

LEG. FINANCE - BILLS 1977 - 1978 889

B 50 thru SB 53 & SB 54

889




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Signature of Camera Operator

  
\_\_\_\_\_  
Date

# STATE OF ALASKA

## THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION  
POUCH WF-STATE CAPITOL  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3795

January 23, 1981

Ms. Sue Urig  
Office of Attorney General  
State of Alaska  
420 "L" Street, Suite 100  
Anchorage, Alaska 99501

Dear Ms. Urig:

Enclosed are the materials from our file concerning SB 50. All this material was found in the House Finance bill file--the bill was never referred to Senate Finance, although it was referred to a number of other Senate committees.

Sincerely, . . .



Patricia Williams  
Administrative Assistant  
Legislative Finance Division

Enclosures

# COMMITTEE REPORT

## HOUSE

\_\_\_\_\_ Date

Mr. Speaker:

The Committee on \_\_\_\_\_ has had \_\_\_\_\_  
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

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

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

_____	recommends: _____
_____	recommends: _____
_____	recommends: _____

\_\_\_\_\_

Chairman

Original sponsor: Rules Committee by  
request of the Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 50 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to utilities; and providing for an  
7 effective date."

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

9 \* Section 1. AS 19.05.130(4) is amended to read:

10 (4) "cost of change, relocation, or removal" means the  
11 entire cost incurred by the utility properly attributed to the change,  
12 relocation, or removal of a facility, less any costs for improvements  
13 or upgrading over and above the cost of a functionally equal facility;  
14 if a facility is to be relocated and replaced with new equipment,  
15 there shall also be subtracted from the entire cost [UTILITY AFTER  
16 DEDUCTING ANY INCREASE IN THE VALUE OF THE NEW FACILITY AND] any  
17 salvage value derived from the old facility;

18 \* Sec. 2. AS 19.05.130(12) is amended to read:

19 (12) "utility" includes railroads and all publicly, pri-  
20 vatoly, or [AND] cooperatively owned lines, facilities and systems  
21 for producing, transmitting or distributing communications, tele-  
22 communications, power, electricity, light, heat, gas, oil, crude  
23 products, water, steam, waste, storm water not connected with high-  
24 vay drainage, and other similar commodities, including publicly owned  
25 fire and police signal systems, and street lighting systems [UTILITIES];

26 \* Sec. 3. AS 19.25.010 is amended to read:

27 Sec. 19.25.010. USE OF RIGHTS-OF-WAY FOR UTILITIES. A utility  
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1 STRUCTURE WHICH BY LAW] may be constructed, placed, or maintained  
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3 WAY BY A PERSON OR POLITICAL SUEVISION MAY BE MAINTAINED OR CON-  
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5 ment and if (. NO UTILITY PROJECT OF THIS NATURE MAY BE UNDERTAKEN UNTIL  
6 IT IS] authorized by a written permit issued by the department.

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8 Sec. 19.25.020. RELOCATION OF UTILITIES INCIDENT TO HIGHWAY PRO-  
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12 located or removed, the utility owning or maintaining the facility shall  
13 change, relocate or remove it in accordance with the order. The order  
14 shall provide a reasonable time period for compliance.

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17 croachment and may be disposed of in accordance with secs. 240 - 250 of  
18 this chapter. In addition, the owner of the facility shall indemnify  
19 the state for any amount for which the state may be liable to a  
20 contractor by reason of the encroachment.

21 (c) The cost of change, relocation, or removal necessitated by  
22 highway construction is a cost of highway construction to be paid by the  
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26 (d) If requested by a municipality, the department shall imple-  
27 ment this chapter by requiring to the maximum extent possible location  
28 underground of electric power transmission lines within the municipi-  
29 pality.

1 \* Sec. 5. AS 42.05.381(a) is amended to read:

2 (a) All rates demanded or received by a public utility, or by any  
3 two or more public utilities jointly, for a service furnished or to be  
4 furnished shall be just and reasonable; however, no rate may include an  
5 allowance for costs of advertising, political or charitable contributions  
6 lobbying expenses, or public relations except for reasonable amounts  
7 spent for

8 (1) energy conservation efforts;

9 (2) public information designed to promote more efficient  
10 use of the utility's facilities or services or to protect the physical  
11 plant of the utility;

12 (3) informing shareholders and members of a cooperative of  
13 meetings of the utility and encouraging attendance; or

14 (4) emergency situations to the extent and under the circum-  
15 stances authorized by the commission for good cause shown.

16 \* Sec. 6. AS 42.05.441(c) is repealed.

17 \* Sec. 7. This Act takes effect immediately in accordance with AS 01.10.-  
18 070(c).

STATE OF ALASKA  
THE LEGISLATURE

POUCH STATE CAPITOL  
JUNEAU ALASKA 99801  
907 455-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 16, 1977

SUBJECT: Hall letter of May 12, 1977

TO: Representative Steve Cowper  
Chairman, House Finance Committee

FROM: Billy G. Berrier, Director *BGB*  
Division of Legal Services

On page 2 of the APUC comments on HCS SB 50 which were sent to you as an enclosure to Stuart C. Hall's letter of May 12, 1977, the following statement is made:

"It should be noted that the consultant(s) did not have either formal or informal contact with any of the Commissioners or the Commission staff"

This statement in the strictly literal sense is true, but it is grossly misleading. As the staff member assigned to the electrical utility study by the Legislative Council, I met on several occasions with the staff of the APUC, discussed what we do informally with various commissioners and met with the Commissioners at the APUC office. At that informal meeting, Mr. Hall was unable to participate because of the press of other business. The first draft and each of the successive drafts were sent to the Commission for information and comment. At the meeting in Anchorage the drafts were discussed for several hours.

I saw then, and still see, no need for our consultant to come personally to Anchorage from Washington, D. C. since the APUC through its staff and the Commissioners were kept informed and their comments were requested at each stage.

BGB:lmk

cc: Stuart C. Hall, Commissioner  
Alaska Public Utilities Commission

Frances A. Ulmer  
Legislative Assistant to the Governor

Pamela Knode, Information Officer  
Department of Commerce & Econ. Dev.

Representative Steve Cowper  
May 16, 1977  
Page 2

cc: Arthur H. Peterson  
Assistant Attorney General

Honorable Lisa Rudd, Chairman  
House Community & Regional Affairs Committee

Honorable Sam Cotten, Chairman  
House Rules Committee

Honorable Mike Miller, Majority Leader  
House of Representatives

COMMENTS OF THE ALASKA PUBLIC UTILITIES COMMISSION REGARDING HCSSB 50

HCSSB 50, presently before House Finance Committee, attempts to "marry" SB 50, as it emerged from the Senate (relating to the relocation of utility rights-of-way), and various portions of the package of measures relating to regulation of public utilities prepared for the Legislative Council and a third, extraneous proposal, imposing employment restrictions on former APUC members and employees for a period of two years after they leave the APUC.

The Commission has consistently, and strongly, supported the first four sections of SB 50 (and also its companion measure, HB 209, which is in the House Rules Committee). This very important measure would permit federal funding of the costs of relocation of utility rights-of-way; all that is required to accomplish that purpose is enactment of a state statute authorizing it.

However, the ONLY nexus between these first four sections of the bill and the balance of the legislation (secs. 5-9) is the word "utility." Although the Alaska Supreme Court has substantially liberalized the so-called "single subject" rule (and significantly weakened it, in the view of some) (Gellert v. State, 522 P.2d 1120 (Alaska, 1974)), we believe the attempt to join these two disparate legislative subjects may violate that constitutionally prescribed rule and that the first four sections of the bill should be severed and allowed to pass, free from the constitutional and other infirmities of sections 5-9, leaving the latter sections to be considered on their own merits in separate legislation. Indeed, some already have been introduced in separate bills.

Section 5 of the bill would impose severe employment restrictions on APUC members and employees once they have departed the Commission's service and for a period of two years thereafter: they may not be employed by a regulated public utility in the state, nor by a firm doing "substantial business" with such a utility, nor could they serve as an officer, board member or an employee of a cooperative association, nor could that utility, or a firm doing substantial business with that utility, employ a former APUC member or employee within that two-year period. It is totally unclear--and this measure does not define--what constitutes the doing of "substantial business" with a public utility. We understand that the purpose of this legislation is to halt what some critics have called the "revolving door" that is alleged to exist between some utilities and regulatory agencies in some jurisdictions (including the federal). (We are not aware that such a situation prevails in Alaska.) A few of our former commissioners and employees, subsequent to their APUC service, have been employed by utilities in this state, and a number of our present staff members have had prior public utility experience. It is one thing to prohibit a former APUC Commissioner or employee from appearing before the Commission on behalf of a regulated utility; it is quite another to proscribe entirely his right to earn a living. Also, to include every employee down to the least senior clerk typist regardless of impact

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on the regulatory process is grossly unfair. We think there may be serious "Equal Protection" and "Due Process" objections to this proposal (overbroad, vague, etc.), including invasion of the right to travel (a right upheld in a long line of cases beginning with Edwards v. California, 314 U.S. 160 (1941)) and interference with a right to employment (which may be a protected property right) as well as potential infirmities under the 13th Amendment (i.e., imposing conditions of involuntary servitude, etc.). In short, while the Commission is aware that similar legislation is pending on the federal level, and some modification of AS 42.05.131 might be desirable to avoid potential abuse, we think it is a sufficiently important policy step that it ought to be considered in separate legislation on its own merits rather than being tied to a bill that has no bearing on APUC practice and procedure and that is widely favored and noncontroversial. Moreover, Sec. 5's sponsors do not propose that similar restrictions be imposed on the members of the other quasi-judicial, independent regulatory commissions; i.e., the Alaska Transportation Commission and the Alaska Pipeline Commission. No reason is perceived why the APUC Commissioners and staff should be singled out for discriminatory treatment and why the members and employees of these other commissions should be exempt. Section 6 of the bill relates to Section 5, hence the same observations apply.

Section 7 is a part of the so-called Legislative Council or Barrier "package" and already has been introduced as a part of; e.g., SB 313. As the Commission has previously observed concerning the language of Section 7, the proposed amendments to AS 42.05.381(a) are the result of a series of recommendations to the Legislative Council by the consultant employed by the Legislative Affairs Agency to review the existing statute .. of the Alaska Public Utilities Commission. It should be noted that the consultant(s) did not have either formal or informal contact with any of the Commissioners or the Commission staff. The policy of the Commission regarding costs of advertising which has been allowed for rate-making purposes is that which is found in the new language proposed for addition to this section. If the legislature desires to formalize by statute the policy of the APUC, we would suggest that on Page 4, line 4, after the word "informing", the phrase "shareholders and" be inserted. In summary, the additional language contained in this section merely reiterates Commission policy. If the legislature believes it to be in the public interest to mandate this policy through statutory enactment, the Commission has no objection to the proposed language.

Section 8 of the bill re-writes AS 42.05.511(c), the "affiliated interests" section of the APUC Act. The Commission believes that the existing language has worked well and does not require a re-writing at this time. The phrase "clear and convincing" on page 4, line 11, also raises burden of proof questions (i.e., quantum of evidence required). Accordingly, the Commission opposes Section 8 of the bill.

The Commission wholeheartedly endorses Section 9 of the bill for the reasons stated in its Order No. 8 involving Acme Disposal Service, Inc. (APUC Docket

U-76-38) and in the accompanying briefs by staff counsel and by protestant City and Borough of Juneau incorporated by reference into that order. AS 42.05.441(c) if implemented, would have worked to the detriment of the consumer in the Acme case; in the Commisison's judgment this provision was ill-advised and should be repealed.

789-9201

returning to Anchorage  
on Monday

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

RAY S. HAMMOND, GOVERNOR

1100 MACKAY BUILDING  
330 DENALI STREET  
ANCHORAGE 99501

### ALASKA PUBLIC UTILITIES COMMISSION

May 12, 1977

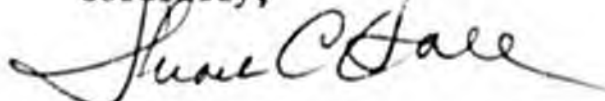
Honorable Steve Cowper, Chairman  
House Finance Committee  
Porch WF, State Capitol  
Juneau, Alaska 99811

Dear Steve:

Enclosed is the Commission's comments concerning House Committee Substitute for Senate Bill 50 pending before the House Finance Committee. Because of the extraneous material now contained in what has been a very important measure, the Commission has grave reservations about the legislation, particularly Section 5 of the bill, and desires to call its concern to your and the Committee's attention.

If you or the other members of the Committee have any questions about our position, please do not hesitate to contact us. I will be in Juneau over the weekend of May 13-15 and would be pleased to make myself available should you desire it.

Cordially,



STUART C. HALL  
Commissioner

SCH:McP

cc: Frances A. Ulmer, Esq.  
Legislative Assistant to the Governor  
Pamela Knode, Information Officer  
Department of Commerce & Econ. Dev.  
Arthur H. Peterson, Esq.  
Assistant Attorney General  
Honorable Lisa Rudd, Chairman  
House Community & Regional Affairs Committee  
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# STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL  
JUNEAU 99811

May 11, 1977

The Honorable Steve Cowper, Chairman  
House Finance Committee  
Alaska State Legislature  
Juneau, Alaska 99811

Re: HCSSB 50 (utilities)

Dear Steve:

Dick Edwards, formerly a member of the Alaska Public Utilities Commission and now an attorney in private practice, phoned to say that sec. 5 of this bill, which is currently in your committee, may be invalid as applied to him, under Leege v. Martin, 379 P.2d 447 (Alaska 1963). Sec. 5 is the one which prohibits a commission member or employee from doing substantial business with a public utility for two years after the person left the commission. Dick mentions that, had such a statute been in effect when he took the job as a commissioner, he would not have taken the job. The statute has a retroactive effect as applied to him.

In Territory of Alaska v. Craig Enterprises, Inc., 355 P.2d 397 (Alaska 1960), the court dealt with the validity of the lien provision of the Alaska Employment Security Act as it applied to the property of one who had leased that property to the derelict employer before enactment of the amendment extending the Act's lien provision to "property used with the permission of the owner." Since such an owner could not protect his property, the extending amendment would violate due process if applied to him. Therefore, the court read an exception into the statute.

To avoid having to litigate the issue, it would be helpful to add a section to HCSSB 50 something like the following:

- \* Sec. 10. The amendments to AS 42.05.131, made in sec.5 of this Act, are not applicable to a person who is a member or employee of the Alaska Public Utilities Commission on the effective date of this Act or who was a member or employee of the commission within two years before the effective date of this Act.

The honorable Steve Cowper, Chairman  
House Finance Committee

May 11, 1977

-2-

Then the present sec. 10 should be re-numbered to sec. 11. If the time period in sec. 5 is changed, then it should be correspondingly changed in the new sec. 10.

Thanks for your consideration of this point.

Yours truly,

AVRUM M. GROSS  
ATTORNEY GENERAL

By:



Arthur H. Peterson  
Assistant Attorney General

AHP:cdm

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 50 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

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2 070(c).  
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Introduced: 1/17/77  
Referred: Community & Regional  
Affairs and Commerce

IN THE SENATE

BY THE RULES COMMITTEE BY  
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The Commission has consistently, and strongly, supported the first four sections of SB 50 (and also its companion measure, HB 209, which is in the House Rules Committee). This very important measure would permit federal funding of the costs of relocation of utility rights-of-way; all that is required to accomplish that purpose is enactment of a state statute authorizing it.

However, the ONLY nexus between these first four sections of the bill and the balance of the legislation (secs. 5-9) is the word "utility." Although the Alaska Supreme Court has substantially liberalized the so-called "single subject" rule (and significantly weakened it, in the view of some) (Gellert v. State, 522 P.2d 1120 (Alaska, 1974)), we believe the attempt to join these two disparate legislative subjects may violate that constitutionally prescribed rule and that the first four sections of the bill should be severed and allowed to pass, free from the constitutional and other infirmities of sections 5-9, leaving the latter sections to be considered on their own merits in separate legislation. Indeed, some already have been introduced in separate bills.

Section 5 of the bill would impose severe employment restrictions on APUC members and employees once they have departed the Commission's service and for a period of two years thereafter: they may not be employed by a regulated public utility in the state, nor by a firm doing "substantial business" with such a utility, nor could they serve as an officer, board member or an employee of a cooperative association, nor could that utility, or a firm doing substantial business with that utility, employ a former APUC member or employee within that two-year period. It is totally unclear--and this measure does not define--what constitutes the doing of "substantial business" with a public utility. We understand that the purpose of this legislation is to halt what some critics have called the "revolving door" that is alleged to exist between some utilities and regulatory agencies in some jurisdictions (including the federal). (We are not ware that such a situation prevails in Alaska.) A few of our former commissioners and employees, subsequent to their APUC service, have been employed by utilities in this state, and a number of our present staff members have had prior public utility experience. It is one thing to prohibit a former APUC Commissioner or employee from appealing to the Commission on behalf of a regulated utility; it is quite another to proscribe entirely his right to earn a living. Also, to impose every employee down to the least senior clerk typist regardless

on the regulatory process is grossly unfair. We think there may be serious "Equal Protection" and "Due Process" objections to this proposal (overbroad, vague, etc.), including invasion of the right to travel (a right upheld in a long line of cases beginning with Edwards v. California, 314 U.S. 160 (1941)) and interference with a right to employment (which may be a protected property right) as well as potential infirmities under the 13th Amendment (i.e., imposing conditions of involuntary servitude, etc.). In short, while the Commission is aware that similar legislation is pending on the federal level, and some modification of AS 42.05.131 might be desirable to avoid potential abuse, we think it is a sufficiently important policy step that it ought to be considered in separate legislation on its own merits rather than being tied to a bill that has no bearing on APUC practice and procedure and that is widely favored and noncontroversial. Moreover, Sec. 5's sponsors do not propose that similar restrictions be imposed on the members of the other quasi-judicial, independent regulatory commissions; i.e., the Alaska Transportation Commission and the Alaska Pipeline Commission. No reason is perceived why the APUC Commissioners and staff should be singled out for discriminatory treatment and why the members and employees of these other commissions should be exempt. Section 6 of the bill relates to Section 5, hence the same observations apply.

Section 7 is a part of the so-called Legislative Council or Berrier "package" and already has been introduced as a part of; e.g., SB 315. As the Commission has previously observed concerning the language of Section 7, the proposed amendments to AS 42.05.381(a) are the result of a series of recommendations to the Legislative Council by the consultant employed by the Legislative Affairs Agency to review the existing statute of the Alaska Public Utilities Commission. It should be noted that the consultant(s) did not have either formal or informal contact with any of the Commissioners or the Commission staff. The policy of the Commission regarding costs of advertising which has been allowed for rate-making purposes is that which is found in the new language proposed for addition to this section. If the Legislature desires to formalize by statute the policy of the APUC, we would suggest that on Page 4, line 4, after the word "informing", the phrase "shareholders and" be inserted. In summary, the additional language contained in this section merely reiterates Commission policy. If the Legislature believes it to be in the public interest to mandate this policy through statutory enactment, the Commission has no objection to the proposed language.

Section 8 of the bill re-writes AS 42.05.511(c), the "affiliated interests" section of the APUC Act. The Commission believes that the existing language has worked well and does not require a re-writing at this time. The phrase "clear and convincing" on page 4, line 11, also raises burden of proof questions (i.e., quantum of evidence required). Accordingly, the Commission opposes Section 8 of the bill.

The Commission wholeheartedly endorses Section 9 of the bill for the reasons stated in its Order No. 8 involving Acme Disposal Service, Inc. (APUC Docket

U-76-38) and in the accompanying briefs by staff counsel and by protestant City and Borough of Juneau incorporated by reference into that order. AS 42.05.441(c) if implemented, would have worked to the detriment of the consumer in the Acme case; in the Commission's judgment this provision was ill-advised and should be repealed.

FORM 02-001BC

FOR BRIEF COMMUNICATIONS

MAY BE HANDWRITTEN

# MEMORANDUM

TO: Legislative Affairs Agency

## State of Alaska

DEPT. \_\_\_\_\_

DIV. \_\_\_\_\_

SEC. \_\_\_\_\_

DATE : May 17, 1977

FROM: Anne Lindbeck, Secretary  
House Finance Committee

SUBJECT: Preparation of  
Committee Substitute

Please prepare a Committee Substitute for SB 50 as per the attached copy. Needed for 1:15 p.m. meeting 5/17/77. Thank you.

Introduced: 1/11/77  
Referred: Community & Regional  
Affairs and Commerce

Finance Committee

BY THE ~~HOUSE COMMITTEE BY~~  
~~REQUEST OF THE GOVERNOR~~

1 IN THE SENATE

2 <sup>CS</sup>  
House SENATE BILL NO. 50 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to utilities and state rights-of-  
7 way; and providing for an effective date."

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

9 \* Section 1. AS 19.05.130(4) is amended to read:

10 (4) "cost of change, relocation, or removal" means the  
11 entire cost incurred by the utility properly attributed to the change,  
12 relocation, or removal of a facility, less any costs for improvements  
13 or upgrading over and above the cost of a functionally equal facility;  
14 if a facility is to be relocated and replaced with new equipment,  
15 there shall also be subtracted from the entire cost [UTILITY AFTER  
16 DEDUCTING ANY INCREASE IN THE VALUE OF THE NEW FACILITY AND] any  
17 salvage value derived from the old facility;

18 \* Sec. 2. AS 19.05.130(12) is amended to read:

19 (12) "utility" includes railroads and all publicly, pri-  
20 vately, or [AND] cooperatively owned lines, facilities and systems  
21 for producing, transmitting or distributing communications, tele-  
22 communications, power, electricity, light, heat, gas, oil, crude  
23 products, water, steam, waste, storm water not connected with high-  
24 way drainage, and other similar commodities, including publicly owned  
25 fire and police signal systems, and street lighting systems [UTILITIES];

26 \* Sec. 3. AS 19.25.010 is amended to read:

27 Sec. 19.25.010. USE OF RIGHTS-OF-WAY FOR UTILITIES. A utility  
28 facility [AS ELECTRIC TRANSMISSION, TELEPHONE, OR TELEGRAPH LINE, POLE  
29 LINE, RAILWAY, DITCH, SEWER, WATER, HEAT, OR GAS MAIN, FLUME, OR OTHER

1 STRUCTURE WHICH BY LAW] may be constructed, placed, or maintained  
2 across, [OR] along, over, under or within a state right-of-way [A HIGH-  
3 WAY BY A PERSON OR POLITICAL SUBDIVISION MAY BE MAINTAINED OR CON-  
4 TRUCTED] only in accordance with regulations prescribed by the depart-  
5 ment and [ . NO UTILITY PROJECT OF THIS NATURE MAY BE UNDERTAKEN UNTIL IT  
6 IS] authorized by a written permit issued by the department.

7 \* Sec. 4. AS 19.25.020 is repealed and re-enacted to read:

8 Sec. 19.25.020. RELOCATION OF UTILITIES INCIDENT TO HIGHWAY PRO-  
9 JECTS. (a) If, incident to the construction of a highway project, the  
10 department determines and orders that a utility facility located across,  
11 along, over, under, or within a state right-of-way must be changed, re-  
12 located or removed, the utility owning or maintaining the facility shall  
13 change, relocate or remove it in accordance with the order. The order  
14 shall provide a reasonable time period for compliance.

15 (b) If the utility facility is not changed, relocated or removed  
16 in accordance with the order, the facility becomes an unauthorized en-  
17 croachment and may be disposed of in accordance with secs. 240 - 250 of  
18 this chapter. In addition, the owner of the facility shall indemnify  
19 the state for any amount for which the state may be liable to a  
20 contractor by reason of the encroachment.

21 (c) The cost of change, relocation, or removal necessitated by  
22 highway construction is a cost of highway construction to be paid by the  
23 state in accordance with AS 19.05.130(4), notwithstanding the terms or  
24 provisions of any existing permit, agreement, regulation or statute to  
25 the contrary.

26 (d) If requested by a municipality, the department shall imple-  
27 ment this chapter by requiring to the maximum extent possible location  
28 underground of electric power transmission lines within the munic-  
29 ipality.

1 \* Sec. <sup>5</sup> AS 42.05.381(a) is amended to read:

2 (a) All rates demanded or received by a public utility, or by any  
3 two or more public utilities jointly, for a service furnished or to be  
4 furnished shall be just and reasonable; however, no rate may include an  
5 allowance for costs of advertising, political or charitable contributions,  
6 lobbying expenses, or public relations except for reasonable amounts  
7 spent for

8 (1) energy conservation efforts;

9 (2) public information designed to promote more efficient  
10 use of the utility's facilities or services or to protect the physical  
11 plant of the utility;

12 (3) informing <sup>shareholders and</sup> members of a cooperative of meetings of the  
13 utility and encouraging attendance; or

14 (4) emergency situations to the extent and under the circum-  
15 stances authorized by the commission for good cause shown.

16 \* Sec. <sup>6</sup> AS 42.05.441(c) is repealed.

17 \* Sec. <sup>7</sup> This Act takes effect immediately in accordance with AS 01.10.-  
18 070(c).  
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January 14, 1977

The Honorable John L. Rader  
President of the Senate  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to utilities and state rights-of-way. The bill is designed to clarify the jurisdiction of the Department of Highways in situations where state highways and utility facilities run together or intersect.

In the past, there has been some confusion over what constitutes a utility for the purposes of AS 19.25.020 and what manner should be used in calculating replacement costs for utilities which have been relocated under the provisions of AS 19.25.020. Sections 1 and 4 amend AS 19.05.130(4) and 19.25.020, respectively, to clarify and delineate the requirements and costs of change, relocation or removal of a utility facility from a state highway. Section 2 amends AS 19.05.130(12) by making more specific the definition of "utility," while sec. 3 makes use of that definition in simplifying and clarifying the provision on use of state rights-of-way for utilities.

In particular, the bill will make it clear that once a utility's facilities have been relocated due to highway construction, the utility will retain the same rights (primarily, the right to reimbursement) for any subsequent relocation necessitated by additional highway construction.

Sincerely,

Jay S. Hammond  
Governor

2050

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST SENATE BILL NO. 50  
 Bill/Resolution No. \_\_\_\_\_  
 Title Utilities & State Rights of Way  
 Requested by Highways Date January 14, 1977

II. FISCAL DETAIL None  
 Agency Affected \_\_\_\_\_  
 Program Category Affected \_\_\_\_\_  
 Budget Request Unit(s) Affected \_\_\_\_\_

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
300 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This is a "house-clearing" bill and has no fiscal impact.

IV. DATE January 14, 1977 PREPARED BY Frank S. Roster, Administrative Director,  
 AGENCY Highways  
 Original Legislative Finance PHONE 365-2121 Ext. 124/125  
 cc. Budget and Management  
 Prime Sponsor (Last Legislator Named)

Original sponsor: Rules Committee by  
request of the Governor

Offered: 5/4/77  
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 50

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to utilities; and providing for an  
7 effective date."

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

9 \* Section 1. AS 19.05.130(4) is amended to read:

10 (4) "cost of change, relocation, or removal" means the  
11 entire cost incurred by the utility properly attributed to the change,  
12 relocation, or removal of a facility, less any costs for improvements  
13 or upgrading over and above the cost of a functionally equal facility;  
14 if a facility is to be relocated and replaced with new equipment,  
15 there shall also be subtracted from the entire cost [UTILITY AFTER  
16 DEDUCTING ANY INCREASE IN THE VALUE OF THE NEW FACILITY AND] any  
17 salvage value derived from the old facility;

18 \* Sec. 2. AS 19.05.130(12) is amended to read:

19 (12) "utility" includes railroads and all publicly, pri-  
20 vately, or [AND] cooperatively owned lines, facilities and systems  
21 for producing, transmitting or distributing communications, tele-  
22 communications, power, electricity, light, heat, gas, oil, crude  
23 products, water, steam, waste, storm water not connected with high-  
24 way drainage, and other similar commodities, including publicly owned  
25 fire and police signal systems, and street lighting systems [UTILITIES];

26 \* Sec. 3. AS 19.25.010 is amended to read:

27 Sec. 19.25.010. USE OF RIGHTS-OF-WAY FOR UTILITIES. A utility  
28 facility [AN ELECTRIC TRANSMISSION, TELEPHONE, OR TELEGRAPH LINE, POLE  
29 LINE, RAILWAY, DITCH, SEWER, WATER, HEAT, OR GAS MAIN, FLUME, OR OTHER

1 STRUCTURE WHICH BY LAW] may be constructed, placed, or maintained  
2 across, [OR] along, over, under or within a state right-of-way [A HIGH-  
3 WAY BY A PERSON OR POLITICAL SUBDIVISION MAY BE MAINTAINED OR CON-  
4 TRUCTED] only in accordance with regulations prescribed by the depart-  
5 ment and if [. NO UTILITY PROJECT OF THIS NATURE MAY BE UNDERTAKEN UNTIL  
6 IT IS] authorized by a written permit issued by the department.

7 \* Sec. 4. AS 19.25.020 is repealed and re-enacted to read:

8 Sec. 19.25.020. RELOCATION OF UTILITIES INCIDENT TO HIGHWAY PRO-  
9 JECTS. (a) If, incident to the construction of a highway project, the  
10 department determines and orders that a utility facility located across,  
11 along, over, under, or within a state right-of way must be changed, re-  
12 located or removed, the utility owning or maintaining the facility shall  
13 change, relocate or remove it in accordance with the order. The order  
14 shall provide a reasonable time period for compliance.

15 (b) If the utility facility is not changed, relocated or removed  
16 in accordance with the order, the facility becomes an unauthorized en-  
17 croachment and may be disposed of in accordance with secs. 240 - 250 of  
18 this chapter. In addition, the owner of the facility shall indemnify  
19 the state for any amount for which the state may be liable to a  
20 contractor by reason of the encroachment.

21 (c) The cost of change, relocation, or removal necessitated by  
22 highway construction is a cost of highway construction to be paid by the  
23 state in accordance with AS 19.05.130(4), notwithstanding the terms or  
24 provisions of any existing permit, agreement regulation or statute to  
25 the contrary.

26 (d) If requested by a municipality, the department shall imple-  
27 ment this chapter by requiring to the maximum extent possible location  
28 underground of electric power transmission lines within the munici-  
29 pality.

1 \* Sec. 5. AS 42.05.131 is amended to read:

2       Sec. 42.05.131. RESTRICTIONS ON MEMBERS AND EMPLOYEES. No member  
3 [OF THE COMMISSION] or [AN] employee of the commission may have an  
4 official connection with, or hold stock or securities in, or have a  
5 pecuniary interest in, a public utility within the state or any other  
6 company doing substantial business with a public utility until more than  
7 two years have expired since the person was with the commission. Member-  
8 ship in a cooperative association is not a "pecuniary interest" within  
9 the meaning of this section; however, no member or employee of the  
10 commission may be an officer, board member or employee of a cooperative  
11 association until more than two years have expired since the person was  
12 with the commission. No member or employee may act upon a matter in  
13 which his relationship with any person creates a conflict of interest,  
14 nor may a public utility within the state or any other company doing  
15 substantial business with a public utility hire any member or employee  
16 of the commission until more than two years have expired since the person  
17 was with the commission.

18 \* Sec. 6. AS 42.05.151 is amended by adding a new subsection to read:

19       (d) The commission shall adopt regulations for commissioners and  
20 staff members governing their relationships with regulated utilities  
21 and the staff, directors, and owners of regulated utilities.

22 \* Sec. 7. AS 42.05.381(a) is amended to read:

23       (a) All rates demanded or received by a public utility, or by any  
24 two or more public utilities jointly, for a service furnished or to be  
25 furnished shall be just and reasonable; however, no rate may include an  
26 allowance for costs of advertising, political or charitable contributions,  
27 lobbying expenses, or public relations except for reasonable amounts  
28 spent for

29       (1) energy conservation efforts;

1                   (2) public information designed to promote more efficient  
2 use of the utility's facilities or services or to protect the physical  
3 plant of the utility;

4                   (3) informing members of a cooperative of meetings of the  
5 utility and encouraging attendance; or

6                   (4) emergency situations to the extent and under the circum-  
7 stances authorized by the commission for good cause shown.

8 \* Sec. 8. AS 42.05.511(c) is repealed and re-enacted to read:

9           (c) For rate-making purposes any payment by a regulated public  
10 utility to an affiliated interest is considered return on investment  
11 except to the extent that the utility makes a clear and convincing showing  
12 that

13                   (1) the payment was made for goods or services which were  
14 reasonably necessary for the operation of the utility;

15                   (2) the goods or services were provided at a cost which was  
16 not greater than the price at which the goods or services could have been  
17 obtained from a person having no ownership interest;

18                   (3) the goods or services were provided at a cost not greater  
19 than the estimated cost the utility would have incurred if it furnished  
20 the goods or services with its own personnel and capital; and

21                   (4) the goods or services were provided at a reasonable cost  
22 based on the cost to the affiliated interest of furnishing the goods or  
23 services and a reasonable profit; or

24                   (5) if the payment is for indebtedness or debt service, the  
25 indebtedness:

26                           (A) was incurred for goods or services which were  
27 reasonably necessary for the operation of the utility;

28                           (B) is at an interest rate not greater than the interest  
29 rate which the affiliated interest would reasonably have paid had it

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incurred the indebtedness directly; and

(C) is not greater than the interest rate which the public utility could have obtained from a person having no ownership interest.

\* Sec. 9. AS 42.05.441(c) is repealed.

\* Sec. 10. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Introduced: 1/17/77  
Referred: Community & Regional  
Affairs and Commerce

IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

SENATE BILL NO. 50 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled "An Act relating to utilities and state rights-of-way, and providing for an effective date."

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

\* Section 1. AS 19.05.130(4) is amended to read:

(4) "cost of change, relocation, or removal" means the entire cost incurred by the utility properly attributed to the change, relocation, or removal of a facility, less any costs for improvements or upgrading over and above the cost of a functionally equal facility; if a facility is to be relocated and replaced with new equipment, there shall also be subtracted from the entire cost (UTILITY AFTER DEDUCTING ANY INCREASE IN THE VALUE OF THE NEW FACILITY AND) any salvage value derived from the old facility.

\* Sec. 2. AS 19.05.110(2) is amended to read:

(2) "utility" includes railroads and all publicly, privately, or (AND) cooperatively owned lines, facilities and systems for producing, transmitting or distributing communications, telecommunications, power, electricity, light, heat, gas, oil, crude products, water, steam, waste, storm wa or not connected with highway drainage, and other similar commodities, including publicly owned fire and police signal systems, and street lighting systems (UTILITIES).

\* Sec. 3. AS 19.25.010 is amended to read:

Sec. 19.25.010. USE OF RIGHTS-OF-WAY FOR UTILITIES. A utility facility (AS ELECTRIC TRANSMISSION, TELEPHONE, OR TELEGRAPH LINE, POLE LINE, RAILWAY, DITCH, SEWER, WATER, HEAT, OR GAS MAIN, FLARE, OR OTHER

STRUCTURE WHICH BY LAW] may be constructed, placed, or maintained across, [OR] along, over, under or within a state right-of-way [A HIGHWAY BY A PERSON OR POLITICAL SUBDIVISION MAY BE MAINTAINED OR CONSTRUCTED] only in accordance with regulations prescribed by the department and [. NO UTILITY PROJECT OF THIS NATURE MAY BE UNDERTAKEN UNTIL IT IS] authorized by a written permit issued by the department.

• Sec. 4. AS 19.25.020 is repealed and re-enacted to read:

Sec. 19.25.020. RELOCATION OF UTILITIES INCIDENT TO HIGHWAY PROJECTS. (a) If, incident to the construction of a highway project, the department determines and orders that a utility facility located across, along, over, under, or within a state right-of-way must be changed, relocated or removed, the utility owning or maintaining the facility shall change, relocate or remove it in accordance with the order. The order shall provide a reasonable time period for compliance.

(b) If the utility facility is not changed, relocated or removed in accordance with the order, the facility becomes an unauthorized encroachment and may be disposed of in accordance with secs. 240 - 250 of this chapter. In addition, the owner of the facility shall indemnify the state for any amount for which the state may be liable to a contractor by reason of the encroachment.

(c) The cost of change, relocation, or removal necessitated by highway construction is a cost of highway construction to be paid by the state in accordance with AS 19.05.130(4), notwithstanding the terms or provisions of any existing permit, agreement, regulation or statute to the contrary.

(d) If requested by a municipality, the department shall implement this chapter by requiring to the maximum extent possible location underground of electric power transmission lines within the municipality.

1 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
2 070(c).  
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Original sponsor: Rules Committee by  
request of the Governor

Offered: 5/4/77  
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 50

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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29 ipality.

1 \* Sec. 5. AS 42.05.131 is amended to read:

2       Sec. 42.05.131. RESTRICTIONS ON MEMBERS AND EMPLOYEES. No member  
3 [OF THE COMMISSION] or [AN] employee of the commission may have an  
4 official connection with, or hold stock or securities in, or have a  
5 pecuniary interest in, a public utility within the state or any other  
6 company doing substantial business with a public utility until more than  
7 two years have expired since the person was with the commission. Member-  
8 ship in a cooperative association is not a "pecuniary interest" within  
9 the meaning of this section; however, no member or employee of the  
10 commission may be an officer, board member or employee of a cooperative  
11 association until more than two years have expired since the person was  
12 with the commission. No member or employee may act upon a matter in  
13 which his relationship with any person creates a conflict of interest,  
14 nor may a public utility within the state or any other company doing  
15 substantial business with a public utility hire any member or employee  
16 of the commission until more than two years have expired since the person  
17 was with the commission.

18 \* Sec. 6. AS 42.05.151 is amended by adding a new subsection to read:

19       (d) The commission shall adopt regulations for commissioners and  
20 staff members governing their relationships with regulated utilities  
21 and the staff, directors, and owners of regulated utilities.

22 \* Sec. 7. AS 42.05.381(a) is amended to read:

23       (a) All rates demanded or received by a public utility, or by any  
24 two or more public utilities jointly, for a service furnished or to be  
25 furnished shall be just and reasonable; however, no rate may include an  
26 allowance for costs of advertising, political or charitable contributions,  
27 lobbying expenses, or public relations except for reasonable amounts  
28 spent for

29       (1) energy conservation efforts;

1                   (2) public information designed to promote more efficient  
2 use of the utility's facilities or services or to protect the physical  
3 plant of the utility;

4                   (3) informing members of a cooperative of meetings of the  
5 utility and encouraging attendance; or

6                   (4) emergency situations to the extent and under the circum-  
7 stances authorized by the commission for good cause shown.

8 \* Sec. 8. AS 42.05.511(c) is repealed and re-enacted to read:

9           (c) For rate-making purposes any payment by a regulated public  
10 utility to an affiliated interest is considered return on investment  
11 except to the extent that the utility makes a clear and convincing showing  
12 that

13                   (1) the payment was made for goods or services which were  
14 reasonably necessary for the operation of the utility;

15                   (2) the goods or services were provided at a cost which was  
16 not greater than the price at which the goods or services could have been  
17 obtained from a person having no ownership interest;

18                   (3) the goods or services were provided at a cost not greater  
19 than the estimated cost the utility would have incurred if it furnished  
20 the goods or services with its own personnel and capital; and

21                   (4) the goods or services were provided at a reasonable cost  
22 based on the cost to the affiliated interest of furnishing the goods or  
23 services and a reasonable profit; or

24                   (5) if the payment is for indebtedness or debt service, the  
25 indebtedness

26                           (A) was incurred for goods or services which were  
27 reasonably necessary for the operation of the utility;

28                           (B) is at an interest rate not greater than the interest  
29 rate which the affiliated interest would reasonably have paid had it

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incurred the indebtedness directly; and

(C) is not greater than the interest rate which the public utility could have obtained from a person having no ownership interest.

\* Sec. 9. AS 42.05.441(c) is repealed.

\* Sec. 10. This Act takes effect immediately in accordance with AS 01.10.070(c).



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James A. Smith  
Signature of Camera Operator

2/26/90  
Date

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 53

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to benefits for members of the  
7 Alaska National Guard and Naval Militia; and pro-  
8 viding for an effective date."

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

10 \* Section 1. AS 23.30.265(11) is amended to read:

11 (11) "employee" means an employee employed by an employer  
12 as defined in paragraph (12), including a member of the Alaska National  
13 Guard or Alaska Naval Militia while on active duty for the state and  
14 lawfully performing his duties;

15 \* Sec. 2. AS 26.05.260(c) is amended to read:

16 (c) Members, including commissioned and warrant officers and  
17 enlisted [ENLISTED] persons, of the Alaska [ARMY NATIONAL GUARD, AIR]  
18 National Guard and Alaska Naval Militia shall receive for each day of  
19 active service for the state, under orders of the governor, pay and  
20 allowances equal to those provided by federal laws and regulations for  
21 members [ENLISTED PERSONS] of like grades of the United States Army,  
22 United States Air Force and United States Navy, plus compensation  
23 equivalent to the per diem allowance payable to state officials and  
24 employees for the locale at which the duty is being performed. [HOW-  
25 EVER, NO ENLISTED PERSON SHALL RECEIVE PAY AND ALLOWANCES OF LESS THAN  
26 \$5 A DAY.]

27 \* Sec. 3. AS 26.05.260 is amended by adding new subsections to read:

28 (h) A member of the Alaska National Guard or Alaska Naval Militia,  
29 while on active duty for the state and lawfully performing his duties.

1 including transit to and from his home of record, who is injured or  
2 suffers a disability while performing those duties is entitled to all  
3 compensation and benefits available under AS 23.30, Alaska Workmen's  
4 Compensation Act, for the injury or disability.

5 (1) The designated beneficiary of a member of the Alaska National  
6 Guard or Alaska Naval Militia who dies as a result of an injury or  
7 disability received while on active duty for the state and lawfully  
8 performing his duties, including transit to and from his home of  
9 record, is entitled to receive death benefits allowed beneficiaries  
10 under AS 23.30, Alaska Workmen's Compensation Act. In addition, the  
11 member's beneficiaries shall be sent, within 15 days of receipt of  
12 notice of the member's death, payment in an amount equal to six times  
13 the member's monthly salary as designated in (c) of this section,  
14 including special and incentive pay, applicable at the date of the  
15 member's death. This additional payment will be made only if the  
16 death occurs on or before the 120th day after the member's release  
17 from state active duty, and only if the state surgeon in the Alaska  
18 National Guard or Alaska Naval Militia has first determined that the  
19 member's death resulted from an injury or disability received during  
20 that active duty period. Designated beneficiaries shall be paid the  
21 pay and allowances accrued but unpaid to the member at the time of  
22 death within 15 days after the date of notice of his death is received.  
23 Beneficiaries are considered to be designated when they are designated  
24 as beneficiaries in the member's military personnel record file. If  
25 the member does not designate a beneficiary, the beneficiary under  
26 this subsection shall be determined in accordance with the Alaska  
27 Workmen's Compensation Act (AS 23.30).

28 \* Sec. 4. AS 26.05.260(b), (d), (e), (f), and (g) are repealed.

29 \* Sec. 5. This Act takes effect July 1, 1977.

SB-53

STATE

PROPOSALS WILL COVER THE FOLLOWING:

1. Present law pays state active duty pay at a rate of not less than \$5.00 per day.
2. Present pay on 1 October 1964 is \$11.00 per day plus E-1 benefits.
3. Federal active duty allowances and allowances for quarters, travel, laundry, medical, and dental are not available to Guardsmen.
4. State mobilized Guardsmen are not a high class; it is much lower income level (in some cases lower than civilian pay). Their family obligations continue.
5. Mobilized Guardsmen earn \$11-11.50 per 12-26 hours side by side with pick up emergency call by the State and can make \$100-\$150 per day. Not fair to active duty Guardsmen.

#99 - copy for annual report.

PROPOSAL IS DESIGNED TO:

1. Increase active duty pay to a level commensurate with emergency responsibilities.
2. Provide the state per diem allowances as a salary incentive for state active duty pay which means that state active duty over:
  - a. Success has commensurate with emergency duties.
  - b. will be adjusted to a level commensurate with the cost of living.
  - c. will be adjusted to a level commensurate with the cost of living.
  - d. will require further action.

It is recommended that the above proposals be adopted by the State.

SB-53

STATE BY STATE COMPARISONSSTATE ACTIVE DUTY PAY LEVELS

The below listed states provide reimbursements in extra pay and/or per diem allowances in excess of current federal military pay grade scales. All other states provide reimbursement at the current federal military pay grade scales. Minimum pay currently provided by the federal scales is \$12.04 per day for a PVT E-1 Recruit grade.

<u>STATE</u>	<u>ADDITIONAL COMPENSATION</u>
California	\$12.80/day minimum + \$25/day per diem
Colorado	\$20.00/day minimum
Delaware	2 x's Federal pay
Florida	Federal pay + \$17/day per diem
Georgia	\$15.00/day minimum
Hawaii	\$12.80/day minimum + \$30/day per diem
Idaho	Federal pay + \$10-\$15/day per diem
Illinois	\$25.00/day minimum
Indiana	\$25.50/day minimum
Kansas	\$16.00/day minimum + \$24/day per diem
Maryland	\$20.00/day minimum
Michigan	Federal pay + \$3.00
Minnesota	\$14.50/day minimum
Mississippi	\$14.00/day minimum
Nevada	Disaster duty - pay equal to main labor force
New Mexico	Federal pay + \$25/day per diem
North Carolina	\$19.20/day minimum
North Dakota	Federal pay + 18% + \$18/day per diem
Ohio	\$25.00/day minimum
Pennsylvania	Federal pay + \$15-\$19/day per diem
South Dakota	\$20.00/day minimum
Tennessee	\$15.00/day minimum + \$16/day per diem
Texas	\$16.00/day minimum
Vermont	\$18.00/day minimum
Wyoming	Federal pay + \$5.00 for enlisted persons



# COMMITTEE REPORT

## SENATE

3/17/77

\_\_\_\_\_ Date

Mr. President:

The Committee on FINANCE has had SB 53  
**benefits for members of the Alaska National Guard and Naval Militia**  
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: \_\_\_\_\_  
\_\_\_\_\_ recommends: \_\_\_\_\_  
\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_  
Chairman

COMMITTEE REPORT

SENATE

\*\*\*FINANCE\*\*\*

1/17/77

16 January 1977 Date

Mr. President:

The Committee on STATE AFFAIRS has had SR 53 benefits for members of the Alaska National Guard & Naval Militia under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- AND attaches a report of its intent
- Other: \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

*[Handwritten signatures and notes]*  
 \_\_\_\_\_ DO PASS  
 \_\_\_\_\_ He Pass

MEMBERS NOT CONCURNING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: \_\_\_\_\_  
 \_\_\_\_\_ recommends: \_\_\_\_\_  
 \_\_\_\_\_ recommends: \_\_\_\_\_

*[Handwritten signature]*  
 \_\_\_\_\_  
 Chairman

Introduced: 1/17/77  
Referred: State Affairs and  
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 53

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to benefits for members of the  
7 Alaska National Guard and Naval Militia; and pro-  
8 viding for an effective date."

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

10 \* Section 1. AS 23.30.265(11) is amended to read:

11 (11) "employee" means an employee employed by an employer  
12 as defined in paragraph (12), including a member of the Alaska National  
13 Guard or Alaska Naval Militia while on active duty for the state and  
14 lawfully performing his duties;

15 \* Sec. 2. AS 26.05.260(c) is amended to read:

16 (c) Members, including commissioned and warrant officers and  
17 enlisted [ENLISTED] persons, of the Alaska [ARMY NATIONAL GUARD, AIR]  
18 National Guard and Alaska Naval Militia shall receive for each day of  
19 active service for the state, under orders of the governor, pay and  
20 allowances equal to those provided by federal laws and regulations for  
21 members [ENLISTED PERSONS] of like grades of the United States Army,  
22 United States Air Force and United States Navy, plus compensation  
23 equivalent to the per diem allowance payable to state officials and  
24 employees for the locale at which the duty is being performed. [HOW-  
25 EVER, NO ENLISTED PERSON SHALL RECEIVE PAY AND ALLOWANCES OF LESS THAN  
26 \$6 A DAY.]

27 \* Sec. 3. AS 26.05.260 is amended by adding new subsections to read:

28 (h) A member of the Alaska National Guard or Alaska Naval Militia,  
29 while on active duty for the state and lawfully performing his duties,

COMMITTEE COPY

1 including transit to and from his home of record, who is injured or  
2 suffers a disability while performing those duties is entitled to all  
3 compensation and benefits available under AS 23.30, Alaska Workmen's  
4 Compensation Act, for the injury or disability.

5 (1) The designated beneficiary of a member of the Alaska National  
6 Guard or Alaska Naval Militia who dies as a result of an injury or  
7 disability received while on active duty for the state and lawfully  
8 performing his duties, including transit to and from his home of  
9 record, is entitled to receive death benefits allowed beneficiaries  
10 under AS 23.30, Alaska Workmen's Compensation Act. In addition, the  
11 member's beneficiaries shall be sent, within 15 days of receipt of  
12 notice of the member's death payment in an amount equal to six times  
13 the member's monthly salary as designated in (c) of this section,  
14 including special and incentive pay, applicable at the date of the  
15 member's death. This additional payment will be made only if the  
16 death occurs on or before the 120th day after the member's release  
17 from state active duty, and only if the state surgeon in the Alaska  
18 National Guard or Alaska Naval Militia has first determined that the  
19 member's death resulted from an injury or disability received during  
20 that active duty period. Designated beneficiaries shall be paid the  
21 pay and allowances accrued but unpaid to the member at the time of  
22 death within 15 days after the date of notice of his death is received.  
23 Beneficiaries are considered to be designated when they are designated  
24 as beneficiaries in the member's military personnel record file. If  
25 the member does not designate a beneficiary, the beneficiary under  
26 this subsection shall be determined in accordance with the Alaska  
27 Workmen's Compensation Act (AS 23.30).

28 \* Sec. 4. AS 26.05.260(b), (d), (e), (f), and (g) are repealed.

29 \* Sec. 5. This Act takes effect July 1, 1977.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. \_\_\_\_\_  
 Title Benefits for Alaska National Guard  
 Requested by Office of the Governor Date 12/15/76

II. FISCAL DETAIL

Agency Affected Military Affairs  
 Program Category Affected Public Protection  
 Budget Request Unit(s) Affected Military Preparedness

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-----	-----	SEE BELOW	-----	-----	-----
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

SEE ATTACHMENT

Due to the nature of National Disaster Emergencies, accurate future predictions of cost cannot be made. A comparison of what past state active duty call-ups would have additionally cost the State of Alaska had this proposal been enacted is attached.

IV. DATE 12/15/76 PREPARED BY Richard J. Bunker  
 AGENCY Military Affairs  
 PHONE 465-4600  
 Original Legislative Finance  
 cc. Budget and Management  
 Prime Sponsor (First Legislator Named)



January 14, 1977

The Honorable John L. Rader  
President of the Senate  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. President:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to benefits for members of the Alaska National Guard and Alaska Naval Militia. This bill raises active duty pay for a member by providing that in addition to present pay, which is equal to the current federal military pay scale for persons of like grade or rank, he will also receive a daily compensation equivalent to the state per diem rate. The effect of this change is that state active duty pay: (1) becomes more commensurate with emergency duties; (2) will be adjusted in the future with the cost-of-living index; (3) will be adjusted to the duty location; and (4) will not require legislative changes in the future. We feel that this increase is necessary because the federal scale does not reasonably represent the value of the service performed. Federal active duty salaries are based on a number of incentives which are not available to guardsmen such as commissary, PX/BX, quarters, laundry, and other special services. The bill also repeals an existing provision regarding the pay and allowances of officers and enlisted persons and combines provisions for all of them in this amended section.

The bill also attempts to right a deficiency in current law regarding injury, disability or death of a member while on active duty for the state. In the case of injury while on state active duty which prevents future employment, present law provides medical expenses plus one-half of any state active duty pay for a period not to exceed six months. For an average E-4 this means

\$275 per month for up to six months. However, personal financial obligations incurred at a higher scale of living still continue after the injury was incurred on state active duty. In case of death while on active duty, current law provides financial assistance up to a maximum of \$7,500 for survivors as determined by a board.

There is no provision for any follow-up monthly survivors' assistance pension. The bill provides that members of the National Guard and Naval Militia, while on active duty and lawfully performing their duties, are covered by the Alaska Workmen's Compensation Act in case of injury, disability or death. In addition, in case of death, a lump sum gratuity equal to six times the member's monthly salary is paid to his beneficiary.

Sincerely,

Jay S. Hammond  
Governor

ALASKA STATE LEGISLATURE

TENTH Legislature FIRST Session

SENATE BILL NO. 53

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relative to benefits for members of the Alaska National Guard and Naval Militia; and providing for an effective date."

benefits/Alaska National Guard

Introduced in the Senate 1/17, 1977

HISTORY IN THE SENATE

19	77	Read first time and referred to Committee on
1	17	State Affairs and Finance
		Reported back with recommendation that <i>3/17/77</i>
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by President
		Sent to House
		SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reconsideration
		PASS Effective Date
		Yeas Yeas
		Nays Nays
		Absent Absent
		Excused Excused
		Reported correctly engrossed
		Signed by Speaker
		Returned to Senate
		CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

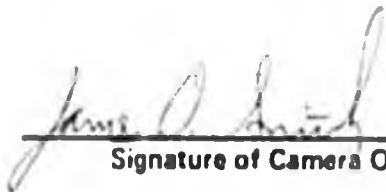
19		Received from House
		Reported correctly enrolled
		Sent to Governor
		By Governor
		Filed with Lt. Governor
		Chapter No.

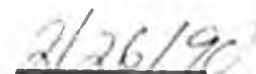


# RECORDS CERTIFICATION



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\_\_\_\_\_  
Signature of Camera Operator

  
\_\_\_\_\_  
Date

COMMITTEE REPORT  
SENATE

February 16, 1977 Date

Mr. President:

The Committee on \_\_\_\_\_ has had \_\_\_\_\_

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

MEMBERS SIGNING THE MAJORITY REPORT:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: \_\_\_\_\_  
\_\_\_\_\_ recommends: \_\_\_\_\_  
\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_  
Chairman

Introduced: 1/17/77  
Referred: Health, Education  
and Social Services

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 54

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to adoption assistance for hard-to-  
7 place children in foster homes; and providing for an  
8 effective date."

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

10 \* Section 1. AS 20.15.080(b)(6) is amended to read:

11 (6) that the petitioner has facilities and resources,  
12 including those available under a hard-to-place [HANDICAPPED] child  
13 subsidy agreement, suitable to provide for the nurture and care of the  
14 minor to be adopted, and that it is the desire of the petitioner to  
15 establish the relationship of parent and child with the person to be  
16 adopted.

17 \* Sec. 2. AS 20.15.190 is amended to read:

18 Sec. 20.15.190. ADOPTION ASSISTANCE. A hard-to-place child  
19 [HANDICAPPED MINOR] in the permanent custody of the department in a  
20 foster home for not less than one year may not be denied the opportunity  
21 for a permanent home if the achievement of this depends on continued  
22 subsidy by the state.

23 \* Sec. 3. AS 20.15.200 is amended to read:

24 Sec. 20.15.200. INVESTIGATION. Persons who are caring for a  
25 hard-to-place child [HANDICAPPED MINOR] on a foster parent basis and  
26 who have applied to adopt the hard-to-place child [MINOR] and to  
27 receive payments for the care and support of the hard-to-place child  
28 [HANDICAPPED MINOR] shall be evaluated as to their suitability as  
29 adoptive parents by means of an adoptive home study. This home study

1 shall be made by the commissioner's adoption staff or on his behalf by  
2 an authorized agency which provides adoption services.

3 \* Sec. 4. AS 20.15.210 is amended to read:

4       Sec. 20.15.210. AMOUNT AND DURATION OF SUBSIDY PAYMENTS. The  
5 monthly payment and the length of time for which a subsidy for a hard-  
6 to-place [HANDICAPPED] child is granted are left to the discretion of  
7 the commissioner and may vary from a small monthly sum to an amount  
8 not exceeding the existing rate for foster care until the child  
9 reaches the age of majority, if the need continues to exist. Subsidies  
10 shall be paid from the same public funds and in the same manner as  
11 foster care payments.

12 \* Sec. 5. AS 20.15.240(7) is repealed and re-enacted to read:

13       (7) "hard-to-place child" means a minor who is not likely  
14 to be adopted by reason of physical or mental disability, emotional  
15 disturbance, recognized high risk of physical or mental disease, age,  
16 membership in a sibling group, racial or ethnic factors, or any combi-  
17 nation of these conditions;

18 \* Sec. 6. This Act takes effect immediately in accordance with AS  
19 01.10.070(c).  
20  
21  
22  
23  
24

STATE  
of ALASKA

# MEMORANDUM

TO: Honorable Joe Orsini  
Senate Finance Committee

DATE : February 3, 1977

FROM: Milt Barker *MB*  
Legislative Finance

SUBJECT: SB 54

*8 to 15 - Total*

Currently, there is one child placed in subsidized adoption at a rate of \$213 a month which in this case is the same as the foster care rate. Three applications are pending under current statutes.

With the change in definition from handicapped to hard-to-place, the Department of Health and Social Services estimates an additional eight to fifteen children might be placed in subsidized adoption.

The Department feels that hard-to-place children are just that, and that very few of these children would be adopted in the absence of a subsidy payment.

Although the Department is circumspect about subsidized adoption payments being at a lower level than the foster care rates in most cases, there is a savings to the State in that responsibility for an adopted child's medical care passes to the parents rather than being a State obligation under the Medicaid program.

During FY 1975, the average Medicaid expenditure per AFDC child was \$201. At 15% inflation per annum, this would be \$305 per child in FY 78. For twelve children the Medicaid savings would be \$3,600; for nineteen it would be \$5,800. Medicaid is 50% General Funds, 50% Federal.

Appended is the definition of handicapped that would be repealed by SB 54.

MB:bf

adopt the minor and to receive payments for the care and support of the handicapped minor shall be evaluated as to their suitability as adoptive parents by means of an adoptive home study. This home study shall be made by the commissioner's adoption staff or on his behalf by an authorized agency which provides adoption services. (§ 1 ch 84 SLA 1974)

**Sec. 20.15.210. Amount and duration of subsidy payments.** The monthly payment and the length of time for which a subsidy for a handicapped child is granted are left to the discretion of the commissioner and may vary from a small monthly sum to an amount not exceeding the existing rate for foster care until the child reaches the age of majority, if the need continues to exist. Subsidies shall be paid from the same public funds and in the same manner as foster care payments. (§ 1 ch 84 SLA 1974)

**Sec. 20.15.220. Annual reevaluation.** After an adoption, with subsidy, is final, the family is independent of the department except for an annual evaluation by the department of the need for continued subsidy and the amount of the subsidy. (§ 1 ch 84 SLA 1974)

**Sec. 20.15.230. Regulations.** The department shall promulgate regulations necessary to implement the provisions of §§ 190—240 of this chapter. (§ 1 ch 84 SLA 1974)

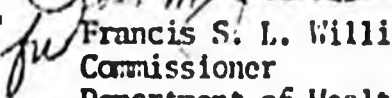
**Sec. 20.15.240. Definitions.** In this chapter, unless the context otherwise requires,

- (1) "adult" means an individual who has reached the age of majority;
  - (2) "agency" means any person certified, licensed, or otherwise specially empowered by law or regulation to place minors for adoption;
  - (3) "child" means a son or daughter, whether by birth or by adoption;
  - (4) "commissioner" means the commissioner of health and social services;
  - (5) "court" means the superior court of this state, and, when the context requires, the court of any other state empowered to grant petitions for adoption;
  - (6) "department" means the Department of Health and Social Services;
  - (7) "handicapped" means a state at the time of adoption in which the child differs markedly from his or her peers because of a physical or mental defect;
  - (8) "minor" means a person who has not reached the age of majority.
- (§ 1 ch 84 SLA 1974)

# MEMORANDUM

TO:  Milt Barker  
Fiscal Analyst  
Legislative Audit

DATE: February 8, 1977

FROM:   
Francis S. L. Williamson  
Commissioner  
Department of Health and Social Services

SUBJECT: Senate Bill 54

This is in response to your telephone call to the Division of Social Services, February 4, requesting further information on the impact of Senate Bill 54 as it relates to the Subsidized Adoption Program.

You raised the question of whether it is conceivable that borderline adoptions, adoptions that might otherwise be done by private parties, or voluntary arrangements could somehow become eligible for the Subsidized Adoption Program. The only change Senate Bill 54 will make in the criteria for the program, is that subsidies will be available for hard-to-place children. As stated in the Bill (Lines 19 and 20) these children are in the permanent custody of the Department and have been in a foster home for "not less than one year". We cannot conceive of any instance where private or voluntary arrangements would qualify for a subsidy.

No addition, or reduction, of administrative costs are anticipated due to passage of Senate Bill 54. Social Workers will continue to review the appropriations of the subsidy on a periodic basis, to make necessary adjustments or terminate the assistance.

If you have any further questions, please do not hesitate to ask.

FSLW:jj  
bcc Div. of Social Services

SENATE JOURNAL

No. 2

SUPPLEMENT

January 17, 1977

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. SENATE BILL NO 54  
 Title ADIPTION ASSISTANCE  
 Requested by BUDGET & MANAGEMENT Date 12/12/76

II. FISCAL DETAIL  
 Agency Affected HEALTH & SOCIAL SERVICES  
 Program Category Affected SOCIAL SERVICES  
 Budget Request Unit(s) Affected PROGRAM SERVICES

AMENDMENTS (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & IMPROVEMENTS						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND						
FEDERAL FUNDS						
OTHER SOURCES						

EMPLOYEES

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME						
PART TIME						
SEASONARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Amendment of this bill will have no fiscal impact. The cost would be no greater than present foster care payments for those same children.

IV. DATE December 16, 1976 PREPARED BY [Signature] Analyst, Budget Analyst  
 Original: Legislative Finance BUDGET & MANAGEMENT  
 Budget and Management FINE  
 Print: Legislative Finance

11-801 (Rev. 12/76)

Introduced: 1/17/77  
Referred: Health, Education  
and Social Services

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 54

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to adoption assistance for hard-to-  
7 place children in foster homes; and providing for an  
8 effective date."

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

10 \* Section 1. AS 20.15.080(b)(6) is amended to read:

11 (6) that the petitioner has facilities and resources,  
12 including those available under a hard-to-place [HANDICAPPED] child  
13 subsidy agreement, suitable to provide for the nurture and care of the  
14 minor to be adopted, and that it is the desire of the petitioner to  
15 establish the relationship of parent and child with the person to be  
16 adopted.

17 \* Sec. 2. AS 20.15.190 is amended to read:

18 Sec. 20.15.190. ADOPTION ASSISTANCE. A hard-to-place child  
19 [HANDICAPPED MINOR] in the permanent custody of the department in a  
20 foster home for not less than one year may not be denied the opportunity  
21 for a permanent home if the achievement of this depends on continued  
22 subsidy by the state.

23 \* Sec. 3. AS 20.15.200 is amended to read:

24 Sec. 20.15.200. INVESTIGATION. Persons who are caring for a  
25 hard-to-place child [HANDICAPPED MINOR] on a foster parent basis and  
26 who have applied to adopt the hard-to-place child [MINOR] and to  
27 receive payments for the care and support of the hard-to-place child  
28 [HANDICAPPED MINOR] shall be evaluated as to their suitability as  
29 adoptive parents by means of an adoptive home study. This home study

shall be made by the commissioner's adoption staff or on his behalf by an authorized agency which provides adoption services.

- \* Sec. 4. AS 20.15.210 is amended to read:

Sec. 20.15.210. AMOUNT AND DURATION OF SUBSIDY PAYMENTS. The monthly payment and the length of time for which a subsidy for a hard-to-place [HANDICAPPED] child is granted are left to the discretion of the commissioner and may vary from a small monthly sum to an amount not exceeding the existing rate for foster care until the child reaches the age of majority, if the need continues to exist. Subsidies shall be paid from the same public funds and in the same manner as foster care payments.

- \* Sec. 5. AS 20.15.240(7) is repealed and re-enacted to read:

(7) "hard-to-place child" means a minor who is not likely to be adopted by reason of physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, membership in a sibling group, racial or ethnic factors, or any combination of these conditions.

- \* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.010(c).

