

HB

3641

SENATE FINANCE COMMITTEE REPORT

DATE: 4/20/90

FURTHER:

DATE TURNED INTO OFFICE: 5/1/90

The Finance Committee considered

CSHB 364 (HESS) am

"An Act relating to distribution of information about fetal health effects of alcohol consumption, chemical abuse, and battering during pregnancy."

and recommended:

replace with _____ CS _____
 or adopt _____ CS _____

same title
 new title
 technical title change (HB only)

attached amendment(s)

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

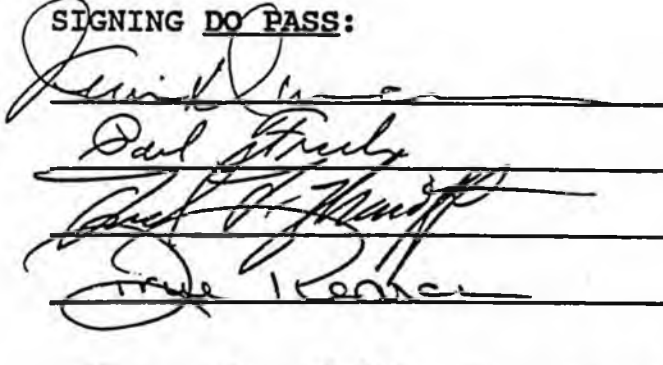
APPROVES PREVIOUS:

fiscal note(s) 12.2DHSS 2/22/90 Dept/Date: _____

zero fiscal note(s) DPS 2/9/90

appropriation-no fiscal note

SIGNING DO PASS:



OTHER RECOMMENDATIONS:

1. Debra B. ... 2. Phil ...
co-Chairs Signatures and Recommendations

FISCAL NOTE

REQUEST:

Revision Date: 2/2/90
Title: Relating to Requiring Marriage Licensing Officers to Distribute
Sponsor: Representative Ulmer
Requestor: _____

Agency Affected: Health & Social Services
BRU: Administrative Services
Components: Office of Prevention

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	6.0					
SUPPLIES	6.2	6.2	6.2	6.2	6.2	6.2
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	12.2	6.2	6.2	6.2	6.2	6.2
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	12.2	6.2	6.2	6.2	6.2	6.2
FEDERAL FUNDS						
OTHER						
TOTAL	12.2	6.2	6.2	6.2	6.2	6.2

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

FY 90 Fiscal Impact is "0".

See attached for additional analysis.

Prepared by: Sally Mead, Coordinator Phone: 561-4211
Division: Office of Prevention Date: _____
Approved by Commissioner: Hyra W. Munson Date: 2/22/90
Agency: Department of Health & Social Services

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Adopted

FISCAL NOTE FOR CSHB 364 (HESS)

"An Act requiring marriage licensing officers to
distribute"

Analysis:

Based on the cost of a similar project, the Office of Prevention estimates that \$6,000 would be needed to prepare and print an Alaska-specific brochure for distribution. Additionally, the Department estimates that approximately 25,000 brochures per year will be needed for distribution to public hospitals, clinics, and health facilities in the State, in accordance with sec. 1 of the bill. We estimate that each brochure will cost \$.25 to duplicate for a total duplication cost of \$6,250.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Information on fetal health ef-
fects of battering during pregnancy
Sponsor: Rep. Ulmer, Rep. Ellis
Requestor: House Finance

Agency Affected: Public Safety
BRU: Council on Domestic Violence
and Sexual Assault
Component: _____

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER/PROG RCPT						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Passage of this bill is expected to have no fiscal impact on the Department of Public Safety.

Prepared by: Barbara Miklos, Executive Director
Division: Council on Domestic Violence and
Sexual Assault
Approved by Commissioner: Arthur English
Agency: Department of Public Safety

Phone: 465-4356
Date: 2/8/90
Date: 2-10-90
Page 1 of 1

Adopted

2/16/90

Original sponsor(s): REP. ULMER, Ellis

1 IN THE HOUSE BY THE HESS COMMITTEE

2 CS FOR HOUSE BILL NO. 364 (HESS) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to distribution of information about
7 fetal health effects of alcohol consumption, chemical
8 abuse, and battering during pregnancy."

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

10 * Section 1. AS 18.05 is amended by adding a new section to read:

11 Sec. 18.05.037. FETAL HEALTH EFFECTS. The department shall
12 prepare or obtain distributable information on fetal alcohol effects
13 and the fetal health effects of chemical abuse and battering during
14 pregnancy. The department shall make this information available to
15 public hospitals, clinics, and other health facilities in the state
16 for distribution to their patients.

17 * Sec. 2. AS 25.05.111 is amended by adding a new subsection to read:

18 (b) With a license issued under (a) of this section, the licen-
19 ing officer shall also give to the parties written information about
20 fetal alcohol effects and the fetal health effects of chemical abuse
21 and battering during pregnancy. The Department of Health and Social
22 Services shall prepare or obtain this information and submit it in
23 distributable form to each licensing officer in the state.

HB 364

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM
April 30, 1990

TO: Senator John Binkley, Co-Chair
Senator Rick Uehling, Co-Chair
Senate Finance Committee

FROM: Rep. *[Signature]* Fran Ulmer

TO: CSHB 364, relating to the distribution of information about fetal health effects of alcohol consumption, chemical abuse and battering during pregnancy

CSHB 364 requires the state to distribute information regarding Fetal Alcohol Syndrome (FAS), and the effects of drug abuse and battering during pregnancy. This information is to be distributed to public hospitals and health clinics, as well as with each marriage license issued by the state.

Children born with FAS suffer from a combination of irreversible physical and mental birth defects caused when alcohol crosses the placenta and damages the fetus. These defects include:

- (1) Pre and/or post natal growth retardation (weight, length, and/or head circumference below the tenth percentile);
- (2) Central nervous system problems (intellectual impairment, developmental delay, and neurological abnormality);
- (3) Characteristic facial features (including crossed eyes, small eyes, short nose, or abnormalities of the mouth such as cleft palate).

Alaska has the highest estimated incidence of FAS births in the nation. Certain portions of the state record the highest FAS rate among any population in the world (e.g., nationally: 1.7 per 1,000 births; Copper River, Alaska: 250 per 1,000 births). FAS ranks as the number one cause of congenital mental retardation in Alaska. It is the only cause of mental retardation which is totally preventable.

Approximately 29 babies are born each year with FAS in Alaska; 26 of these survive the first year. Ten years ago, almost all of these infants died at birth. Today, the developments of medical technology keep them alive. However, the costs associated with FAS and FAE children are staggering and few, if any, families can afford to pay them. FAS babies typically need intensive hospital care at birth, at an average cost of \$2,400 per day. Hospital costs per FAS birth average \$99,740; physician fees average \$11,065 per birth, for a total of \$110,805 per child. It is common for FAS babies to be rehospitalized during the first year, at an average cost of \$40,410 per hospital stay.

In addition, 10 times as many babies are born with a lesser set of symptoms known as Fetal Alcohol Effects (FAE). These children, while less severely damaged, may actually have a greater financial impact on state and community services. For example, the IQ of the average FAS baby is below 70; FAE babies' IQ ranges between 70 and 100. It is these children who typically require added counseling, legal and corrections services.

The attached chart itemizes the costs associated with each FAS and FAE patient. The lifetime cost per FAS birth is approximately \$1.4 million. This figure reflects only the most basic medical and therapeutic services necessary. It does not include the additional financial and social costs of welfare payments, child abuse, sexual abuse, learning disabilities and incarceration.

In addition to FAS and FAE, Alaska is increasingly experiencing the effects of substance abuse during pregnancy. Crack and drug addicted babies demonstrate striking abnormalities in their emotions. They have serious difficulty relating to their world, making friends, or feeling love for their mothers.

Battering a pregnant woman also poses significant risks to the fetus. One of every 12 pregnant women in Alaska is beaten by a male partner. These women are 4 times more likely to deliver low birthweight babies and twice as likely to miscarry. While abuse against expectant mothers occurs in all racial and socioeconomic groups, anecdotal evidence indicates that, during pregnancy, physical abuse may become more severe and will be directed toward the fetus.

Education, through efforts like the brochure proposed in CSHB 364, is the surest route to prevention of these tragic and costly conditions. Oregon, Wisconsin, New Hampshire, Rhode Island and Illinois currently distribute information regarding FAS through offices issuing marriage licenses. Last year, in response to a request from Senator John Binkley, the Alaska court system began distributing a pamphlet on FAS which was supplied by the March of Dimes. The purpose of this bill is to ensure that this practice becomes a permanent, on-going effort of the state in order to improve the health of babies in Alaska. Distribution of this information to the 315 health clinics in the state, 15 hospitals, and to the approximately 6000 marriage license applicants will cost the state less than \$10,000 annually.

attachments

TABLE I

LIFETIME COST ESTIMATES OF SPECIFIC BIRTH DEFECTS IN FAS BIRTHS -- ALASKA

Birth Defect	Annual Cost per Patient	Number of Times or Years	Lifetime Cost per Patient	Prevalence	Number Per Yr (% x 26)	Lifetime Cost: All Born 1988
ANNUAL FAS BIRTHS (29 BIRTHS; 26 SURVIVORS)						
1 Neonatal Unit/Providence	99,740	1	99,740		11	1,097,140
2 Neonatal Physician	11,065	1	11,065		11	121,715
3 First Year Rehospitalization	13,470	1	13,470		3	40,410
4 Initial Audio Screening	100	1	100	52%	15	1,500
5 Audio Check-up	100	4	400	100%	26	10,400
6 Otitis Media Surgery	1,224	1	1,224	56%	15	18,360
7 Hearing Aid	1,260	14	17,640	33%	9	158,760
8 Hearing Aid Mold	50	65	3,250	33%	9	29,250
9 Heart Surgery	75,000	1	75,000	5%	1	75,000
10 Cleft Palate Surgery	65,000	1	65,000	12%	3	195,000
11 Infant Learning Program (HSS)	2,513	3	7,539	100%	26	196,014
12 H/C Child: phys defect (HSS)	8,700	18	156,600		7	1,096,200
H/C Child: devel delay (HSS)	8,700	3	26,100	58%	15	391,500
13 Minimal Special Educatn (DOE)	4,000	15	60,000	42%	11	660,000
14 Child Mental Retardation (DOE)	20,000	15	300,000	58%	15	4,500,000
15 DD Child (HSS)	25,000	18	450,000	58%	15	6,750,000
16 Alaska Youth Initiative (HSS)	90,000	12	1,080,000		1/2	540,000
17 DD Adult Initial Training(HSS)	45,000	3	135,000	58%	15	2,025,000
18 DD Adult Supervised Work (HSS)	22,500	44	990,000	58%	15	14,850,000
19 Institution	109,000	65	7,085,000	3%	1	7,085,000
Lifetime Costs for FAS Births: 1988						39,841,249
Lifetime Costs per FAS Birth			1,373,836			
ANNUAL FAE BIRTHS AT TWICE FAS RATE (58)						
20 Infant Learning Program (HSS)	2,513	3	7,539	58%	34	256,326
22 DD Child (HSS)	25,000	18	450,000	58%	34	15,300,000
23 Child Mental Retardation (DOE)	20,000	15	300,000	58%	34	10,200,000
24 DD Adult Initial Training(HSS)	45,000	3	135,000	58%	34	4,590,000
25 DD Adult Supervised Work (HSS)	22,500	44	990,000	58%	34	33,660,000
Lifetime Costs for FAE Births: 1988						64,006,326
Total FAS/FAE Births						103,847,575

NOTES TO FAS COST TABLE

Numbers refer to line numbers on the table.

1. Neonatal Unit. Charges per FAS patient in the Providence Hospital Neonatal Intensive Care Unit were \$68,910 in 1987 and \$130,570 in 1988, for an average of \$99,740. Average length of stay of FAS infants in the Neonatal Intensive Care Unit more than doubled between 1987 and 1988. It was 27 days in 1987 and 65 days in 1988 (v. 19.7 and 23.7 days for all low birthweight babies in the unit). Statistics provided by Lisa Wolf of Providence Hospital.
2. Neonatal Physician. Physician costs per FAS child were \$6,130 in 1987 and \$16,000 in 1988, for an average of \$11,065. Estimates by Sharon Lee of Alaska Neonatal-Perinatal Associates.
3. First-year rehospitalization. Cost estimate is based on 1988 Providence Hospital pediatric charges of \$900/day. The number of infants and average length of stay (12.5 days for moderately low birthweight infants and 16.2 days for very low birthweight babies) are from the National Institute of Medicine and are for all low birthweight infants. Applied to FAS births, these may be underestimates. Streissguth reports it is "usual" for FAS babies to be rehospitalized in the first few months of life.
4. Initial Audio Screening. The state audiologist, Communicative Disorders Program, Anchorage, reports all FAS children need a workup. This report estimates that 11 infants receive a workup in intensive care; the 15 remaining surviving infants are counted in this entry.

5. Audio Check-up. FAS children need three to four follow up checks. The \$100 charge is from the Alaska Treatment Center in Anchorage; the check-up estimate is from the state audiologist.
6. Otitis Media Surgery. Estimate is from the Geneva Woods Ear Nose and Throat Associates. Source of 56% prevalence is Harwood and Napolitano. These costs do not include less severe ear problems common to 93 percent of FAS patients (Alaska Treatment Center). Twenty-nine percent of FAS patients have permanent hearing loss.
7. Hearing Aid. A hearing aid for a baby costs \$1,260; it is replaced once every five years for life at this cost. Cost estimate from Alaska Treatment Center.
8. Hearing Aid Mold. A \$50 ear mold must be replaced annually. Estimate from Alaska Treatment Center.
9. Heart Surgery. Up to 70 percent of FAS patients have heart problems (Streissguth reports the portion at 30-40 percent; Hild reports 70 percent). Harwood and Napolitano report 10 percent require heart surgery, but reduce the estimate to 5 percent to reflect cases actually having surgery. Cost estimates from Vicki Hild, Alaska Native Health Board FAS coordinator.
10. Cleft Palate. Costs include an average of four surgeries, dental and orthodontics work. They do not include long term speech therapy at \$96/session twice or three times a week. Estimates from Vicki Hild. The 12% estimate is average of Abel and Sokol (11.5%) and Harwood and Napolitano (12.5%).

11. Infant Learning Program. Mary Diven of the state division of Maternal and Child Health reports these figures are "deceptively low", under estimating the true cost of rural service. Infant Learning Program costs as much as \$6,000/year in some rural areas.
12. Handicapped Children's Program. Cost estimates include averages for children with heart problems, cleft palate and developmental delay. Children with physical problems can be on the program for 21 years; children with developmental delays may be on the program for as few as three years. Cost estimates by Kathy Robinson, Maternal and Child Health, Alaska Department of Education. This report estimates that one child per year has heart problems (a low estimate in view of the 30 to 70 percent with heart problems); three have cleft palates; and three more have other physical problems such as spina bifida, progressive scoliosis, or severe visual and hearing loss.
13. Minimal Special Education. Costs cover only \$4,000/year for additional special education for learning disabled children, above normal operating and capital education costs (Tom Buckner, Department of Education). Christine Hagmeier of the Department of Health and Social Services cautions that patients with IQ's above 70 and below 100 "may well be more expensive than those with lower IQ's" because they can become involved in counselling, corrections and the law. These costs are not reflected in this report. The 42 percent prevalence estimate is from Streissguth.
14. Child Mental Retardation. Cost of special education for severely retarded children is \$20,000 - \$23,000/year, in addition to normal operating and capital education costs. Estimates from Tom Buckner, Department of Education.

15. Developmentally Disabled Child (HSS). Cost estimate by Christine Hagmeier of the Department of Health and Social Services. Costs can include foster care, in-home care, shared care, respite care, in-home training, advocacy and family support. Hagmeier reports that severely disabled children can cost between \$35,000 and \$85,000 with average cost of \$55,000.
16. Alaska Youth Initiative. Cost estimate from John Van Den Berg, Department of Health and Social Services. This is a program for 52 severely troubled youths. The average age is 15.8 years; the average number of failed housing placements is 16. Currently five FAS youths are in the program. This report estimates children remain on the program an average of 12 years (based on Van Den Berg's report that "absolute minimum lifetime costs per child are \$1 million".) It further assumes that one FAS child would enter this program every two years. Streissguth reports that aggressive behavior may be a problem for about 40% of the boys. Those from a less structured and protected environment may be "quick to anger when crossed and quick to strike out impulsively".
17. Developmentally Disabled Adult Initial Training. Costs include \$25,000 residential care (example: foster care and independent living) plus initial vocational rehabilitation costs of \$20,000, for a total of \$45,000. Initial vocational rehabilitation costs average between two and five years. Estimate by Christine Hagmeier.
18. Developmentally Disabled Adult Supervised Work. After initial rehabilitation costs (see #17 above), costs can "fade" to between \$10,000 and \$25,000 for lifetime residential care plus \$5,000 lifetime vocational rehabilitation care (Hagmeier). The average of this \$15,000 to \$30,000 range is \$22,500.

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19. Institution. Estimate by Ellen Ganley, Governor's Council for the Handicapped and Gifted.
20. FAE Births. Annual FAE births are calculated in this report at twice that of FAS births. This is a conservative estimate. Hild believes the actual number of FAE births annually is ten times the FAS births (or 290 FAE births and 168 developmentally disabled FAE persons.) In this report, cost estimates for FAE births are limited to mental retardation. They do not include costs associated with mild learning disabilities, physical anomalies, child abuse, sexual abuse or the justice system.
21. See #11.
22. See #15.
23. See # 14.
24. See # 17.
25. See # 18.

DEPARTMENT OF PUBLIC SAFETY

BILL NO: CSHB 364 (HESS)

DATE: February 9, 1990

TITLE: Distribution of information about fetal health effects of ... battering during pregnancy

CONTACT: Barbara Miklos
465-4356

The Council on Domestic Violence and Sexual Assault supports CSHB 364 (HESS) which requires the Department of Health and Social Services to prepare information on, among other things, the fetal health effects of battering. Since pregnant women are at high risk for battering, it is important to inform prospective parents about increased risk during pregnancy, the danger to mother and fetus, and services available to prevent battering and/or provide safety to pregnant women.

Battering is always dangerous to women and children. In Alaska, in 1987, 38% of murders of Alaskan women were committed by husbands or boyfriends. A study conducted by the University of Alaska in 1986 showed that at least 13,500 women living in Alaska required medical treatment by a doctor or hospital for injuries sustained by abuse. Children raised in violent homes suffer trauma from being raised in the violent home and are more likely to be physically and/or sexually abused.

In a study conducted in Texas, of those pregnant women being abused, 40 - 60% stated that the battering had either begun or escalated since the discovery of pregnancy. 65% of those abused had not talked with anyone about the abuse. Both of these findings are consistent with findings in other studies. A March of Dimes study showed that battered women are four times more likely to deliver low birth weight babies and twice as likely to miscarry. Low birth weight babies are more likely to be born with birth defects and more likely to die the first month of life.

The Council would like to request that the language in the legislation Section 1, Line 2, be changed to "The Department, in consultation with the Council on Domestic Violence and Sexual Assault, prepare distributable ..." and in Section 2, Line 22, "The Department of Health and Social Services, in consultation with the Council on Domestic Violence and Sexual Assault, will prepare ...". It is important that information about current services in Alaska, as well as information about the dynamics and consequences of battering, be included in the pamphlet.

Arthur English
Arthur English
Commissioner

POSITION PAPER

House Bill No. 364

"An Act requiring marriage licensing officers to distribute information related to the health effects of alcohol consumption."

BACKGROUND

HB 364 requires the distribution of information regarding the dangers of the use of alcohol during pregnancy.

Fetal Alcohol Syndrome (FAS) is the term given to those infants who have been severely affected by the alcohol consumed by the mother during pregnancy. It is estimated that FAS may be the most common birth defect in the nation, although it has only been recently recognized. People must be given the information that drinking while pregnant is dangerous to the unborn child. HB 364 is an efficient and cost effective way to distribute information on this topic.

FAS information is currently being distributed by the court system using a brochure produced by the March of Dimes. Central supply at the court estimates that a maximum of 10,000 brochures are required for distribution each year. This allows one brochure to be given at the time of application for a marriage license and is sufficient for rural communities to include in a public information pamphlet rack.

POSITION:

The Department of Health and Social Services supports this legislation as a way to assure that information regarding the dangers of substance abuse during pregnancy are distributed throughout the State. Educating Alaskans is a critical first step in protecting babies from the harmful effects of FAS.

Recommended by:

Sally Mead
Sally Mead, Coordinator
Office of Prevention

Date:

1-23-90

Approved by:

Myra M. Munson
Myra M. Munson, Commissioner
Department of Health and
Social Services

Date:

1-23-90

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

April 24, 1990

TO: Members, Senate Finance Committee

FROM: Rep. Fran Ulmer

RE: CSHB 364, relating to the distribution of information about fetal health effects of alcohol consumption, chemical abuse and battering during pregnancy

CSHB 364 requires the state to distribute information regarding Fetal Alcohol Syndrome (FAS), and the effects of drug abuse and battering during pregnancy. This information is to be distributed to public hospitals and health clinics, as well as with each marriage license issued by the state.

Each of these conditions has serious and long lasting, but preventable, effects on the health of the child. FAS alone costs approximately \$1.4 million per FAS birth, costs which are primarily borne by the state.

Preventing these costly conditions is effectively addressed through education efforts. The Department of Health and Social Services estimates that it will cost less than \$10,000 annually to print and distribute this information. Last year Senator Binkley asked the Court System to undertake this effort and distribute information regarding FAS with each marriage license issued by the state. CSHB 364 will ensure that this effort is institutionalized and becomes a permanent part of the state's prevention program.

CSHB 478 (C&RA)-Solid Waste Management legislation

CSHB 478 (C&RA) is an important first step towards implementation of a solid waste management plan for Alaska that will also include waste reduction and recycling options. This legislation provides communities with assistance from DEC, both financial and technical, in order to make wise decisions regarding solid waste management needs at the community level.

CSHB 478 (C&RA) would:

- 1) Provide planning and technical assistance grants to local communities (or regional groups) of up to \$50,000 for solid waste management planning, so that communities have the ability to explore reduction, recycling and other management options.
- 2) Expand the Department of Environmental Conservation's current efforts in hazardous waste reduction and recycling to include solid waste, and thus allowing the department to provide, among other services:
 - * technical assistance to communities in the areas of waste reduction, recycling and the separate management of troublesome wastes, etc;
 - * a more comprehensive analysis of the full range of solid waste management options available to Alaskan communities, including small scale recycling and disposal technologies; and
 - * a waste reduction and recycling hotline.
- 3) Establish a preferred hierarchy of solid waste management options so that the state would be "on the record" favoring waste reduction, recycling and appropriate treatment of specific wastes rather than "business as usual" -continuing to generate, at an increasing rate, waste destined for disposal.
- 4) Ensure that communities and industrial solid waste facility operators begin to focus on waste reduction and recycling by asking that the preferred hierarchy of management options be considered as part of the solid waste disposal facility permit process.

Several amendments were adopted by the C&RA Committee. One amendment changed the order of priorities which DEC uses to consider awarding planning grants by listing consideration of the severity of environmental or public health concerns first. Another amendment added a new subsection which states that DEC may waive the match required for grants if an applicant can prove that matching funds are not available.

A letter of intent was also included which states that this legislation will not supersede a community's efforts to obtain safe water and hygienic sewage disposal, nor will it alter the status of these health and safety concerns for DEC.

This legislation is supported by the Alaska Municipal League, over 60 schools from across the state, recycling groups from Anchorage, Petersburg and Juneau, environmental organizations, and thousands of Alaskan citizens who have signed recycling petitions.

HB 372-relating to creation of a vessel replacement fund for the Alaska Marine Highway

CSHB 372 (Fin) would create a vessel replacement fund within the general fund which would allow money to accumulate until such time as the replacement of vessels in the Alaska Marine Highway System (AMHS) is needed.

Because of the large capital outlay that will be needed to replace vessels in the future, I feel that a funding mechanism should be put in place now to help ensure that the financial commitment the state has made to the AMHS will continue.

The state experiences many problems as a result of our aging fleet, including significant time when vessels are being repaired and thus unable to meet schedules. The Department of Transportation and Public Facilities (DOT/PF) estimates that the average age of our fleet is 22 years, with the oldest ship having been built in 1963, and the newest in 1977. The cost of replacing smaller vessels may run from \$17 to \$25 million and estimates of replacing a larger vessel could run as high as \$59 million. The cost of replacing the entire fleet could be an astronomical \$270 million!

The bill passed by the House allows the legislature to also appropriate money for this fund from program receipts received from the Alaska Marine Highway System, and from settlement of the Dinkum Sands and Amerada Hess litigation.