeal AS 23.15 that allows severely individuals like him to take part in the Business Enterprise Program. He is concerned that if he is the only person now licensed and participating who would be affected, that he would lose his right to change his vendor site and beyond that, his existing vendor site could be challenged.

He noted that 25 states provide services through combined agencies, not separate ones. In 2006, DVR serviced 3,967 individuals of which 104 were blind. He believed that the creation of a separate blind services division would hurt, not help, the blind population because it is unlikely that it could duplicate the expertise and experience as well as provide the specialized personnel now being served in the DVR.

He concluded saying that SB 94 failed to identify a problem and didn't really offer a remedy for anything. It would create another layer of state government.

[2:58:27 PM](#)

CHAIR ELLIS handed the gavel to SENATOR STEVENS as he had to go to another meeting.

[2:58:45 PM](#)

JAMES SCHWARTZ, blind vendor with the Alaska Business Enterprise Program, supported SB 94. He explained that there were two applicants for the facility that Mr. Renaud won at the court house and he is the other applicant who lost - even though he is blind. State statutes clearly give priority to blind people and he has filed a grievance, but the administrative review supported awarding the site to the non-blind Mr. Renaud. So, he is still going through that grievance procedure. If the DVR has done one good thing for him it is to make him an advocate for the blind in this state.

VICE-CHAIR STEVENS thanked everyone for their comments and held SB 94 in committee.

There being no further business to come before the committee, he adjourned the meeting at [3:00:23 PM](#).