

LEGISLATIVE FINANCE-HOUSE/SENATE FINANCE COMM. FILES 8879

SB 156 cont. - SB 166 627 318

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 156 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of nurse aides by
7 the Board of Nursing; and providing for an effective
8 date."

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

10 * Section 1. AS 08.68.100(a)(1) is amended to read:

11 (1) adopt regulations necessary to implement this chapter,
12 including regulations pertaining to practice as an advanced nurse
13 practitioner, [AND] a nurse anesthetist, and a nurse aide;

14 * Sec. 2. AS 08.68 is amended by adding a new section to read:

15 Sec. 08.68.215. REGULATION OF NURSE AIDES. The board shall, by
16 regulation, establish requirements for nurse aide certification and
17 registration, standards for conducting nurse aide training programs,
18 and grounds for taking disciplinary action against nurse aides.

19 * Sec. 3. AS 08.68 is amended by adding a new section to read:

20 Sec. 08.68.218. REQUIRED CERTIFICATION AND REGISTRATION OF NURSE
21 AIDES. After four months of employment as a nurse aide, a person may
22 not perform as a nurse aide unless the person is certified and regis-
23 tered under this chapter.

24 * Sec. 4. AS 08.68.220 is amended to read:

25 Sec. 08.68.220. FEES. The Department of Commerce and Economic
26 Development shall set fees under AS 08.01.065 for each of the follow-
27 ing:

28 (1) registered nursing:

29 (A) application;

1 (B) license by examination;

2 (C) license by endorsement;

3 (D) license renewal;

4 (E) temporary permit;

5 (2) practical or vocational nursing:

6 (A) application;

7 (B) license by examination;

8 (C) license by endorsement;

9 (D) license renewal;

10 (E) temporary permit;

11 (3) nurse aide:

12 (A) application;

13 (B) examination;

14 (C) registration;

15 (D) registration renewal.

16 * Sec. 5. AS 08.68.410 is amended by adding a new subsection to read:

17 (9) "nurse aide" means a person who, for compensation or
18 personal profit, under the direction and supervision of a licensed
19 practical or registered nurse assists a licensed practical or regis-
20 tered nurse in the delivery of nursing care.

21 * Sec. 6. Sections 1, 2, 4, and 5 of this Act take effect immediately
22 under AS 01.10.070(c).

23 * Sec. 7. Section 3 of this Act takes effect January 1, 1990.

4/5/89

STEVE COWPER, GOVERNOR

ADOPTED

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**

DIVISION OF OCCUPATIONAL LICENSING

P.O. BOX D-LIC
JUNEAU, ALASKA 99811-0800
PHONE: (907) 465-2534

April 3, 1989

Honorable Rick Uehling, Co-chair
Alaska State Senate
Senate Finance Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Uehling:

Re: Proposed Amendment to SB 156,
Regulation of Nurse Aides

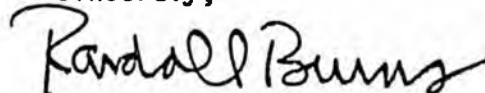
As a result of a question raised in the Senate HESS committee, the department would like to propose a clarifying amendment to SB 156:

Page i, Lines 20 - 22:

Sec. 08.68.218. REQUIRED CERTIFICATION AND REGISTRATION OF NURSE AIDES. After four months following employment as a nurse aide, a [A] person may not perform as a nurse aide unless the person is certified and registered under this chapter.

Purpose of Amendment: Under the Nursing Reform Act of 1987, a person may be hired as a nurse aide "trainee" and serve in that capacity for four (4) months before having to pass the nurse aide competency exam and be certified to the nurse aide registry. The present bill does not reflect that four-month training period. We ask that SB 156 be amended to provide for the employment of trainees.

Sincerely,



Randall P. Burns
Director

RPB/cw9615c
4389a

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

154

February 3, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that will authorize the Board of Nursing in the Department of Commerce and Economic Development (DCED) to adopt regulations that establish a program for certifying nurse aides.

A recent federal law requires states to certify the education and competency testing, and to register, nurse aides. Without this certification program, the state's long-term-care facilities will no longer qualify for medicare and medicaid money.

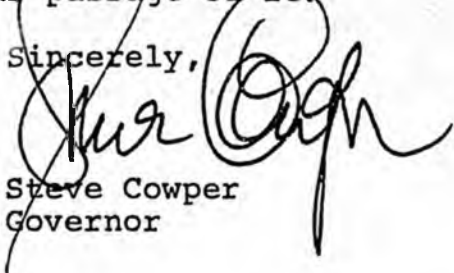
The division of medical assistance, in the Department of Health and Social Services, and the division of occupational licensing in DCED are jointly developing the education and competency testing components of this program. These agencies have agreed that the licensing and certification aspects should be in the division of occupational licensing, and the Board of Nursing has agreed to assume responsibility for the regulation of nurse aides.

The effective date of the requirement that a person be certified and registered before practicing as a nurse aide is delayed until January 1, 1990, to allow persons currently practicing as nurse aides to continue doing so until they have a reasonable opportunity to meet the standards and requirements that will be developed under sec. 2 of this bill.

The divisions understand that the federal government will provide approximately 90 percent of the costs of running this program in FY 89 and FY 90. After that, the state will have to assume the cost of the program.

Because this bill will advance the quality of care that is provided by long-term-care facilities, and other health care facilities, and will allow them to continue to receive federal assistance, I urge your passage of it.

Sincerely,



Steve Cowper
Governor

**STATE OF ALASKA
1989 LEGISLATIVE SESSION**

BILL VERSION: CSSB 156 (Fin)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
Title: An Act relating to the regulation of BRU: Occupational Licensing
nurse aides by the Board of Nursing
Sponsor: Rules Committee Components: _____
Requester: Senate Finance

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
---------	---	---	---	---	---	---

FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

Under the Nursing Reform Act of 1987 (PL 103-200), the federal government requires each state to create a nurse aide training and certification program and to begin implementation of the program at the start of 1989. As a result, funding of \$96.1 is being provided to the Division of Occupational Licensing from the Division of Medical Assistance through a transfer of interagency receipts.

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
Division: Occupational Licensing Date: April 7, 1989

Approved by Commissioner: Larry Mercurieff, Commissioner Phone: 465-2500
Agency: Department of Commerce & Economic Development Date: 4/12/89

Distribution (by preparer):

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

CONTINUATION OF FISCAL NOTE ANALYSIS

CSSB 156 (FIN)

The Medical Assistance BRU will thereafter continue to fund this program through an RSA to the Occupational Licensing BRU.

The federal government will match state expenditures for this program of at least a 50% rate.

For FY 89, the interagency transfer expenditure breakdown is as follows:

Personal Services	\$ 41.0
Travel	10.0
Contractual	38.1
Supplies	1.0
Equipment	<u>6.0</u>
TOTAL	\$ 96.1

For FY 90 and thereafter, the breakdown is as follows:

Personal Services	\$ 58.4
Travel	12.8
Contractual	55.5
Supplies	<u>1.5</u>
TOTAL	\$128.2

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
 Title: An Act relating to the regulation of BRU: Occupational Licensing
nurse aides by the Board of Nursing; and providing for an effective date.
 Sponsor: Rules Committee Components: Administration
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Under the Nursing Reform Act of 1987 (PL 103-200), the federal government requires each state to create a nurse aide training and certification program and to begin implementation of the program at the start of 1989. As a result, funding of \$96.1 is being provided to the Division of Occupational Licensing by interagency receipts from the Division of

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
 Division: Occupational Licensing Date: January 19, 1989

Approved by Commissioner: Larry Mercurieff, Commissioner Date: 1/2/89
 Agency: Dept. of Commerce & Economic Development

Distribution (by preparer):

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

Medical Assistance in the Department of Health and Social Services. The federal government is funding a portion of the \$96.1 for FY 89 and FY 90; after which, the costs to run the program will be built into the occupational licensing operating budget. Therefore, new funds are not required at this time.

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SENATE COMMITTEE REPORT

FURTHER

5/4/89

DATE TURNED INTO OFFICE 2/2/90

Mr. President:

Finance

Committee considered

SB 157

imposition of a civil fine for violation of a statute, regulation, or ordinance related to alcoholic beverages and recommended

- replace with CS SB 157 (Finance)) same title
- or adopt CS) new title
- attached amendment(s) and technical title change (HB only)
- letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) ^{DOR} zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

John Duncan - No Rec
Alan - No Rec
Irma Pearce No Rec
Paul Hill No Rec
Paul C. Zangh No Rec
Rich Uley - No Rec

John P. ...
 DO PASS

Chairman signature and recommendation

Committee Backup attached

R/D 3FC 2-2-90

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: CSSB 157 (SA)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Dept. of Revenue
 Title: Impose civil fines for violation of liquor laws related to alcoholic beverages ABU: Alcoholic Beverage Control Board
 Sponsor: Governor Components: _____
 Requestor: Sen. Finance Comm.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	0	0	0
SUPPLIES	-0-	-0-	-0-	-0-	0	0
EQUIPMENT	-0-	-0-	-0-	0	0	0
LAND & STRUCTURES	-0-	-0-	0	0	0	0
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	0	0
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	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	0	0
OTHER	-0-	-0-	0	0	0	0
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)

Prepared by: Patrick L. Sharrock Director Phone: 277-8638
 Division: Alcoholic Beverage Control Board Date: 12/8/89
 Approved by Commissioner: Hugh Malone Date: 12/14/89
 Agency: Department of Revenue

Distribution (by preparer):

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

Changes in CS SB 157 (Fin)
 have no fiscal impact.
 This fiscal note is
 appropriate. 2/2/90 mm

2/2/90
Adopted by SEC
go0699sH

Ford
2/1/90

Original sponsor(s): RULES/GOVERNOR

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 157 (Finance)

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 imposition of a civil fine for
7 violation of a statute, regulation, or ordinance
8 related to alcoholic beverages."

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

10 * Section 1. AS 04.11 is amended by adding a new section to read:

11 Sec. 04.11.575. CIVIL FINE. (a) Except as provided in (c) of
12 this section, the board may, in addition to any other penalties impos-
13 ed under this title, impose a civil fine upon a licensee or permittee
14 that the board determines, at a proceeding under AS 04.11.510(c), has
15 violated a provision of this title, a regulation adopted under this
16 title, or an ordinance adopted in accordance with AS 04.21.010.

17 (b) The board shall by regulation adopt a schedule of fines that
18 a licensee may be required to pay under this section. A fine may not
19 exceed the greater of:

20 (1) \$50,000; or

21 (2) an amount that is three times the monetary gain re-
22 alized by the licensee as a result of the violation.

23 (c) The board may not impose a civil fine if the violation
24 results in revocation or nonrenewal of the license. If the board is
25 proceeding under AS 04.11.370(4), the board may not impose a civil
26 fine, unless the licensee consents to the fine and the fine does not
27 exceed the greater of the amount specified under AS 12.55.035 applica-
28 ble to the offense for which the licensee was convicted or the limit
29 imposed under (b)(2) of this section.

1 * Sec. 2. AS 04.11.590(a) is amended to read:

2 (a) Money collected from licenses and civil fines under this
3 title shall be transferred by the board to the Department of Revenue
4 and deposited in the general fund.

5 * Sec. 3. AS 04.11.590 is amended by adding a new subsection to read:

6 (c) The commissioner of administration shall separately account
7 for all application fees, license fees, and civil fines collected
8 under this title that the Department of Revenue deposits in the gener-
9 al fund. The annual estimated balance in the account may be used by
10 the legislature to make appropriations to the Department of Revenue to
11 carry out the purposes of AS 04.06.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

157

February 3, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that gives the Alcoholic Beverage Control (ABC) Board the authority to assess a civil fine against a liquor licensee or permittee if the board finds that the licensee violated a statute, a regulation, or a local ordinance relating to alcoholic beverages.

Under AS 04.11.370, the board currently must suspend or revoke a liquor license or permit for certain reasons, including violation of provisions of AS 04, regulations adopted under AS 04, and local ordinances pertaining to liquor. The ABC Board does not, however, have the authority to assess a fine against a liquor licensee or permittee who is found to have violated a provision of the law, either personally or through an agent or employee. Many instances have arisen where the ABC Board has felt that a fine would be an appropriate, additional sanction.

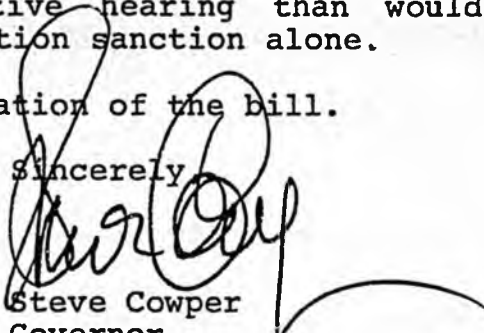
Under the bill, the board may impose a fine following the suspension/revocation hearing under AS 04.11.510(c). The due process rights of licensees and permittees are thus protected.

This bill should have an overall beneficial effect on state finances in that it does not require an additional appropriation and could potentially result in the generation of additional revenue through the assessment of fines. The added regulatory flexibility through the assessment of

finer could also reduce administrative expense in that that sanction would be less likely to result in a lengthy, and often expensive, administrative hearing than would the existing suspension or revocation sanction alone.

I ask your favorable consideration of the bill.

Sincerely,



Steve Cowper
Governor

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HOUSE COMMITTEE REPORT

File

(11)

Date Referred: April 24, 1990

FURTHER REFERRALS:

Date of Committee Action: 5/2/90

The FINANCE Committee considered:

CSSB 157 (FINANCE)

CS SB NO. 157 (Finance)

CIVIL FINES/VIOLATIONS BY LIQUOR LICENSEE

"An Act relating to imposition of a civil fine for violation of a statute, regulation, or ordinance related to alcoholic beverages."

RECOMMENDATIONS:

- be replaced with _____ the same title
- have attached amendment(s)
- do pass a new title
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact _____
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) _____
- zero fiscal note(s) REV 4/23/90
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

Ronald D. Larson Larson

Cliff Swackhammer Swackhammer

Tom Brown Brown

W. Koponen Koponen

A. Ulmer Ulmer

Robert Phillips Phillips

SIGNING	Do Not Pass	No Rec	Amend
<u>Steve Rieger</u> Rieger		<input checked="" type="checkbox"/>	

Chairman's Signature
Ronald D. Larson Larson

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Revenue
 Title: Relating to civil fines for violations of: Alcoholic Beverage Control Board
related to alcoholic beverages and accounting for fees and fines.
 Sponsor: Sen. Rules by Governor request Components: _____
 Requestor: House Finance Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

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OTHER	-0-	-0-	-0-	-0-	-0-	-0-
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)

This legislation does not impact the ABC Board's FY 90 budget.

Prepared by: Patrick L. Sharrock, Director
 Division: Alcoholic Beverage Control Board

Phone: 277-8638
 Date: 4/25/90

Approved by Commissioner: [Signature]
 Agency: Department of Revenue

Date: 4/29/90

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Original sponsor(s): RULES/GOVERNOR

1 IN THE SENATE BY THE FINANCE COMMITTEE

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4 SIXTEENTH LEGISLATURE - SECOND SESSION

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13 ed under this title, impose a civil fine upon a licensee or permittee
14 that the board determines, at a proceeding under AS 04.11.510(c), has
15 violated a provision of this title, a regulation adopted under this
16 title, or an ordinance adopted in accordance with AS 04.21.010.

17 (b) The board shall by regulation adopt a schedule of fines that
18 a licensee may be required to pay under this section. A fine may not
19 exceed the greater of:

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22 alized by the licensee as a result of the violation.

23 (c) The board may not impose a civil fine if the violation
24 results in revocation or nonrenewal of the license. If the board is
25 proceeding under AS 04.11.370(4), the board may not impose a civil
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5 * Sec. 3. AS 04.11.590 is amended by adding a new subsection to read:

6 (c) The commissioner of administration shall separately account
7 for all application fees, license fees, and civil fines collected
8 under this title that the Department of Revenue deposits in the gener-
9 al fund. The annual estimated balance in the account may be used by
10 the legislature to make appropriations to the Department of Revenue to
11 carry out the purposes of AS 04.06.

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

157

February 3, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

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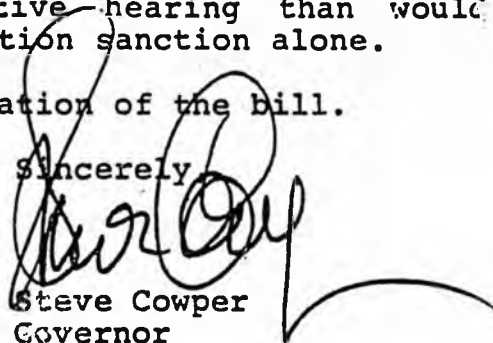
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I ask your favorable consideration of the bill.

Sincerely,



Steve Cowper
Governor

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SENATE FINANCE COMMITTEE REPORT

DATE: 4/4/90

FURTHER:

DATE TURNED INTO OFFICE: 4/25/90

The Finance Committee considered

SB 159

"An Act limiting liability relating to release and supervision of persons in state custody; and providing for an effective date."

and recommended:

[] replace with _____ CS _____
[/] or adopt _____ CS SB 159 (ind)
[] attached amendment(s)
[] _____ letter of intent adopted

[] same title
[/] new title
[] technical title change (HB only)

[] do pass

[] do not pass

[/] no recommendation

[] individual recommendations

[] further referral to _____

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

[] fiscal note(s) _____ Dept/Date:

[] fiscal note(s) _____ Dept/Date:

[] zero fiscal note(s) _____

[/] zero fiscal note(s) DOC. 1/20/89

[] appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]

Peace - no rec

[Signature] No Rec

[Signature] No Rec

1. [Signature] No Rec

2. [Signature] No Rec

Co-chairs: signatures and Recommendations

R10 SFC 11-25-90

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act limiting liability
relating to release."
Sponsor: Rules Committee
Requestor: GOVERNOR

Agency Affected: Department of Corrections
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
----------------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
----------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Susan E. Knighton
Prepared by: Susan E. Knighton, Director
Division: Administrative Services

Phone: 465-3376
Date: 1-20-89

Approved by Commissioner: *Susan Thompson-Barnett*
Agency: Department of Corrections

Date: 1-20-89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Changes in CS SB 159 (JVA)
have no fiscal impact. This
fiscal note is appropriate.
Projections of no fiscal impact
would continue through 1996. *CK*

Original sponsor(s): Rules/Governor

1 IN THE SENATE BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 159 (Judiciary)

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 liability for release and super-
7 vision of persons in state custody; and providing for
8 an effective date."

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

10 * Section 1. AS 09.50 is amended by adding a new section to read:

11 Sec. 09.50.255. IMMUNITY; PERSONS IN STATE CUSTODY. (a) Except
12 as provided in (b) of this section, the state, its employees, and
13 state contractors and their employees are immune from liability for
14 negligence in the release of a person from confinement under state
15 custody and the post-release supervision of the person if the person's
16 release is required by operation of law or is not the result of an
17 exercise of discretion by a state official, employee, board, or com-
18 mission.

19 (b) This section does not affect the liability of the state, its
20 employees, and state contractors and their employees for gross negli-
21 gence in the supervision of a person on parole, probation, furlough,
22 or work release.

23 (c) In this section,

24 (1) "confinement" means detention, hospitalization, invol-
25 untary restraint, or similar restriction of movement;

26 (2) "gross negligence" means reckless disregard for the
27 safety of individual, identifiable victims.

28 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).

STEVE COWPER
GOVERNOR



159

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 3, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

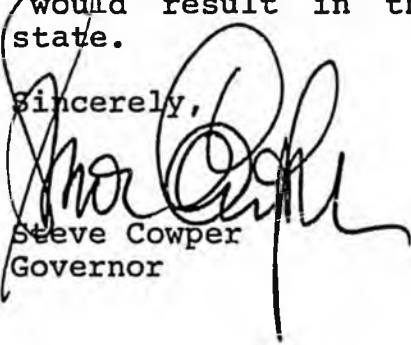
Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill reducing liability of the state, and those acting on behalf of the state, for damages relating to the release and supervision of persons in state custody who are on conditional release from confinement.

Proposed AS 09.50.255, in sec. 1 of the bill, provides for immunity of the state and its agents and contractors for negligence in release or supervision. However, the state and those acting on behalf of the state would still be liable in specific instances involving gross negligence, defined in proposed AS 09.50.255(b) as "reckless disregard for the safety of individual, identifiable victims." Guidance as to the meaning of "reckless" may be derived from AS 11.81.900(a)(3), which defines "recklessly" for the purposes of the Criminal Code.

Immunity is extended to state contractors because liability insurance is generally unavailable or prohibitively expensive for contractors. If a particular contractor is able to obtain insurance, it is expected that eliminating the necessity for the insurance would result in that cost saving being passed on to the state.

Sincerely,



Steve Cowper
Governor

S B

L G O

SENATE COMMITTEE REPORT

FURTHER

3/15/89

DATE TURNED INTO OFFICE _____

Mr. President:

FINANCE

Committee considered SB 160

prohibiting municipal sales tax on rents payable for occupation of certain publicly-financed housing projects; efd

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

Bill died in committee.

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 3-8-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

FINANCE

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 3.14.89

2/3/89

Mr. President:

C&RA Committee considered SB 160

prohibiting municipal sales tax on rents payable for occupation of
certain publicly-financed housing projects; efd

and recommended:

+ repeats it back as follows:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

OK

FISCAL NOTE(S) attached zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

2 *Kat Kowch*

Mike Snyder: No Rec.

Dirue / Vance
Chairman signature and recommendation

Committee backup attached

1 IN THE SENATE

BY ADAMS

2 SENATE BILL NO. 160

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act prohibiting municipal sales tax on rents
7 payable for occupation of certain publicly-financed
8 housing projects; and providing for an effective
9 date."

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

11 * Section 1. AS 29.10.200(42) is amended to read:

12 (42) AS 29.45.650(c), (d), and (e) [, AND (f)] (sales and
13 use tax)

14 * Sec. 2. AS 29.10.200(43) is repealed and reenacted to read:

15 (43) AS 29.10.655 (sales tax exemptions)

16 * Sec. 3. AS 29.45.650(a) is amended to read:

17 (a) Except as provided in AS 29.45.655 [(f) OF THIS SECTION], a
18 borough may levy and collect a sales tax not exceeding six percent on
19 sales, rents, and on services provided in the borough. The sales tax
20 may apply to any or all of these sources. Exemptions may be granted
21 by ordinance.

22 * Sec. 4. AS 29.45 is amended by adding a new section to read:

23 Sec. 29.45.655. EXEMPTIONS FROM SALES TAX. (a) A borough may
24 not levy and collect a sales tax

25 (1) on a purchase

26 (A) made with food coupons, food stamps, or other
27 types of certificates issued under 7 U.S.C. 2011 - 2025 (Food
28 Stamp Act);

29 (B) of food instruments, or made with food vouchers or
S

1 other type of certificate issued under 42 U.S.C. 1786 (Special
2 Supplemental Food Program for Women, Infants, and Children);

3 (2) on rents payable for the occupancy of housing that has
4 been or is being subsidized by the federal government if exemption
5 from payment of sales tax payable for the occupancy of the housing is
6 required by federal law or by agreement as a condition of the subsidy.

7 (b) This section applies to home rule and general law municipal-
8 ities.

9 * Sec. 5. AS 29.45.700(a) is amended to read:

10 (a) A city in a borough that levies and collects areawide sales
11 and use taxes may levy sales and use taxes on all sources taxed by the
12 borough in the manner provided for boroughs. Except as provided in
13 AS 29.45.655 [(d) OF THIS SECTION], the assembly may by ordinance
14 authorize a city to levy and collect sales and use taxes on other
15 sources.

16 * Sec. 6. AS 29.45.650(f) and 29.45.700(d) are repealed.

17 * Sec. 7. This Act takes effect July 1, 1989.
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FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act prohibiting municipal sales tax on rents..housing projects.."
Sponsor: Adams
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jim Plasman, Deputy Director
 Division: Municipal & Regional Assistance
 Phone: 465-4750
 Date: 2/20/89

Approved by Commissioner: David G. Hoffmann
 Agency: Community & Regional Affairs
 Date: 2-20-89

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Alaska State Legislature

Al Adams
District L



Official Business

WHILE IN SESSION
P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3707

OUT OF SESSION
P.O. Box 333
Kotzebue, Alaska 99752
(907) 442-3245

3111 C Street
Anchorage, Alaska 99503
(907) 561-7622

TO: Community and Regional Affairs Committee Members

FROM: Senator Al Adams, Chair ^{APA}
Community and Regional Affairs Committee

RE: Senate Bill 160

DATE: March 7, 1989

Senate Bill 160 was introduced on February 3, 1989 at the request of the Association of Alaska State Housing Authorities. Despite its apparent complexity, it is a rather straight forward piece of legislation. In essence, as the title implies, it creates a municipal tax exemption on rents payable for the occupation of housing that has been or is being subsidized by the federal government if exemption is required by federal law or by agreement as a condition of the subsidy.

There are precedents for such an exemption. In 1987, the legislature provided that a city may not levy and collect a sales tax on purchases of certificates under the Food Stamp Act, or food instruments, food vouchers or other types of certificated under the Food Program for Women, Infants and Children.

Just last year we passed legislation permitting, but not requiring, municipalities to exempt taxation interests in real property if the property has been developed, improved or acquired with federal low-income housing funds and is owned or managed as low income housing by the Alaska State Building Authority or a regional housing authority.

As far as I know, no municipality is currently levying or collecting a municipal sales tax on rents payable for the occupation of publicly-financed housing projects; however, the Association has brought to my attention the fact that some municipal attorneys have counselled their clients to levy and collect such taxes because existing state law does not prohibit them from doing so.

Page 2

March 7, 1989

Community and Regional Affairs Committee
SB 160

This legislation would not only provide municipal attorneys with clear statutory authority for such an exemption, thereby clearing any confusion that may exist now, but would prevent future conflicts between the state's political subdivisions from arising. This measure reflects a cost-benefit decision that municipalities have apparently already made. As you may know, some rents in publicly-financed housing projects are as small as \$2 per month and the administrative cost connected with the collection of these sales taxes probably outweighs the benefits that might flow from collection. So, they simply forego the revenue. I believe the state should sanction this decision of its subdivisions.

Finally, I am not aware of any opposition to this legislation from any municipalities or the Alaska Municipal League. The state Department of Community and Regional Affairs has not as yet developed a position on the proposed legislation.

Thank you for your consideration.

COOPERATION AGREEMENT

THIS AGREEMENT made this ____ DAY of _____, 19____

BY AND BETWEEN Tlingit-Haida Regional Housing Authority herein called the "Authority".

AND City of _____, herein called the "City".

WITNESSETH:

In consideration of the mutual covenants hereinafter set forth, the parties hereto do agree as follows:

1. Whenever used in this agreement:
 - (a) The term "Project" shall mean any low-rent housing hereinafter developed or acquired by the Authority with financial assistance of the United States of America acting through the Secretary of Housing and Urban Development (herein called the "Government"); excluding, however, and low-rent housing project covered by any contract for loans and annual contributions entered into between the Authority and the Government, or its predecessor agencies, prior to the date of this Agreement;
 - (b) The term "Taxing Body" shall mean the State or any political subdivision or taxing unit thereof in which a Project is situated and which would have authority to assess or levy real or personal property taxes or to certify such taxes to a taxing body or public officer to be levied for its use and benefit with respect to a Project if it were not exempt from taxation;
 - (c) The term "Shelter Rent" shall mean the total of all charges to all tenants of a Project for dwelling rents and nondwelling rents (excluding all other income of such Project), less the cost to the Authority of all dwelling and nondwelling utilities;
2. The Authority shall endeavor to secure a contract with the Government for loans and annual contributions covering one or more Projects consisting of approximately ____ units. The Authority shall plan, develop or acquire and administer the Project which shall be located within the corporate limits of the City. The obligations of the parties hereto shall apply to each such Project and the City shall have no contractual responsibility with respect to the Project other than as expressly provided in this Agreement.
3. (a) Under the Constitution and laws of the State of Alaska, the Project is exempt from all real and personal property taxes and special assessments levied or imposed by any Taxing Body. So long as either (i) the Project is owned by a public body or governmental agency and is used for low rent housing purposes, or (ii) any contract between the Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, or (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the City agrees that it

will not levy or impose any real or personal property taxes or special assessment upon such Project or upon the Authority with respect thereto. During such period, the Authority shall make annual payments (herein called "Payments in Lieu of Taxes") in lieu of such taxes and special assessments and in payment for the public services and facilities furnished from time to time without other cost or charge for or with respect to such Project.

- (b) Each such annual Payment in Lieu of Taxes shall be made after the end of the fiscal year established for such Project, and shall be in an amount equal either (i) ten percent (10%) of the Shelter Rent charged by the Authority in respect to such Project during such fiscal year or (ii) the amount permitted to be paid by applicable State law in effect on the date such payment is made, whichever amount is the lower.
 - (c) No payment for any year shall be made to the City in excess of the amount of the real property taxes which would have been paid to the City for such year if the Project were not exempt from taxation.
 - d) Upon failure of the Authority to make any Payment in lieu of Taxes, no lien against any Project or assets of the Authority shall attach, nor shall any interest penalties accrue or attach on account thereof.
4. During the period commencing with the date of the acquisition of any part of the site or sites of any Project and continuing so long as either (i) such Project is owned by a public body or governmental agency and is used for low-rent housing purposes, or (ii) any contract between the Authority and the Government for loans or annual contributions, or both, in connection with such Project remains in force and effect, (iii) any bonds issued in connection with such Project or any monies due to the Government in connection with such Project remain unpaid, whichever period is the longest, the City, without cost or charge to the Authority or the tenants of such project (other than the Payments in Lieu of Taxes), shall:
- (a) Furnish or cause to be furnished to the Authority and the tenants of such Project public services and facilities of the same extent as are furnished from time to time without cost or charge to other dwelling and inhabitants in the City;
 - (b) Notwithstanding the date of acquisition the City shall vacate such streets, roads, and alleys within the area of such Projects as may be necessary in the development thereof, and convey without charge to the Authority, such interest as the City may have in such vacated areas; and insofar as the City is lawfully able to do so without cost or expense to the Authority or to the City, cause to be removed from such vacated areas, insofar as it may be necessary, all public or private utility lines and equipment;
 - (c) Insofar the City may lawfully do so, (i) grant such deviation from the building code as are reasonable and necessary to promote economy and efficiency in the development and administration of such Project, and at the same time, safeguard health and safety; and (ii) make such changes in any zoning of the site and surrounding territory of such Project as are reasonable and necessary surrounding territory;

Cooperation Agreement
Page 3

- (d) Accept grants of easements necessary for the development of such Project; and
 - (e) Cooperation with the Authority by such other lawful action or ways as the City and the Authority may find necessary in connection with the development and administration of such Project.
5. In respect to any Project, the City further agrees that within a reasonable time after receipt of a written request therefor from the Authority:
- (a) It will accept the dedication of all interior streets, roads alleys, and adjacent sidewalks within the area of such Project, together with all storm and sanitary sewer mains in such dedicated areas, after the Authority or its Developer has completed the grading, improvements, paving and installation thereof, in accordance with specification acceptable to the City;
 - (b) It will accept necessary dedications of land for, and will grade, improve, pave and provide sidewalks for, all streets bounding such Project or necessary to provide adequate access thereto (in consideration whereof the Authority or its Developer shall pay to the City such amounts as would be assessed against the Project sites for such work if such site were privately owned); and
 - (c) It will provide, or cause to be provided, water mains and storm and sanitary sewer mains, leading to such Project and serving the bounding streets thereof (in consideration whereof the Authority or its Developer shall pay to the City such amounts as would be assessed against the Project site for such work if such site were privately owned).
6. If by reason of the City's failure or refusal to furnish or cause to be furnished any public services or facilities which it has agreed hereunder to furnish or cause to be furnished to the Authority or to the tenants of any Project, the Authority incurs any expense to obtain such services or facilities, then the Authority may deduct the amount of such expenses from any Payment in Lieu of Taxes due or to become due to the City in respect to any Project or any other low-rent housing projects owned or operated by the Authority.
7. The City agrees to exempt the tenants of the Project and the Authority from the payment of sales taxes in conjunction with rents.
8. No Cooperation Agreement heretofore entered into between the City and the Authority shall be construed to apply to any Project covered by this Agreement.
9. No member of the governing body of the City or any other public official of the City who exercises any responsibilities or functions with respect to any Project during his tenure or for one year thereafter shall have any interest, direct or indirect, in any project or any property included or planned to be included in any Project, or any contracts in connection with such Projects or property. If any such governing body member or such other public official of the City involuntarily acquires or had acquired prior to the beginning of his tenure any such interest, he shall immediately disclose such interest to the Authority.

10. So long as any contract between the Authority and the Government for loans (including preliminary loans) or annual contributions, or both, in connection with any Project remains in force and effect, or so long as any bonds issued in connection with any project, or any monies due the Government in connection with any Project remain unpaid, this Agreement shall not be abrogated, changed, or modified without the consent of the Government. The privileges and obligations of the City hereunder shall remain in full force and effect with respect to each Project so long as the beneficial title to such Project is held by the Authority or by any other public body or governmental agency, including the Government, authorized by law to engage in the development or administration of low-rent housing projects. If at any time, the beneficial title to, or possession of, any Project is held by such other public body or governmental agency, including the Government, the provisions hereto shall inure to the benefit of and may be enforced by, such other public body or governmental agency, including the Government.

IN WITNESS WHEREOF, the City and the Authority have respectively signed this Agreement and caused their seals or be affixed and attested as of the day and year first above written.

CITY OF _____

BY: _____,
_____, Mayor
City of _____

SEAL

ATTEST:

_____, City Clerk

TLINGIT-HAIDA REGIONAL
HOUSING AUTHORITY

BY: _____
Matthew Fred, Chairman

SEAL

ATTEST:

Joseph G. Wilson, Assistant Secretary

S

B

L

6

Q

SENATE COMMITTEE REPORT

FURTHER

2/27/89

DATE TURNED INTO OFFICE 5/6/89

Mr. President:

FINANCE Committee considered SB 162

reviving the simplified refinancing mortgage loan purchase program of the Alaska Housing Finance Corporation; efd and recommended

- replace with CS 5B162 (FIN)) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) ^{DOR} zero fiscal impact appropriation no FN

new updated previous

same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Large signature]

[Handwritten notes and signatures]

[Signature]

[Signature]

Chairman signature and recommendation

Committee Backup attached

[Handwritten signature] No Rec

Co-CHAIR

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act reviving the simplified
refinancing mortgage loan purchase program
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Department of Revenue
BRU: Alaska Housing Finance Corporation
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
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 for analysis.

Prepared By: Margaret Nelson
Division: Alaska Housing Finance Corporation

Phone: 564-9321
Date: February 1, 1989

Approved by Commissioner: [Signature]
Agency: Department of Revenue

Date: 2/3/89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Changes in the CS (Fin) have no fiscal effect. This fiscal note is appropriate.
SFC: Nov 5/89

Original sponsor: Rules/Governor

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 162 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act authorizing the Alaska Housing Finance Corporation to establish a simplified refinancing mortgage loan purchase program; and providing for an effective date."

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

* Section 1. AS 18.56.096(b) is amended to read:

(b) The loan-to-value limitation established in (a)(4) of this section does not apply to a mortgage loan that is federally insured or guaranteed. The loan-to-value limitations established in (a)(1) and (4) of this section do not apply to a mortgage loan that is a refinancing mortgage loan under AS 18.56.108 [AS 18.56.102].

* Sec. 2. AS 18.56 is amended by adding a new section to read:

Sec. 18.56.108. SIMPLIFIED REFINANCING MORTGAGE LOAN PURCHASE PROGRAM. (a) The corporation shall establish a simplified refinancing mortgage loan purchase program. Under the simplified refinancing mortgage loan purchase program, the corporation may purchase refinancing mortgage loans to provide relief to borrowers under circumstances described by regulations adopted by the corporation.

(b) AS 18.56.098(c), (e), and (k) apply to refinancing mortgage loans purchased under (a) of this section.

(c) Subject to (d) of this section, the interest rate on a refinancing mortgage loan purchased under (a) of this section is two percent less than the cost to the corporation of the money used to purchase the refinancing mortgage loan, except that if the cost of

1 money

2 (1) is 10 percent or less, the interest rate is equal to
3 the cost of money; and

4 (2) is more than 10 percent, the interest rate may not be
5 less than 10 percent.

6 (d) If the refinancing mortgage loan is an adjustable rate mort-
7 gage loan, the corporation shall establish the initial interest rate
8 as provided in (c) of this section and shall recalculate the interest
9 rate from time to time in accordance with (c) of this section. How-
10 ever, notwithstanding (c)(1) of this section, the corporation may
11 establish a minimum interest rate applicable to an adjustable rate
12 refinancing mortgage loan. The interest rate on the adjustable rate
13 refinancing mortgage loan may not be less than the minimum interest
14 rate established under this subsection, regardless of the cost of
15 money to the corporation.

16 (e) The corporation may adopt regulations to implement this sec-
17 tion, including regulations to define "cost of money" for purposes of
18 this section. The regulations may provide for recalculation of the
19 cost of money under (d) of this section at the times and frequencies
20 the corporation considers appropriate. The time and frequency for a
21 recalculation under (d) of this section is not required to match the
22 time or frequency of a change in the cost of money to the corporation.

23 (f) Equity extraction may not be allowed under this program.

24 (g) In this section, "refinancing mortgage loan" means a loan
25 refinancing another mortgage loan owned by the corporation.

26 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

Y. Binkley
5/6/89

go0939sH
Chenoweth
5/6/89

#2

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 162 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act authorizing the Alaska Housing Finance Corpo-
7 ration to establish a simplified refinancing mortgage
8 loan purchase program; and providing for an effective
9 date."

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

11 * Section 1. AS 18.56.096(b) is amended to read:

12 (b) The loan-to-value limitation established in (a)(4) of this
13 section does not apply to a mortgage loan that is federally insured or
14 guaranteed. The loan-to-value limitations established in (a)(1) and
15 (4) of this section do not apply to a mortgage loan that is a refi-
16 nancing mortgage loan under AS 18.56.108 [AS 18.56.102].

17 * Sec. 2. AS 18.56 is amended by adding a new section to read:

18 Sec. 18.56.108. SIMPLIFIED REFINANCING MORTGAGE LOAN PURCHASE
19 PROGRAM. (a) The corporation shall establish a simplified refinanc-
20 ing mortgage loan purchase program. Under the simplified refinancing
21 mortgage loan purchase program, the corporation may purchase refinanc-
22 ing mortgage loans to provide relief to borrowers under circumstances
23 described by regulations adopted by the corporation.

24 (b) AS 18.56.098(c), (e), and (k) apply to refinancing mortgage
25 loans purchased under (a) of this section.

26 (c) Subject to (d) of this section, the interest rate on a re-
27 financing mortgage loan purchased under (a) of this section is one
28 percent less than the cost to the corporation of the money used to
29 purchase the refinancing mortgage loan, except that if the cost of

1 money

2 (1) is 10 percent or less, the interest rate is equal to
3 the cost of money; and

4 (2) is more than 10 percent, the interest rate may not be
5 less than 10 percent.

6 (d) If the refinancing mortgage loan is an adjustable rate mort-
7 gage loan, the corporation shall establish the initial interest rate
8 as provided in (c) of this section and shall recalculate the interest
9 rate from time to time in accordance with (c) of this section. How-
10 ever, notwithstanding (c)(1) of this section, the corporation may
11 establish a minimum interest rate applicable to an adjustable rate
12 refinancing mortgage loan. The interest rate on the adjustable rate
13 refinancing mortgage loan may not be less than the minimum interest
14 rate established under this subsection, regardless of the cost of
15 money to the corporation.

16 (e) The corporation may adopt regulations to implement this sec-
17 tion, including regulations to define "cost of money" for purposes of
18 this section. The regulations may provide for recalculation of the
19 cost of money under (d) of this section at the times and frequencies
20 the corporation considers appropriate. The time and frequency for a
21 recalculation under (d) of this section is not required to match the
22 time or frequency of a change in the cost of money to the corporation.

23 (f) Equity extraction may not be allowed under this program.

24 (g) In this section, "refinancing mortgage loan" means a loan
25 refinancing another mortgage loan owned by the corporation.

26 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).
27
28
29
30

Pinkley
5/6/89
#1

#1

go0939sH ✓
Chenoweth
5/6/89

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE
 2 CS FOR SENATE BILL NO. 162 (Finance)
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA
 4 SIXTEENTH LEGISLATURE - FIRST SESSION
 5 A BILL

6 For an Act entitled: "An Act authorizing the Alaska Housing Finance Corpo-
 7 ration to establish a simplified refinancing mortgage
 8 loan purchase program; and providing for an effective
 9 date."

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

11 * Section 1. AS 18.56.096(b) is amended to read:

12 (b) The loan-to-value limitation established in (a)(4) of this
 13 section does not apply to a mortgage loan that is federally insured or
 14 guaranteed. The loan-to-value limitations established in (a)(1) and
 15 (4) of this section do not apply to a mortgage loan that is a refi-
 16 nancing mortgage loan under AS 18.56.108 [AS 18.56.102].

17 * Sec. 2. AS 18.56 is amended by adding a new section to read:

18 Sec. 18.56.108. SIMPLIFIED REFINANCING MORTGAGE LOAN PURCHASE
 19 PROGRAM. (a) The corporation shall establish a simplified refinanc-
 20 ing mortgage loan purchase program. Under the simplified refinancing
 21 mortgage loan purchase program, the corporation may purchase refinanc-
 22 ing mortgage loans to provide relief to borrowers under circumstances
 23 described by regulations adopted by the corporation.

24 (b) AS 18.56.098(c), (e), and (k) apply to refinancing mortgage
 25 loans purchased under (a) of this section.

26 (c) Subject to (d) of this section, the interest rate on a re-
 27 financing mortgage loan purchased under (a) of this section is one
 28 percent less than the cost to the corporation of the money used to
 29 purchase the refinancing mortgage loan, except that if the cost of

1 money

2 (1) is 10 percent or less, the interest rate is equal to
3 the cost of money; and

4 (2) is more than 10 percent, the interest rate may not be
5 less than 10 percent.

6 (d) If the refinancing mortgage loan is an adjustable rate mort-
7 gage loan, the corporation shall establish the initial interest rate
8 as provided in (c) of this section and shall recalculate the interest
9 rate from time to time in accordance with (c) of this section. How-
10 ever, notwithstanding (c)(1) of this section, the corporation may
11 establish a minimum interest rate applicable to an adjustable rate
12 refinancing mortgage loan. The interest rate on the adjustable rate
13 refinancing mortgage loan may not be less than the minimum interest
14 rate established under this subsection, regardless of the cost of
15 money to the corporation.

16 (e) The corporation may adopt regulations to implement this sec-
17 tion, including regulations to define "cost of money" for purposes of
18 this section. The regulations may provide for recalculation of the
19 cost of money under (d) of this section at the times and frequencies
20 the corporation considers appropriate. The time and frequency for a
21 recalculation under (d) of this section is not required to match the
22 time or frequency of a change in the cost of money to the corporation.

23 (f) Equity extraction may not be allowed under this program.

24 (g) In this section, "refinancing mortgage loan" means a loan
25 refinancing another mortgage loan owned by the corporation.

26 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).
27
28
29

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 6, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill reviving the simplified refinancing mortgage purchase program of the Alaska Housing Finance Corporation (AHFC). This bill would revive, unchanged, and continue in effect, a program that provides statutory authority for the second phase of the home ownership assistance program, commonly known as HOAP II.

When the simplified refinance program was enacted in 1987, the legislature limited the effective period of the program to 18 months. Sec. 9, ch. 41, SLA 1987. However, because of the rapid implementation of HOAP II, AHFC was unable to request an extension of AS 18.56.102 during the final session of the Fifteenth Alaska State Legislature. Therefore, the section was repealed in December 1988.

I urge your prompt and favorable action on this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper".

Steve Cowper
Governor

Governor's letter

S B

L 6 4

SENATE COMMITTEE REPORT

FURTHER

4/22/89

DATE TURNED INTO OFFICE

5/5/89

Mr. President:

Finance

Committee considered

SB 164

additional penalties for violation of commercial fishing laws and forfeiture of limited entry permits and to transfer of limited entry permits to avoid forfeiture; efd

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS SB 164 (RS)) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous *DFUC DELED*
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

1 rule 1 clause

[Handwritten signatures]

Chair: signature and recommendation

Committee Backup attached

[Handwritten signature] DO PASS
G-CHAIR

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Penalties for Violation of
Commercial Fishery Laws
 Sponsor: Zharoff
 Requestor: _____
 Agency Affected: Fish and Game
 BRU: Commercial Fisheries
 Components: Commercial Fisheries
Special Projects

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Robert C. Clasby Phone: 465-4210
 Division: Commercial Fisheries Date: 2/13/89
 Approved by Commissioner: William H. Dill Date: 2/14/89
 Agency: Fish and Game

Distribution (by preparer):

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

FISCAL NOTE

REQUEST:

Revision Date: 2/8/89 Agency Affected: Commerce & Econ. Dev.
 Title: An Act relating to additional penalties for violation of commercial fishing laws BR: Investments
 Sponsor: Zharoff Components: _____
 Requestor: Resources _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
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
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: - (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Martin J. Richard, Director Phone: 465-2510
 Division: Investments Date: 2/10/89

Approved by Commissioner: Larry Merculieff Date: 2/10/89
 Agency: Department of Commerce & Economic Development

Distribution (by preparer):

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

Original sponsor: Zharoff

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 164 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to additional penalties for viola-
7 tion of commercial fishing laws and for theft of
8 commercial fishing gear and to transfer of limited
9 entry permits; and providing for an effective date."
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
11 * Section 1. AS 16.05.710(b) is amended to read:
12 (b) Upon a first conviction of a person for a violation of
13 AS 11.46.120 - 11.46.130 in which the property is commercial fishing
14 gear as defined in AS 16.43.990, the court shall, in addition to the
15 penalty imposed by law, suspend all [ORDER A SUSPENSION] of the per-
16 son's commercial fishing privileges for one year. Upon a second or
17 subsequent conviction, the court shall, in addition to the penalty
18 imposed by law, suspend all [ORDER A SUSPENSION] of the person's
19 commercial fishing privileges for two years.
20 * Sec. 2. AS 16.05.710(c) is amended to read:
21 (c) If proceedings in which a limited entry permit may be sus-
22 pending under this section are pending against a person, the permit may
23 not be permanently transferred, except upon the order of the court in
24 which the proceedings are pending, and a permanent transfer of the
25 permit, except upon the order of the court, is void. During the
26 period for which a person's limited entry permit or a person's privi-
27 lege to obtain a limited entry permit is suspended under [(a) OF] this
28 section, a permit card may not be issued to the person and the per-
29 son's permit may not be transferred or sold.

1 * Sec. 3. AS 16.05.710(d) is repealed and reenacted to read:

2 (d) In this section

3 (1) "commercial fishing license" means a limited entry
4 permit or a crew member license;

5 (2) "commercial fishing privilege" means the privilege of
6 participating in an activity for which a commercial fishing license is
7 required and the privilege of obtaining and holding a commercial
8 fishing license;

9 (3) "commercial fishing statute or regulation" means a
10 statute or regulation that regulates the conduct of a person engaged
11 in commercial fishing activities by establishing requirements relat-
12 ing to fishing licenses and permits; catch records and reports; size,
13 nature, or use of fishing vessels, sites, and gear; time, place, or
14 manner of taking fishery resources; possession, transportation, sale,
15 barter, or waste of fishery resources; or other aspects of commercial
16 fishing;

17 (4) "limited entry permit" means an entry permit or an
18 interim-use permit issued under AS 16.43.

19 * Sec. 4. AS 16.10.337 is amended by adding a new subsection to read:

20 (e) The department may not sell an entry permit under this
21 section to a person whose privilege to obtain or hold an entry permit
22 is suspended under AS 16.05.710.

23 * Sec. 5. AS 16.43.140 is amended by adding a new subsection to read:

24 (d) A person may not hold an interim-use or entry permit issued
25 or transferred under this chapter or transferred under AS 16.10.337 or
26 AS 44.81.250 or 44.81.252, if the person is subject to a current order
27 under AS 16.05.710 suspending the person's privilege to obtain or hold
28 an interim-use or entry permit.

29 * Sec. 6. AS 16.43.170 is amended by adding a new subsection to read:

1 (f) The permanent transfer of an entry permit is void if pro-
2 ceedings in which the entry permit may be suspended under AS 16.05.710
3 are pending against the permit holder at the time of transfer unless
4 the transfer of the entry permit is ordered by the court in which the
5 proceedings are pending.

6 * Sec. 7. The provisions of this Act are applicable to cases involving
7 a commercial fishing violation or theft of commercial fishing gear that
8 occurs on or after the effective date of this Act.

9 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).

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B

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SENATE COMMITTEE REPORT

FURTHER

3/7/89

DATE TURNED INTO OFFICE 3/10/89

Mr. President:

FINANCE

Committee considered SB 166

conformance between actual payments and approved payment rates to health facilities for medical care under certain state medical assistance programs; efd and recommended

[] replace with _____ CS _____) same title
 or adopt _____ CS SB 166 (Hess)) [] new title
[] attached amendment(s) and [] technical title change (HB only)
[] _____ letter of intent adopted

do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

FISCAL NOTE(S) [] zero [] fiscal impact [] appropriation no FN
[] new [] updated [] previous
 same as previous fiscal note(s) published 3/7/89

DHSS 250.0 (FY89)

MEMBERS SIGNING DO PASS

[Signature] Demcak

[Signature] Pearce

[Signature] Fischer

OTHER RECOMMENDATIONS

[Signature] No Rec Frank

[Signature] ^{creeping} (DO PASS)
Chairman signature and recommendation
[Signature] Eo-Cutler
Binkley Piro Roz

[] Committee Backup attached

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Relating to Medicaid Facility
Payment
 Sponsor: Senate HESS
 Requestor: _____

Agency Affected: Health & Social Services
 BRU: Medical Assistance
 Components: Medical Facilities

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	250.0					
MISCELLANEOUS						
TOTAL OPERATING	250.0	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	125.0					
FEDERAL FUNDS	125.0					
OTHER						
TOTAL	250.0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Fiscal impact is calculated based on impact to one identified facility.

Prepared by: ^{FBI} Kim Busch, Director *Kim Busch* Phone: 465-5355
 Division: Medical Assistance Date: 3/6/89

Approved by Commissioner: *Mary M. Munson* Date: 3/6/89
 Agency: Health and Social Services

Distribution (by preparer):

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

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE BY THE HEALTH, EDUCATION AND
2 CS FOR SENATE BILL NO. 166 (HESS) SOCIAL SERVICES COMMITTEE
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to conformance between actual pay-
7 ments and approved payment rates to health facilities
8 for medical care under certain state medical assis-
9 tance programs; and providing for an effective date."
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
11 * Section 1. AS 47.07.070 is amended by adding a new subsection to
12 read:
13 (e) When an actual rate paid by the department is reviewed at
14 the end of the year for which the approved rate was established and
15 the review is conducted to determine whether the actual rate paid was
16 in conformance with the approved rate under this section, all or part
17 of an adjustment for year-end conformance may be waived for the facil-
18 ity if the facility provides proof of manifest injustice resulting
19 from application of the adjustment for year-end conformance. When the
20 adjustment for year-end conformance of the base year is waived, in
21 whole or part, for a facility under this subsection, the amount waived
22 may not be included as part of the base upon which the prospective
23 rate is determined if the nonconformity affects both costs and
24 charges. When the adjustment for year-end conformance of the base
25 year is waived, in whole or part, for a facility under this subsec-
26 tion, the amount waived shall be included as part of the base upon
27 which the prospective rate is determined if the nonconformity affects
28 only charges.
29 * Sec. 2. TRANSITIONAL PROVISION. (a) For the services provided on or

1 after January 1, 1989, an approved prospective payment rate determined for
2 a facility for fiscal year 1989, based on a conformance review of that
3 facility's rate for fiscal year 1987 shall be recalculated as if the pro-
4 visions of AS 47.07.070(e), as enacted by sec. 1 of this Act, were in
5 effect at the time of the determination of the prospective payment rate in
6 effect for the period. If the application of this section results in a
7 higher prospective payment rate for a health facility than that which had
8 previously been calculated for the facility, the difference shall be
9 promptly remitted to the health facility. If the application of this
10 section results in a lower prospective payment rate for a health facility
11 for fiscal year 1989 than had previously been calculated for the facility,
12 this section may not be applied to decrease a rate to a facility for fiscal
13 year 1989 for any part of year-end conformance waived.

14 (b) In this section, "conformance review" means the review undertaken
15 after the end of the year for which a facility's approved rate has been set
16 to determine whether actual payments made to a health facility under AS 47.
17 07 and AS 47.25.120 - 47.25.300 conformed to the payment rate approved for
18 that health facility under AS 47.07 and to determine whether the prospec-
19 tive payment rate for that facility should be adjusted for the next rate-
20 setting year.

21 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

MEMBER
TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE
THIRTEENTH ALASKA LEGISLATURE
FOURTEENTH ALASKA LEGISLATURE
FIFTEENTH ALASKA LEGISLATURE



SENATOR TIM KELLY

FEB 02 1989

P. O. BOX V
JUNEAU, ALASKA 99811
(907) 485-3822
P. O. BOX 210001
ANCHORAGE, ALASKA 99521
(907) 561-7812

February 2, 1989

MEMORANDUM

To: Senator Fischer, Chairman
HESS Committee

From: Senator Kelly **TOK**

Re: Introducing a committee bill to correct a problem with health facility medical rate reimbursement.

I have attached a draft of legislation that would correct a problem inadvertently caused by a Medical Rate Commission action this last summer. In this action the commission repealed one of their own regulations that had a dramatic and unanticipated effect on certain health facilities year-end conformance determinations. I have talked with Commissioner Munson and everyone is in agreement that it was an unfortunate slip up. Last week the commission re-established the particular regulation.

The problem is that there appears to be no way for the commission itself to make this regulation retroactive, causing a disparate rate setting for those facilities whose conformance determination happened to occur in the time interval of the regulation's repeal. Humana hospital is particularly affected.

The proposed draft seems to be the only avenue for redress. It essentially puts the regulation language into law and retroactively applies the law. I have tried to make the title as tight as possible so that the bill does not attract other considerations. I would appreciate your consideration to introduce the bill as a committee bill.

Rec'd 3/16/89
After bill
R/O

REVISED ADDENDUM TO FISCAL NOTE ON CSSB 166

Although Sitka General Hospital has also been identified as a facility which could have year end conformance waived under SB 166, the financial impact to the Department of Health and Social Services from this waiver will not significantly impact the FY 89 budget.

Other facilities may be eligible to have year end conformance waived in accordance with SB 166, however, these facilities have not contacted either the Medicaid Rate Commission or the Department of Health and Social Services requesting such a waiver. Consequently, the potential financial impact from these facilities seeking a waiver has not been included in the fiscal note. If waiver is extended to the other possibly eligible facilities, the maximum anticipated fiscal impact in FY 89 would be \$250.0 total funds, \$125.0 general fund match and \$125.0 federal funds.

Approved: Myra J. Munson
Myra J. Munson, Commissioner
Department of Health
and Social Services

Dated: March 15, 1989

RECEIVED
MAR 15 1989
LEGISLATIVE FINANCE

Rec'd 3/10/89
After bill
R/D
Outdated

ADDENDUM TO FISCAL NOTE ON CSSB 166

Although Sitka General Hospital has also been identified as a facility which could have year end conformance waived under SB 166, the financial impact to the Department of Health and Social Services from this waiver will not significantly impact the FY 89 budget.

Other facilities may be eligible to have year end conformance waived in accordance with SB 166, however, these facilities have not contacted either the Medicaid Rate Commission or the Department of Health and Social Services requesting such a waiver. Consequently, the potential financial impact from these facilities seeking a waiver has not been included in the fiscal note.

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

Dated: March 14, 1989

RECEIVED
MAR 15 1989

LEGISLATIVE FINANCE

OFFICE OF THE PRESIDENT

MEMBER

TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE
THIRTEENTH ALASKA LEGISLATURE
FOURTEENTH ALASKA LEGISLATURE
FIFTEENTH ALASKA LEGISLATURE
SIXTEENTH ALASKA LEGISLATURE



SENATOR TIM KELLY

P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3822

P.O. BOX 210001
ANCHORAGE, ALASKA 99521
(907) 561-7612

Re: SB 166

February 2, 1989

MEMORANDUM

To: Senator Fischer, Chairman
HESS Committee

From: Senator Kelly *TK*

Re: Introducing a committee bill to correct a problem with health facility medical rate reimbursement.

I have attached a draft of legislation that would correct a problem inadvertently caused by a Medical Rate Commission action this last summer. In this action the commission repealed one of their own regulations that had a dramatic and unanticipated effect on certain health facilities year-end conformance determinations. I have talked with Commissioner Munson and everyone is in agreement that it was an unfortunate slip up. Last week the commission re-established the particular regulation (see attached regulation sequence A, B, and C).

The problem is that there appears to be no way for the commission itself to make this regulation retroactive, causing a disparate rate setting for those facilities whose conformance determination happened to occur in the time interval of the regulation's repeal. Humana hospital is particularly affected.

The proposed draft seems to be the only avenue for redress. It essentially puts the regulation language into law and retroactively applies the law. I have tried to make the title as tight as possible so that the bill does not attract other considerations. I would appreciate your consideration to introduce the bill as a committee bill.

BACKGROUND MATERIAL PROVIDED BY SENATOR KELLY

STATE OF ALASKA
STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

P.O. BOX H
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030

January 25, 1989

Medicaid Rate Commission
P.O. Box 240249
3601 "C" Street, Suite 592
Anchorage, Alaska 99524-0249

Re: Year end conformance waiver
regulation proposal

Dear Commission Members:

The Department of Health and Social Services offers the following comments regarding proposed regulation (7 AAC 43.691(c)) to waive year-end conformance in rate-setting by the Medicaid Rate Commission. */ The department supports the commission having authority to waive year end conformance, provided the authority is subject to conditions. The department recognizes the need for commission flexibility to respond to unique circumstances. The department opposes unlimited authority to waive year end conformance in any case. In addition, unlimited authority will very likely produce additional work for the commission and its staff and the facilities, since the facilities will have no guidelines to suggest what petitions are likely to be accepted and which ones are not. Truly prospective rate setting and responsible budgeting by the commission, department and facilities cannot occur if every facility can petition the commission at year-end for additional funds to balance its books.

The department offers the following alternative language:

* Section 1. 7 AAC 43.691 is amended by adding a new subsection to read:

(e) The commission will, in its discretion, waive all or part of the year-end conformance, if the facility provides justification to the commission's satisfaction,

*/ The department's attorney has checked with the staff of the regulations attorney and was informed that new subsection letter must be used even though the same language (as was repealed) is being proposed.

that ~~immediate~~ ^{a illeaptable} and manifest injustice will result if year-end conformance is strictly applied. All or part of year-end conformance will, in the commission's discretion, only be waived if the commission finds that:

(1) the facility has taken effective measures to control costs in response to the situation upon which the waiver request is based; *and*

(2) the waiver request does not contradict a prior action of the commission as to an element of the facility's rate contained in 7 AAC 43.683, 7 AAC 43.685, and 7 AAC 43.686; and

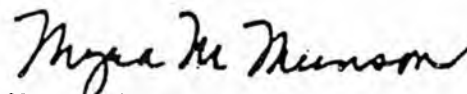
(3) the waiver request would result in payment for only allowed costs and services authorized by the division of medical assistance under state or federal laws or both if applicable, or regulations; and

(4) the situation upon which the waiver request is based results from the provision of direct patient care or from prudent management actions improving the financial viability of the facility, *To provide patient care.*

We urge the commission to adopt the department alternative language.

We appreciate the opportunity to offer comments on this important matter. Members of my staff will be available at the upcoming meeting to further elaborate on this position.

Sincerely yours,



Myra Munson
Commissioner

POSITION PAPER

SB 166

INTRODUCTION

The process by which Medicaid and GRM reimbursement rates are established for health facilities includes a procedure called year end conformance. This procedure compares the Medicaid Rate Commission (MRC) approved rate with actual rate billed by the facility during the billing period. If a defined level of variance between the approved and actual charges exists, an adjustment is made to the facility's base for its future prospective rate.

In August, 1988, the MRC repealed regulations that allowed waiver of the year end conformance adjustment. After realizing that in at least two cases the regulations had an unanticipated, negative effect, the MRC adopted a regulation which allows the commission to waive all or part of the year end conformance adjustment under certain circumstances. This regulation will become effective March 25, 1989.

This bill makes waiver authority retroactive to January, 1989. Due to federal Health Care Financing Agency requirements, federal participation in the state's Medicaid Program would be jeopardized if we change any provision of rate setting for a period prior to January 1.

ANALYSIS

Section 1 of the bill defines the procedure, provides for a full or partial waiver of the adjustment in cases of manifest injustice, and clarifies the treatment of some technical questions associated with implementation.

Section 2 of the bill requires reanalyzing rates in effect on or after January 1, 1989, in accordance with Sec. 1 of the bill, requires the immediate payment of an amount due the facility as the result of reanalyzing rates if waiver is granted, and prohibits recoupment by the state if reanalyzing rates in accordance with Sec. 1 results in an amount due the state.

Section 3 of the bill provides for an immediate effective date. To receive federal financial participation (FFP) for the period January 1, 1989 - March 31, 1989, the state Medicaid plan amendment must be submitted prior to March 31, 1989. Therefore, SB 166 would have to be enacted into law with sufficient time for the department to prepare and submit the state plan amendment. An effective date before March 31, 1989, is essential for the state to continue to meet the federal requirements of the Medicaid Program and grant this retroactive relief.

DISCUSSION

Health facilities will benefit from a possible waiver of the year end conformance procedure under situations of manifest injustice. Situations which have been brought to the attention of the MRC to date include at least two in which facilities can demonstrate that a prudent management decision such as a reasonable rate increase has triggered the application of the procedure, and where a series of patients requiring an extraordinary level of care has triggered the application of the procedure. Other facilities may also seek relief from the year end conformance requirement, but it is not known whether they will meet the conditions for waiver.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES' POSITION

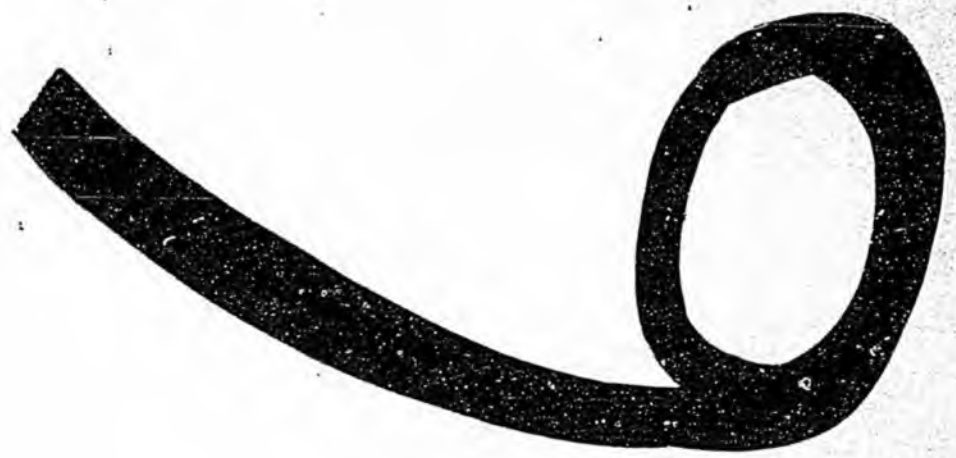
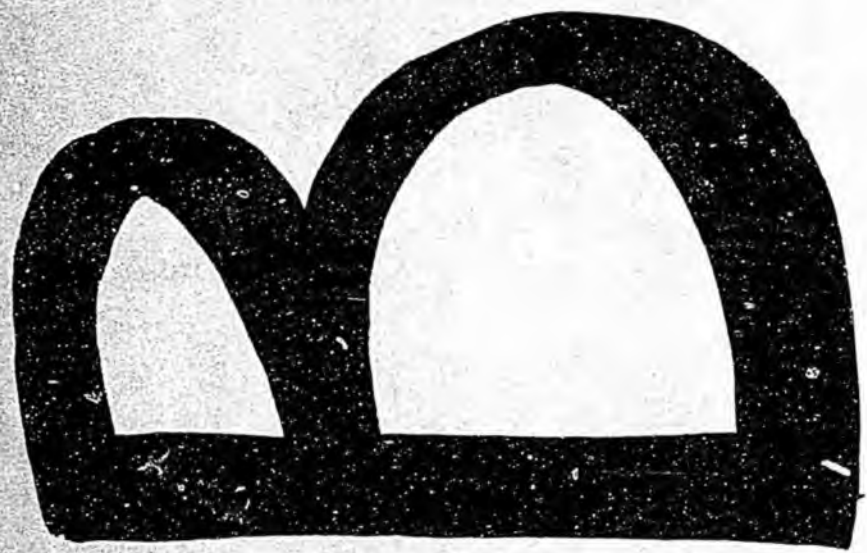
The department neither opposes nor supports Senate Bill 166.

Recommended: Kim Busch
Kim Busch, Director
Division of Medical Assistance

Date: March 6, 1989

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

Date: March 6, 1989



HOUSE COMMITTEE REPORT

(11)

Date Referred: March 20, 1989

FURTHER REFERRALS:

Date of Committee Action: 3/22/89

The FINANCE Committee considered:

CSSB 166 (HESS)

CS FOR SENATE BILL NO. 166 (HESS)

[MEDICAID PAYMENTS TO HEALTH FACILITIES]

"An Act relating to conformance between actual payments and approved payment rates to health facilities for medical care under certain state medical assistance programs; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS SB 166 (HESS) the same title
 a new title

- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS: _____ (Date/Dept)

- fiscal impact _____
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) Senate 3/7/89 DHS
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not
PASS No Rec Amend

<u>[Signature]</u> HOFFMAN	<u>[Signature]</u> BROWN		X	
<u>[Signature]</u> LARSON	<u>[Signature]</u> ULMET		X	
<u>[Signature]</u> SWANKHAMMER	<u>[Signature]</u> PHILIPS		1	
<u>[Signature]</u> KOPONETZ	<u>[Signature]</u> RIEGER		✓	
<u>[Signature]</u> BARNES				
<u>[Signature]</u> WALLIS				

[Signature]
Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Relating to Medicaid Facility
 Payment: _____
 Sponsor: Senate HESS
 Requestor: _____

Agency Affected: Health & Social Services
 BRU: Medical Assistance
 Components: Medical Facilities

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	250.0					
MISCELLANEOUS						
TOTAL OPERATING	250.0	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	125.0					
FEDERAL FUNDS	125.0					
OTHER						
TOTAL	250.0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Fiscal impact is calculated based on impact to one identified facility.

Prepared by: ^{FBI} Kim Bisch, Director *Kim Bisch* Phone: 465-5355
 Division: Medical Assistance Date: 3/6/89

Approved by Commissioner: Maura M. Munn *Maura M. Munn* Date: 3/6/89
 Agency: Health and Social Services

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE
2 CS FOR SENATE BILL NO. 166 (HESS)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act relating to conformance between actual pay-
7 ments and approved payment rates to health facilities
8 for medical care under certain state medical assis-
9 tance programs; and providing for an effective date."
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
11 * Section 1. AS 47.07.070 is amended by adding a new subsection to
12 read:
13 (e) When an actual rate paid by the department is reviewed at
14 the end of the year for which the approved rate was established and
15 the review is conducted to determine whether the actual rate paid was
16 in conformance with the approved rate under this section, all or part
17 of an adjustment for year-end conformance may be waived for the facil-
18 ity if the facility provides proof of manifest injustice resulting
19 from application of the adjustment for year-end conformance. When the
20 adjustment for year-end conformance of the base year is waived, in
21 whole or part, for a facility under this subsection, the amount waived
22 may not be included as part of the base upon which the prospective
23 rate is determined if the nonconformity affects both costs and
24 charges. When the adjustment for year-end conformance of the base
25 year is waived, in whole or part, for a facility under this subsec-
26 tion, the amount waived shall be included as part of the base upon
27 which the prospective rate is determined if the nonconformity affects
28 only charges.
29 * Sec. 2. TRANSITIONAL PROVISION. (a) For the services provided on or

1 after January 1, 1989, an approved prospective payment rate determined for
2 a facility for fiscal year 1989, based on a conformance review of that
3 facility's rate for fiscal year 1987 shall be recalculated as if the pro-
4 visions of AS 47.07.070(e), as enacted by sec. 1 of this Act, were in
5 effect at the time of the determination of the prospective payment rate in
6 effect for the period. If the application of this section results in a
7 higher prospective payment rate for a health facility than that which had
8 previously been calculated for the facility, the difference shall be
9 promptly remitted to the health facility. If the application of this
10 section results in a lower prospective payment rate for a health facility
11 for fiscal year 1989 than had previously been calculated for the facility,
12 this section may not be applied to decrease a rate to a facility for fiscal
13 year 1989 for any part of year-end conformance waived.

14 (b) In this section, "conformance review" means the review undertaken
15 after the end of the year for which a facility's approved rate has been set
16 to determine whether actual payments made to a health facility under AS 47.
17 07 and AS 47.25.120 - 47.25.300 conformed to the payment rate approved for
18 that health facility under AS 47.07 and to determine whether the prospec-
19 tive payment rate for that facility should be adjusted for the next rate-
20 setting year.

21 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

POSITION PAPER

SB 166

INTRODUCTION

The process by which Medicaid and GRM reimbursement rates are established for health facilities includes a procedure called year end conformance. This procedure compares the Medicaid Rate Commission (MRC) approved rate with actual rate billed by the facility during the billing period. If a defined level of variance between the approved and actual charges exists, an adjustment is made to the facility's base for its future prospective rate.

In August, 1988, the MRC repealed regulations that allowed waiver of the year end conformance adjustment. After realizing that in at least two cases the regulations had an unanticipated, negative effect, the MRC adopted a regulation which allows the commission to waive all or part of the year end conformance adjustment under certain circumstances. This regulation will become effective March 25, 1989.

This bill makes waiver authority retroactive to January, 1989. Due to federal Health Care Financing Agency requirements, federal participation in the state's Medicaid Program would be jeopardized if we change any provision of rate setting for a period prior to January 1.

ANALYSIS

Section 1 of the bill defines the procedure, provides for a full or partial waiver of the adjustment in cases of manifest injustice, and clarifies the treatment of some technical questions associated with implementation.

Section 2 of the bill requires reanalyzing rates in effect on or after January 1, 1989, in accordance with Sec. 1 of the bill, requires the immediate payment of an amount due the facility as the result of reanalyzing rates if waiver is granted, and prohibits recoupment by the state if reanalyzing rates in accordance with Sec. 1 results in an amount due the state.

Section 3 of the bill provides for an immediate effective date. To receive federal financial participation (FFP) for the period January 1, 1989 - March 31, 1989, the state Medicaid plan amendment must be submitted prior to March 31, 1989. Therefore, SB 166 would have to be enacted into law with sufficient time for the department to prepare and submit the state plan amendment. An effective date before March 31, 1989, is essential for the state to continue to meet the federal requirements of the Medicaid Program and grant this retroactive relief.

DISCUSSION

Health facilities will benefit from a possible waiver of the year end conformance procedure under situations of manifest injustice. Situations which have been brought to the attention of the MRC to date include at least two in which facilities can demonstrate that a prudent management decision such as a reasonable rate increase has triggered the application of the procedure, and where a series of patients requiring an extraordinary level of care has triggered the application of the procedure. Other facilities may also seek relief from the year end conformance requirement, but it is not known whether they will meet the conditions for waiver.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES' POSITION

The department neither opposes nor supports Senate Bill 166.

Recommended: Kim Busch
Kim Busch, Director
Division of Medical Assistance

Date: March 6, 1989

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

Date: March 6, 1989

RECEIVED

FEB 10 1989

SENATOR TIM KELLY
SENATE PRESIDENT

SITKA COMMUNITY HOSPITAL

209 MOLLER AVENUE • SITKA, ALASKA 99835 • (907) 747-3241

February 10, 1989

Senator Tim Kelly
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Kelly:

I recommend favorable consideration of Senate Bill 166.

Senate Bill 166 will affirm an intent and an authority which reason dictates has always been present.

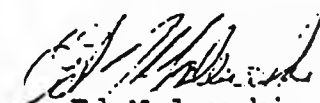
The Medicaid Rate Commission, for whatever reason, did not have a proviso in its rules and regulations after July 20, 1988 specifically stating it could waive its own rules for good reason. It appeared that it was their intent to have that authority. Nothing in their rules and regulations indicated that they did not have it.

Through a statistical quirk, our reimbursement rate was calculated at 20%. Satisfactory justification was presented for the nonconformity and the rate was adjusted. The Commissioner of Health and Social Services had made several attempts to force the Medicaid Rate Commission to recant the adjustment and reset the rate at 20%. The Commissioner has not been successful to date, but continues to try. A 20% reimbursement rate is not reasonable.

The Medicaid Rate Commission has in fact finally adopted rules and regulations which express their previous intent to have the ability to waive conformance for good reason.

Your support of SB 166 will be a vote for the affirmation of reason. Thank you. A similar letter has been sent to Senator Eliason, Representative Grussendorf and the other members of the Senate and House Health, Education and Social Services Committees.

Sincerely,


Ed Malewski
Administrator

cc: HAA

EM:ck

STATE OF ALASKA
SIÁLĪS UT ALĀSŪNĀ

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

PO BOX H
JUNEAU, ALASKA 99811-0601
PHONE: (907) 465-3030

January 25, 1989

Medicaid Rate Commission
P.O. Box 240249
3601 "C" Street, Suite 592
Anchorage, Alaska 99524-0249

Re: Year end conformance waiver
regulation proposal

Dear Commission Members:

The Department of Health and Social Services offers the following comments regarding proposed regulation (7 AAC 43.691(c)) to waive year-end conformance in rate-setting by the Medicaid Rate Commission. */ The department supports the commission having authority to waive year end conformance, provided the authority is subject to conditions. The department recognizes the need for commission flexibility to respond to unique circumstances. The department opposes unlimited authority to waive year end conformance in any case. In addition, unlimited authority will very likely produce additional work for the commission and its staff and the facilities, since the facilities will have no guidelines to suggest what petitions are likely to be accepted and which ones are not. Truly prospective rate setting and responsible budgeting by the commission, department and facilities cannot occur if every facility can petition the commission at year-end for additional funds to balance its books.

The department offers the following alternative language:

* Section 1. 7 AAC 43.691 is amended by adding a new subsection to read:

(e) The commission will, in its discretion, waive all or part of the year-end conformance, if the facility provides justification to the commission's satisfaction,

*/ The department's attorney has checked with the staff of the regulations attorney and was informed that new subsection letter must be used even though the same language (as was repealed) is being proposed.

that ~~immediate~~ ^{a illreparable} and manifest injustice will result if year-end conformance is strictly applied. All or part of year-end conformance will, in the commission's discretion, only be waived if the commission finds that:

(1) the facility has taken effective measures to control costs in response to the situation upon which the waiver request is based; *and*

(2) the waiver request does not contradict a prior action of the commission as to an element of the facility's rate contained in 7 AAC 43.683, 7 AAC 43.685, and 7 AAC 43.686; and

(3) the waiver request would result in payment for only allowed costs and services authorized by the division of medical assistance under state or federal laws or both if applicable, or regulations; and

(4) the situation upon which the waiver request is based results from the provision of direct patient care or from prudent management actions improving the financial viability of the facility, *To provide patient care.*

We urge the commission to adopt the department alternative language.

We appreciate the opportunity to offer comments on this important matter. Members of my staff will be available at the upcoming meeting to further elaborate on this position.

Sincerely yours,



Myra Munson
Commissioner

OFFICE OF THE PRESIDENT

MEMBER

TENTH ALASKA LEGISLATURE
ELEVENTH ALASKA LEGISLATURE
TWELFTH ALASKA LEGISLATURE
THIRTEENTH ALASKA LEGISLATURE
FOURTEENTH ALASKA LEGISLATURE
FIFTEENTH ALASKA LEGISLATURE
SIXTEENTH ALASKA LEGISLATURE



SENATOR TIM KELLY

P.O. BOX V
JUNEAU, ALASKA 99811
(907) 485-3822

P.O. BOX 210001
ANCHORAGE, ALASKA 99521
(907) 581-7612

February 2, 1989

MEMORANDUM

To: Senator Fischer, Chairman
HESS Committee

From: Senator Kelly *TK*

Re: Introducing a committee bill to correct a problem with health facility medical rate reimbursement.

I have attached a draft of legislation that would correct a problem inadvertently caused by a Medical Rate Commission action this last summer. In this action the commission repealed one of their own regulations that had a dramatic and unanticipated effect on certain health facilities year-end conformance determinations. I have talked with Commissioner Munson and everyone is in agreement that it was an unfortunate slip up. Last week the commission re-established the particular regulation (see attached regulation sequence A, B, and C).

The problem is that there appears to be no way for the commission itself to make this regulation retroactive, causing a disparate rate setting for those facilities whose conformance determination happened to occur in the time interval of the regulation's repeal. Humana hospital is particularly affected.

The proposed draft seems to be the only avenue for redress. It essentially puts the regulation language into law and retroactively applies the law. I have tried to make the title as tight as possible so that the bill does not attract other considerations. I would appreciate your consideration to introduce the bill as a committee bill.

Cover Letter

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Dept. of Health & Social Svs
 Title An Act relating to conformance between BRU: Medical Assistance
 actual payments and approved rates to facilities.
 Sponsor: _____ Components: Medicaid Facilities
 Requestor: Senate HESS Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	583.3					
MISCELLANEOUS						
TOTAL OPERATING	583.3	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	458.3					
FEDERAL FUNDS	125.0					
OTHER						
TOTAL	583.3					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: Kim Busch, Director *Kimberly Busch* Phone: 465-3355
 Division: Medical Assistance Date: 3-9-89
 Approved by Commissioner: Myra M. Munson *Myra M. Munson* Date: 3-10-89
 Agency: Department of Health & Social Services

Distribution (by preparer) :

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