

Leg. Finance-House & Senate Finance Comte Files (1991-1992) 716

HB

44

44

HOUSE BILL NO. 44

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES ULMER, Parnell, B.Davis

Introduced: 1/21/91

Referred: Health, Education and Social Services, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to domestic violence."

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

3 * Section 1. AS 11.61.120(a) is amended to read:

4 (a) A person commits the crime of harassment if

5 (1) [,] with intent to harass or annoy another person, that person6 (A) [(1)] insults, taunts, or challenges another person in a manner likely
7 to provoke an immediate violent response;8 (B) [(2)] telephones another and fails to terminate the connection with
9 intent to impair the ability of that person to place or receive telephone calls;10 (C) [(3)] makes repeated telephone calls at extremely inconvenient hours;11 (D) [(4)] makes an anonymous or obscene telephone call or a telephone
12 call that threatens physical injury; or13 (E) [(5)] subjects another person to offensive physical contact; or14 (2) that person knowingly [(6)] violates a provision of an order issued under

1 AS 25.35.010(b) or 25.35.020 restraining the respondent from communicating directly or
2 indirectly with the petitioner.

3 * Sec. 2. AS 11.61.200(a) is amended to read:

4 (a) A person commits the crime of misconduct involving weapons in the first degree if
5 the person

6 (1) knowingly possesses a firearm capable of being concealed on one's person after
7 having been convicted of a felony by a court of this state, a court of the United States, or a court
8 of another state or territory;

9 (2) knowingly sells or transfers a firearm capable of being concealed on one's
10 person to a person who has been convicted of a felony by a court of this state, a court of the
11 United States, or a court of another state or territory;

12 (3) manufactures, possesses, transports, sells, or transfers a prohibited weapon;

13 (4) knowingly sells or transfers a firearm to another whose physical or mental
14 condition is substantially impaired as a result of the introduction of an intoxicating liquor or drug
15 into that other person's body;

16 (5) removes, covers, alters, or destroys the manufacturer's serial number on a
17 firearm with intent to render the firearm untraceable;

18 (6) possesses a firearm on which the manufacturer's serial number has been
19 removed, covered, altered, or destroyed, knowing that the serial number has been removed,
20 covered, altered, or destroyed with the intent of rendering the firearm untraceable;

21 (7) violates AS 11.46.320 and, during the violation, possesses on the person a
22 firearm while under the influence of an intoxicating liquor or drug;

23 (8) violates AS 11.46.320 or 11.46.330 by entering or remaining unlawfully on
24 premises or in a propelled vehicle in violation of a provision of an order issued under
25 AS 25.35.010(b) or 25.35.020 and, during the violation, possesses on the person a deadly
26 weapon, other than an ordinary pocketknife; or

27 (9) communicates in person with another in violation of AS 11.61.120(a)(2)
28 [AS 11.61.120(a)(6)] and, during the communication, possesses on the person a deadly weapon,
29 other than an ordinary pocketknife.

30 * Sec. 3. AS 12.30.025 is amended to read:

31 Sec. 12.30.025. RELEASE BEFORE TRIAL IN CASES INVOLVING DOMESTIC

1 VIOLENCE. (a) In determining the conditions of release under AS 12.30.020 in cases involving
2 domestic violence, the court shall consider the following conditions and impose one or more
3 conditions it considers reasonably necessary to protect the alleged victim of the domestic
4 violence, including ordering the defendant

5 (1) not to subject the victim to further domestic violence;

6 (2) to vacate the home of the victim;

7 (3) not to contact the victim other than through counsel;

8 (4) to engage in personal [OR FAMILY] counseling; if the court directs the
9 defendant to engage in personal counseling, the court shall provide in the order that the
10 counseling must propose alternatives to aggression if that type of counseling is available;

11 (5) to refrain from the consumption of alcohol or the use of drugs.

12 (b) As used in this section, "domestic violence" means a crime specified in AS 11.41
13 when the victim is a spouse or a former spouse of the defendant; a parent, grandparent, child,
14 or grandchild of the defendant; [,] a member of the social unit comprised of those living
15 together in the same dwelling as the defendant; [,] or a person who is not a spouse or former
16 spouse of the defendant but who previously lived in a spousal relationship with the defendant or
17 is in or has been in a dating, courtship, or engagement relationship with the defendant.

18 * Sec. 4. AS 12.55.135(c) is amended to read:

19 (c) A defendant convicted of assault in the fourth degree committed in violation of the
20 provisions of an order issued under AS 25.35.010 or 25.35.020 shall be sentenced to a minimum
21 term of imprisonment of 20 days. Except as otherwise provided in this subsection, the court
22 shall impose a minimum sentence of imprisonment of not less than 72 consecutive hours for
23 a misdemeanor conviction involving domestic violence if the defendant has been previously
24 convicted of a misdemeanor or felony involving domestic violence. In this subsection,
25 "previously convicted" means having been convicted in this or another jurisdiction, within
26 10 years preceding the date of the present offense, of

27 (1) a domestic violence offense; or

28 (2) an offense under another law or ordinance with elements substantially
29 similar to the elements of a crime under AS 11.41 when the victim was a person described
30 in the definition of "domestic violence" given in AS 25.35.060.

31 * Sec. 5. AS 12.55.155(d) is amended by adding a new paragraph to read:

1 (17) in a conviction for assault or attempted assault under AS 11.41.200 -
2 11.41.220 or for homicide or attempted homicide under AS 11.41.100 - 11.41.130, the defendant
3 acted in response to domestic violence perpetrated by the victim against the defendant or a minor
4 child of the defendant and the domestic violence consisted of aggravated or repeated instances
5 of assaultive behavior.

6 * Sec. 6. AS 12.55.185 is amended by adding a new paragraph to read:

7 (12) "domestic violence" has the meaning given in AS 25.35.060.

8 * Sec. 7. AS 18.65.520(c)(1) is amended to read:

9 (c) As used in this section

10 (1) "domestic violence" means a crime under AS 11.41 when the victim is a
11 spouse or a former spouse of the person who committed the crime; a parent, grandparent,
12 child, or grandchild of the person who committed the crime; [,] a member of the social unit
13 comprised of those living together in the same dwelling as the person who committed the crime;
14 [,] or another person who is not a spouse or former spouse of the person who committed the
15 crime but who previously lived in a spousal relationship with the person who committed the
16 crime or is in or has been in a dating, courtship, or engagement relationship with the person
17 who committed the crime;

18 * Sec. 8. AS 18.66.900(3) is amended to read:

19 (3) "domestic violence" means a crime specified in AS 11.41 when the victim is
20 a spouse or a former spouse of the defendant; a parent, grandparent, child, or grandchild of the
21 defendant; a member of the social unit comprised of those living together in the same dwelling
22 as the defendant; or a person who is not a spouse or former spouse of the defendant but who
23 previously lived in a spousal relationship with the defendant or is in or has been in a dating,
24 courtship, or engagement relationship with the defendant;

25 * Sec. 9. AS 25.35.010(b) is amended to read:

26 (b) Upon receiving a petition under (a) of this section, the court shall schedule a hearing
27 and shall provide at least 10 days' [DAYS] notice to the respondent of the hearing and of the
28 respondent's right to appear and to be heard either in person or by attorney. If, at the hearing,
29 the court finds that the petitioner has been subjected to domestic violence by the respondent, the
30 court may issue any order it determines to be necessary for the protection of the health, safety,
31 or welfare of the petitioner or of a minor child in the care of the petitioner. An order under this

1 subsection may include provisions that

- 2 (1) restrain the respondent from subjecting the petitioner to domestic violence;
- 3 (2) direct the respondent to vacate the home of the petitioner;
- 4 (3) restrain the respondent from communicating directly or indirectly with the
- 5 petitioner;
- 6 (4) direct the respondent to pay support for the petitioner or for a minor child in
- 7 the care of the petitioner if there is an independent legal obligation of the respondent to support
- 8 the petitioner or the child;
- 9 (5) award temporary custody of a minor child to the petitioner;
- 10 (6) direct the respondent to pay medical expenses incurred by the petitioner as
- 11 a result of the domestic violence;
- 12 (7) direct the respondent to engage in personal counseling; if the court directs
- 13 the respondent to engage in personal counseling, the court shall provide in the order that
- 14 the counseling must propose alternatives to aggression if that type of counseling is available;
- 15 [OR FAMILY COUNSELING OR MEDIATION];
- 16 (8) restrain the respondent from entering a propelled vehicle in the possession of
- 17 or occupied by the petitioner.

18 * Sec. 10. AS 25.35.060 is amended to read:

19 Sec. 25.35.060. DEFINITIONS. In this chapter, "domestic violence" means a crime

20 under AS 11.41 when the victim is a spouse or a former spouse of the respondent; a parent,

21 grandparent, child, or grandchild of the respondent; a member of the social unit comprised of

22 those living together in the same dwelling as the respondent; or a person who is not a spouse or

23 former spouse of the respondent but who previously lived in a spousal relationship with the

24 respondent or is in or has been in a dating, courtship, or engagement relationship with the

25 respondent.

26 * Sec. 11. AS 33.30.161(b) is amended to read:

- 27 (b) To be eligible to serve time in a correctional restitution center, the prisoner
- 28 (1) must be employable or eligible to work on community service projects
- 29 approved by the commissioner and agree to secure employment or participate in community
- 30 service projects and obey the rules of the center;
- 31 (2) may not be serving a sentence for conviction of an offense

1 (A) involving violence or the use of force;
2 (B) under AS 11.41.320, 11.41.330, or AS 11.61.120(a)(2)
3 [AS 11.61.120(a)(6)];
4 (3) may not have been convicted of a felony offense, in the state or another
5 jurisdiction, involving violence or the use of force; and
6 (4) may not have been convicted of an offense under AS 11.41.410 - 11.41.470
7 or an offense in the state or another jurisdiction having elements substantially identical to an
8 offense under AS 11.41.410 - 11.41.470.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 44

Revision Date: _____ Department Affected: Administration
 Title: "An Act relating to domestic violence." BRU: Office of Public Advocacy
 Component: Office of Public Advocacy
 Sponsor: Ulmer, Parnell, B. Davis
 Requestor: House Judiciary COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) See Attached

Prepared By: Brant McGee, Public Advocate Phone: 274-1684
 Division: Office of Public Advocacy Date: 2/5/91
 Approved by Commissioner: Millett Keller
 Agency: Department of Administration Date: 2/8/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 44

It is unlikely that the number of new cases generated under the provisions of this bill will have a significant impact on the Office of Public Advocacy civil and criminal caseload.

HB 45

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 6, 1991

FURTHER REFERRALS:

Date of Committee Action: 4-17-91

The FINANCE Committee considered:

HB 45

HOUSE BILL NO. 45

INSURANCE COVERAGE FOR MAMMOGRAMS

"An Act relating to insurance coverage for mammograms; requiring the medical assistance program to cover mammograms; and reordering the priorities granted to services covered under the medical assistance program."

- RECOMMENDATIONS: [] the same title
 be replaced with _____ [] a new title
 [] have attached amendments(s)
 [X] do pass
 [] do not pass
 [] no recommendations
 [] individual recommendations
 [] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[X] fiscal impact Admin

[] fiscal note(s) _____

[X] zero fiscal note University

[] zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen P. Meehan</i>	✓	<i>Bob Thayer</i>		✓	
<i>Mike Savane</i>	✓	<i>REC'D HERE</i>		✓	
<i>Mark Boyan</i>	X				
<i>Jim Brown</i>	X				
<i>Rogers</i>	X				
<i>Ronald L. Farrow</i>	X				
<i>Alan Ulmer</i>	X				

Mike Savane Eileen P. Meehan
 CHAIRMAN'S SIGNATURE

HOUSE BILL NO. 45

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES ULMER, Brown, B.Davis, Parnell, Koponen

Introduced: 1/21/91

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

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to insurance coverage for mammograms; requiring the medical assistance
 2 program to cover mammograms; and reordering the priorities granted to services covered
 3 under the medical assistance program."

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

5 * Section 1. AS 21.42 is amended by adding a new section to read:

6 Sec. 21.42.375. COVERAGE FOR MAMMOGRAMS. (a) An insurer authorized under
 7 AS 21.09 to offer, issue for delivery, deliver, or renew an individual or group disability insurance
 8 policy for medical coverage on an expense incurred basis in the state, or a hospital or medical
 9 service corporation authorized under AS 21.87 to offer or renew a subscriber's contract for
 10 medical coverage in the state shall provide coverage for low-dose mammography screening under
 11 the schedule described in (b) of this section if the policy or contract covers mastectomies and
 12 prosthetic devices and reconstructive surgery incident to mastectomies.

13 (b) The minimum coverage required under (a) of this section includes

14 (1) a baseline mammogram for a person who is at least 35 years of age but less

1 than 40 years of age;

2 (2) one mammogram every two years for a person who is at least 40 years of age
3 but less than 50 years of age;

4 (3) an annual mammogram for a person who is at least 50 years of age;

5 (4) a mammogram at any age for a person with a history of breast cancer or
6 whose parent or sibling has a history of breast cancer, upon referral by a physician.

7 (c) The coverage required by this section

8 (1) must be included in the policy or contract on a basis that is not less favorable
9 than for other radiological examinations;

10 (2) may be subject to standard policy provisions applicable to other benefits such
11 as deductible or copayment provisions.

12 (d) This section does not apply to supplemental contracts covering a specified disease
13 or other limited benefits.

14 (e) In this section, "low-dose mammography screening" and "mammogram" mean the X-
15 ray examination of the breast using equipment dedicated specifically for mammography, including
16 the X-ray tube, filter, compression device, screens, films, and cassettes, with an average radiation
17 exposure delivery of less than one rad mid-breast, with two views for each breast.

18 * Sec. 2. AS 21.87.340 is amended to read:

19 Sec. 21.87.340. ~~OTHER PROVISIONS APPLICABLE.~~ In addition to the provisions
20 contained or referred to previously in this chapter, the following chapters and provisions of this
21 title also apply with respect to service corporations to the extent applicable and not in conflict
22 with the express provisions of this chapter and the reasonable implications of the express
23 provisions, and for the purposes of the application the corporations shall be considered to be
24 mutual "insurers":

25 (1) AS 21.03

26 (2) AS 21.05

27 (3) AS 21.09, except AS 21.09.090

28 (4) AS 21.18.010

29 (5) AS 21.18.030

30 (6) AS 21.18.040

31 (7) AS 21.18.120

- 1 (8) AS 21.21.321
- 2 (9) AS 21.36
- 3 (10) AS 21.42.345 - 21.42.365, and 21.42.375
- 4 (11) AS 21.51.120
- 5 (12) AS 21.53
- 6 (13) AS 21.54.020
- 7 (14) AS 21.69.400
- 8 (15) AS 21.69.520
- 9 (16) AS 21.69.600, 21.69.620, and 21.69.630
- 10 (17) AS 21.78
- 11 (18) AS 21.89.040
- 12 (19) AS 21.89.060
- 13 (20) AS 21.90

14 * Sec. 3. AS 47.07.030(b) is amended to read:

15 (b) In addition to the mandatory services specified in (a) of this section, the department
16 may offer only the following optional services: case management and nutrition services for
17 pregnant women; personal care services in a recipient's home; emergency hospital services;
18 long-term care noninstitutional services; medical supplies and equipment; clinic services; inpatient
19 psychiatric facility services for individuals age 65 or older and individuals under age 21;
20 prescribed drugs; physical therapy; occupational therapy; chiropractic services; low-dose
21 mammography screening, as defined in AS 21.42.375(e); treatment of speech, hearing, and
22 language disorders; adult dental services; prosthetic devices and eyeglasses; optometrists'
23 services; intermediate care facility services, including intermediate care facility services for the
24 mentally retarded; skilled nursing facility services for individuals under age 21; and reasonable
25 transportation to and from the point of medical care.

26 * Sec. 4. AS 47.07.035 is amended to read:

27 Sec. 47.07.035. PRIORITY OF MEDICAL ASSISTANCE. If the department finds that
28 the cost of medical assistance for all persons eligible under this chapter will exceed the amount
29 allocated in the state budget for that assistance for the fiscal year, the department shall eliminate
30 coverage for optional medical services and optionally eligible groups of individuals in the
31 following order:

- 1 (1) chiropractic services;
- 2 (2) adult dental services;
- 3 (3) emergency hospital services;
- 4 (4) treatment of speech, hearing, and language disorders;
- 5 (5) optometrists' services and eyeglasses;
- 6 (6) occupational therapy;
- 7 (7) mammography screening;
- 8 (8) prosthetic devices;
- 9 (9) [(8)] medical supplies and equipment;
- 10 (10) [(9)] clinic services;
- 11 (11) [(10)] physical therapy;
- 12 (12) [(11)] personal care services in a recipient's home;
- 13 (13) [(12)] prescribed drugs;
- 14 (14) [(13)] long-term care noninstitutional services;
- 15 (15) [(14)] inpatient psychiatric facility services;
- 16 (16) [(15)] intermediate care facility services for the mentally retarded;
- 17 (17) [(16)] intermediate care facility services;
- 18 [(17) REPEALED.]
- 19 (18) individuals under age 21 who are not eligible for benefits under the federal aid to
20 families with dependent children program because they are not deprived of one or more of their
21 natural or adoptive parents;
- 22 (19) skilled nursing facility services for persons under age 21;
- 23 (20) aged, blind, and disabled individuals who, because they do not meet the income
24 requirements, do not receive supplemental security income under Title XVI of the Social Security
25 Act, but who are eligible, or would be eligible if they were not in a skilled nursing facility or
26 intermediate care facility, to receive an optional state supplementary payment;
- 27 (21) individuals in a hospital, skilled nursing facility, or intermediate care facility whose
28 income while in the facility does not exceed 300 percent of the supplemental security income
29 benefit rate under Title XVI of the Social Security Act, but who, because of income, are not
30 eligible for the optional state supplementary payment;
- 31 (22) individuals under age 21 under supervision of the department, for whom

1 maintenance is being paid in whole or in part from public money and who are in foster homes
2 or private child-care institutions.
3 * Sec. 5. AS 21.42.375, enacted by sec. 1 of this Act, applies to individual and group disability
4 insurance policies and to hospital or medical service subscriber contracts entered into or renewed on or
5 after the effective date of this Act.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 45

Revision Date: 4/14/91 Department Affected: University of Alaska
Title: Insurance Coverage for Mammograms BRU: Statewide Programs and Services
Component:

Sponsor: Ulmer
Requestor:

Component Serial No. All

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)	FY92	FY93	FY94	FY95	FY96	FY97
GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Marsha Hubbard, Director
Division: Statewide Budget Office

Phone: 474-7593
Date: 4/14/91

Approved by: Brian Rogers, Vice President for Finance
Agency: University of Alaska

Date: 4/15/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 45

Revision Date: 4/16/91 Department Affected: Dept. of Administration
 Title: Insurance coverage for mammograms BRU: Div. of Retirement & Benefits
 Component: _____
 Sponsor: Ulmer
 Requestor: HOUSE FINANCE COMMITTEE COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	169.2*	719.9	719.9	719.9	719.9	719.9
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	169.2	719.9	719.9	719.9	719.9	719.9

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	135.4	576.0	576.0	576.0	576.0	576.0
FEDERAL FUNDS	22.7	96.5	96.5	96.5	96.5	96.5
OTHER	11.1	47.4	47.4	47.4	47.4	47.4
TOTAL	169.2	719.9	719.9	719.9	719.9	719.9

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

*FY 92 costs reflect only active employee health insurance premium increases.
 Increases to retirement system costs will be reflected in rates developed for FY 93.
 (See attached)

Prepared By: Representative Mike Navarre, Co-Chair Representative Eileen MacLean, Co-Chair Phone: 465-3706
465-3722
 Division: HOUSE FINANCE COMMITTEE Date: 4-17-91

Approved by Commissioner: _____
 Agency: _____ Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

House Bill 45
Insurance Coverage for Mammograms

Analysis of Financial Impact
Revised, April 16, 1991

This bill will not result in additional operations costs for the Division of Retirement and Benefits. For FY 92, only active state employees will accrue costs for this benefit. The estimated cost of \$719.9 to all agencies of the state shown for FY 93 and forward is the result of two components: active state employees and contributions to the retirement funds for retirees.

The bill is estimated to result in an increase of \$.94 per month per active state employee. It is also estimated to result in a .10% in the PERS contribution rate for the state and a .08% increase in the TRS contribution rate for the state.

The total estimated cost to the state is calculated as follows:

Active state employees

The increase of \$.94 per month per employee
times the number of state employees (15,000)
times 12 months, equals \$169,200

Retirement fund contributions

The change in the PERS employer contribution
rate for the state (.10%) times the estimated
FY 92 PERS salaries (\$545,579,183), equals \$545,479

The change in the TRS employer contribution
rate for the state (.08%) times the estimated
FY 92 TRS salaries (\$6,537,114), equals \$5,230

TOTAL COST TO STATE **\$719,909**

In addition to the state costs outlined above, there will also be additional costs for the political subdivisions and school districts that participate in the state's retirement systems and health plan. The total estimated cost for these entities is calculated as follows.

Active political subdivision and school district employees

The increase of \$.94 per month per employee times
the number of employees (1200) times 12 months, equals \$12,536

Retirement fund contributions

The change in the PERS employer contribution rate for
political subdivisions (.10%) times the estimated
FY 92 salaries (\$409,599,379), equals \$409,599

The change in the TRS employer contribution rate for
school districts (.08%) times the estimated FY 92
salaries (\$384,476,586) equals \$307,581

TOTAL COST TO POLITICAL SUBDIVISION & SCHOOL DISTRICTS **\$729,716**

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

April 15, 1991

TO: Rep. Mike Navarre, Co-chair
Rep. Eileen MacLean, Co-chair
House Finance Committee

FROM: Rep. Fran Ulmer

RE: HB 45, relating to insurance coverage for mammograms

HB 45 requires health insurance carriers in Alaska to provide coverage for mammography screening in every policy which includes mastectomies and related procedures, including Medicaid. Mammography screening has proven to be the most effective means of detecting breast cancer in its curable stage. This bill was requested by the American Cancer Society and is supported by the American Medical Association, the Hospital and Nursing Home Association, the Alaska Hospital Council, the Juneau Commission on Aging, and the Alaska Independent Insurance Agents and Brokers Association.

The bill includes:

- (a) a definition of "low-dose mammography"
- (b) frequency standards for mammography screening
(recommended by the American Cancer Society)
- (c) provision for standard co-payment and deductibles
- (d) placement of mammography screening on Medicaid
funding priority list.

Twenty-seven other states currently require some type of mammography screening coverage (see map attached). The experience of those states has shown that over 90% of women whose breast cancer is detected early survive. The medical cost saving from early detection is estimated to be, for the nation, approximately \$200 million. That cost, coupled with the saving of lives which would otherwise be lost, recommends that Alaska take action to make mammography screening a routine procedure for every woman of appropriate age.

Industry cost estimates for this benefit vary widely. Aetna originally estimated a per-employee cost of no more than \$1.50 per month. However, that original estimate was based on erroneous information regarding the cost of mammograms in Alaska.* [Aetna overstated the costs of a screening mammogram by 37.5%.] Blue Cross has priced this benefit for Juneau's Bartlett Memorial Hospital employees at \$.18 per month, or .06% of the total premium. Some

District 4B — Juneau

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providers are offering this coverage at no additional cost . In addition, mammography screening has recently been included in Champus for all U.S. military personnel, and also in Medicare.

It is unclear why there is such a great disparity in costs between providers. A survey, performed by my office, of insurance providers operating in states which currently mandate mammography screening, yielded no useful information because costs for this benefit are not captured separately. Generally speaking, however, cost estimates are based on the cost of the procedure, the number of employees who will use the benefit, and what the claim for that benefit is estimated to be as a portion of the total per-employee claims. No cost estimate takes into consideration the cost savings accruing as a result of preventive measures which avoid the more costly surgical procedures of late detection.

I urge the committee to obtain a clear explanation from Aetna regarding the cost of this benefit. The Department of Administration, Division of Retirement and Benefits has been unable to explain the specific methodology used by Aetna to reach the \$1.50 cost estimate; I have not received a clear explanation from the provider either.

In the absence of clear and convincing estimates of cost, and recognizing that the state will go to bid on the state employee health insurance contract this year, I recommend the committee budget a total of no more than \$170.0 for FY 92 and \$720.0 for FY 93 for this benefit for both active and retired employees. This figure represents the Aetna/Dept. of Administration calculation less 37.5% to correct for inaccurate mammogram costs.

***Note: Aetna's calculation of costs was based on a Juneau cost-of-procedure of \$160. That is the cost of claims which Aetna is currently paying for diagnostic mammograms. The cost of a screening mammogram is \$100. Thus Aetna's figures are overpriced by 37.5%.**

HB 45 -- RELATED TO MAMMOGRAPHY SCREENING
Sectional Analysis

Section 1.(a) Requires Alaska health insurance providers to include low dose mammography screening in every group and individual policy which covers mastectomies and related procedures.

(b) Establishes frequency standards for mammography screening, as recommended by the American Cancer Society.

(c) Requires that payment for mammograms should be not less favorable than for other radiological examinations and may be subject to standard co-payment and deductible provisions.

(d) States that these requirements are not applicable to supplemental contracts covering a specified disease or other limited benefits.

(e) Definition of "low-dose mammography screening".

Section 2. List of statutes that apply to service corporations operating as insurance providers in Alaska; the mammography requirement for insurance providers is included in this list so that the statutes are consistent.

Section 3. Includes mammography screening as a service which may be covered by Medicaid funding.

Section 4. Places mammography screening on the prioritized list of services which will not be funded if funds are not available.

Section 5. States that this act applies to individual and group health insurance policies and to hospital or medical service subscriber contracts entered into or renewed on or after the effective date of the Act.

BARTLETT MEMORIAL HOSPITAL

3260 HOSPITAL DRIVE • JUNEAU, ALASKA 99801 • TELEPHONE (907) 586-2611

March 5, 1991

Representative Fran Ulmer
State of Alaska
House of Representatives
P. O. Box V
Capitol Building, RM 421
Juneau, AK 99811

Dear Representative Ulmer:

We have looked at the financial impact on Bartlett Memorial Hospital as an employer providing insurance coverage to our employees in relation to House Bill Number 45 (An Act relating to insurance coverage for Mammograms). We have been told by our insurance people that the increased cost would be an additional .06% (.0006) on our monthly premium cost of \$305.90. This equates to 18 cents per month or \$2.20 per employee per year.

Attached is a worksheet showing the breakdowns and analysis. The total impact to BMH from this legislation would be \$407 per year. The impact on all of the City & Borough appears to be less than \$3,000 per year. I understand that some insurance companies include screening mammography in policies with no additional premium cost. In our case you can see that the additional cost is very minimal.

We appreciate your efforts in this and many other important areas. Hopefully this will address some of the questions that have arisen as to the financial impact of the Bill. Please contact us if there are additional questions.

Sincerely,



Garth M. Hamblin
Controller

cc: Dr. Mike Franklin
Mr. Chuck Williams, CBJ Risk Manager

BARTLETT MEMORIAL HOSPITAL
 HOUSE BILL 45
 INSURANCE COVERAGE FOR MAMMOGRAMS
 FINANCIAL IMPACT TO BMH & CBJ

MONTHLY INSURANCE PREMIUM	\$305.90
ADDITIONAL COST FOR COVERING SCREENING MAMMOGRAMS	0.06%

ADDITIONAL COST PER MONTH PER EMPLOYEE	\$0.18
ADDITIONAL ANNUAL COST PER EMPLOYEE	\$2.20

	AVERAGE # INSURED EMPLOYEES	EXPECTED TOTAL ANNUAL INCREASE IN COST
	-----	-----
BARTLETT MEMORIAL HOSPITAL	185	\$407.46
CITY/BOROUGH OF JUNEAU	610	1,343.51
SCHOOL DISTRICT	513	1,129.87

TOTAL		\$2,880.84
		=====

BARTLETT MEMORIAL HOSPITAL

3260 HOSPITAL DRIVE • JUNEAU, ALASKA 99801 • TELEPHONE (907) 586-2611

Representative Fran Ulmer
State of Alaska
House of Representatives
P. O. Box V
Capitol Building, RM 421
Juneau, AK 99811


Dear Representative Ulmer:

We have reviewed House Bill Number 45 (An Act relating to insurance coverage for Mammograms). Section 4 of the Bill addresses "Priority for Medical Assistance". In reviewing the listing of services, it seems that there are some which relate to saving or prolonging of life and some that could be said to relate more to matters of comfort or convenience. Clearly items that prevent death should be viewed as more important in this prioritization.

With the high cure rates associated with early detection and treatment of breast cancer, we feel that screening mammography should be placed on a "priority" listing high enough that elimination due to funding shortfalls would be unlikely. Many opinions could be brought forth as to exactly where screening mammography should be placed in the listing. We feel that it is adequately placed in the Bill as proposed (#7). If there is a willingness to move it from this ranking we feel strongly that it should be given a higher number (eliminated later in the event of a shortfall) rather than a lower number (eliminated sooner in the event of a shortfall).

Thank you for efforts to make this important procedure available to more of the women of the State. Please let us know if we can be of assistance. If you have questions, please contact us.

Sincerely,


Gordon Blair, M. D.
Radiologist

HB 45
Insurance Coverage for Mammograms

Questions & Answers

1. Mandated benefit vs Mandated offering

Question: Will the increase in prevention of breast cancer (resulting from a mandated benefit) be great enough to offset the increase in premium cost (\$2 - \$18 annual premium increase)?

There is general agreement among professionals in both the health insurance industry and the medical profession that mammography screening is a cost effective procedure. The President of the American Cancer Society in Alaska testified that the medical cost of treating terminal breast cancer is approximately \$60,000, compared to \$6000 for a mastectomy which occurs early in the development of the disease. Approximately 175 Alaska women will develop breast cancer in 1991; 90% of that group could survive with early screening and detection, resulting in a significant cost savings.

Question: Will the additional premium cost of \$2-\$18 per year cause some persons to drop insurance coverage entirely?

Each benefit included in a health insurance policy increases the cost of the policy. One representative from a health insurance company testified that mammography screening could be the "straw that breaks the camel's back." By itself, mammography screening is a low-cost, highly effective procedure; as an addition to the list of other mandated benefits it may be objectionable because the increase in cost may price insurance premiums out of the range of the average consumer causing her to lose coverage entirely. However, because mammography screening is so cost-effective, the Alaska Association of Independent Insurance Agents has chosen to support HB 45, including the mandated benefit provision. The Association does not believe that the slight increase in premium cost will provide a financial barrier to consumers. In fact, some carriers are providing this coverage at no additional cost.

Question: Would it be desirable to include mammography screening as a mandated offering for a year or two and then phase-in mammography as a mandated benefit?

Attached you will find a list of the top 20 health insurance providers operating within Alaska. A review of the operations of the companies which cover the majority of the Alaska market (over 80%) reveals that all of them operate in states which currently mandate mammography screening as a benefit to be covered in insurance policies. Each company thus has the experience necessary to be able to implement HB 45 readily within their Alaska operations.

From discussions with the Division of Insurance, we have learned that it probably would not be advisable to phase-in a mandatory benefit after a year or two of mandated offering. Costs associated with mammography screening are related to the degree to which the procedure is utilized; greater utilization should yield lower costs. In addition, costs resulting from a mandated offering could very well be higher because there would be greater adverse selection; those purchasing this benefit as an "offering" are more likely to be in a higher risk category.

Thus it is more cost effective, both for the industry and the consumer, to purchase mammography screening as a mandated benefit than as a mandated offering.

2. Medicaid Priority List

Attached you will find opinions regarding the appropriate placement of mammography screening on the priority list from the American Cancer Society, and the Alaska Hospital Society. In addition, the American Medical Association has offered an oral opinion on the priority placement.

American Medical Association: recommends that mammography screening be placed between the items currently listed as #9 (medical supplies and equipment) and #10 (clinic services). The AMA feels that mammography screening should have a **higher priority** than its current placement indicates.

Alaska Hospital Council (letter from Gordon Blair, Bartlett Hospital): recommends that mammography screening **either** remain in current placement (#7) or receive **higher** placement on the priority list. The Council argues that since mammography screening is a life saving procedure, it should be placed high enough to ensure that it will still be funded in the event of funding shortfalls.

American Cancer Society: recommends that mammography screening remain in current placement on the priority list. As a life saving measure, mammography should be high enough to avoid elimination in the event of budget shortfalls.

The conclusion of professionals in the field is that mammography screening must be placed at #7 or higher on the list because it is a cost-effective life saving procedure. Elimination of mammography screening due to funding shortfalls would soon result in increased Medicaid costs for surgical procedures which could have been avoided if screening had been available.

3. Cost of Procedures

Question: what does a screening mammogram cost in Alaska?

A screening mammogram, including both the exam and the reading fee, varies by region and by provider. A sampling is listed below:

Juneau:	\$100 (Bartlett Hospital)
Anchorage:	\$135 (Humana Hospital)
Fairbanks:	\$121 (Fairbanks Memorial)
Ketchikan:	\$190.80 (Ketchikan General)
Nome:	\$110 (Norton Sound Hospital)
Bethel:	\$168 (Bethel Family Clinic)
Sitka:	Service not available until 6/1/91
Barrow & Kotzebue:	Service not available

Question: How does an insurance company determine how much to increase the premium in order to cover mammography screening?

Insurance providers consider a number of factors:

- (a) What percentage of group members are women; how many women are represented in the age groups covered by this benefit;

Alaska State Employees

<u>Number of eligible females</u>	<u>Age category</u>
6,798	35-49
4,184	50-64
2,264	65 & over

- (b) Frequency and utilization rates associated with the procedure;
(c) The cost of a screening mammogram;
(d) The increased percentage of actual, per-member claims the new claim will represent (e.g. \$100 for mammogram vs \$400 in total per-member claims);
(e) The number of screening mammograms the provider is already paying for because they are presented as diagnostic mammograms;
(f) The number of members who will be covered under other programs such as Medicare.

Question: Why do insurance providers represent the increase in premium for retirees as a percent of payroll?

The increased insurance cost for retirees must include total accrued liabilities for current retired and future retired employees, amortized over 25 years. This is always expressed as a percent of payroll.

4. Importance of Prevention

Question: If prevention is the key to saving both lives and medical costs, does HB 45 go far enough to ensure that prevention of breast cancer does occur?

The American Cancer Society has identified two primary barriers to utilization of mammography screening: **cost, and fear of results.** HB 45 addresses the issue of cost.

Although the bill does not address the problem of fear or lack of knowledge, the committee might want to amend the bill to include a state sponsored educational program regarding the importance of regular mammograms for women (and men) in the appropriate age groups. A similar educational program on the effects of fetal alcohol syndrome is now being implemented by the state as a result of a bill I sponsored in the last legislature. The total cost for that program was \$12,000.

1989 ACCIDENT & HEALTH MARKET SHARE
GROUP

RANK	COMPANY NAME	PERCENT OF MARKET	DIRECT PREMIUMS WRITTEN
1	AETNA LIFE INS CO	66.81	124,729
2	NEW YORK LIFE INS CO	4.20	7,849
3	PRINCIPAL MUTUAL LIFE INS CO	2.87	5,360
4	LINCOLN NATIONAL LIFE INS CO	2.23	4,168
5	WESTERN LIFE INS CO	1.89	3,533
6	TRAVELERS INS CO LIFE DEPT	1.86	3,465
7	GREAT WEST LIFE ASSURANCE CO	1.82	3,295
8	PRUDENTIAL INS CO OF AMERICA	1.70	3,172
9	DELTA SERVICE PLANS INS CO	1.56	2,905
10	GUARDIAN LIFE INS CO OF AMERICA	1.29	2,410
11	CONTINENTAL ASSURANCE CO	1.28	2,388
12	UNITED OF OMAHA LIFE INS CO	1.23	2,288
13	HOME LIFE INS CO	.93	1,730
14	MUTUAL BENEFIT LIFE INS CO	.90	1,685
15	PROVIDENT LIFE & ACCIDENT INS CO	.73	1,372
16	UNION LABOR LIFE INS CO	.62	1,158
17	NATIONAL AMERICAN LIFE INS CO OF PA	.54	1,008
18	STANDARD INS CO	.51	960
19	AMERICAN CHAMBERS LIFE INS CO	.45	838
20	NORTH AMERICAN LIFE & CAS	.39	724
TOTAL FOR TOP 20 RANKED INSURERS		93.81	175,137
TOTAL FOR ALL 140 INSURERS WRITING THIS LINE		99.95	186,687

Mandated Benefits In Health Insurance Policies

Gregory Krohm and Mary H. Grossman, *Benefits Quarterly*, Fourth Quarter 1990

"According to a research bulletin prepared by the Health Insurance Association of America, state governments had enacted over 730 mandates by 1989—up from 343 in 1978 (*MB*, 12/15/89, p. 3). As shown in Table 2 (page 10), Blue Cross and Blue Shield data show that the total number of distinct treatment benefit mandates adopted with any frequency is about 12. The total number of provider mandates is about the same. There are relatively few mandates relating to special populations. The 10 most common mandates account for over 300 of the 730 mandates listed by HIAA.

Almost any benefit added to a health insurance policy increases the cost of the policy. Only those benefits that clearly serve as substitutes for more costly services or treatment actually would decrease costs. Few mandates, however, increase costs significantly.

There have been several state-level studies of the costs of mandated benefits. Table 3 (page 10) summarizes cost data from the studies that have been conducted.

Opponents of mandated benefits frequently point to the exemption from mandates as a primary reason for employers to decide to self-fund their health benefit plans. If that is the case, one would expect to find that self-funded plans provide less coverage for state-imposed mandates than do insured plans.

Continued

Mandated Benefits (continued)

To determine whether this was the case in Wisconsin, insurers that act as administrators for self-funded plans were surveyed, as were third-party administrators and benefit consultants.

The survey showed that, in 1989, the mandates included in the study

Almost any benefit

increases the cost of the policy.

Few mandates

increase costs significantly.

accounted on average for 10.2 percent of the total medical benefits paid for administrative services—only business and 7.9 percent for insured plans. This indicates that self-funded plans provide at least as many of the mandated benefits as insured plans and in some cases provide more generous coverage." ^{MI}

Table 2. Health benefit mandates adopted by more than five states 1989.

	Number of states enacting mandate
Treatment mandates	
Alcoholism	40
Mental health	27
Mammography	25
Drug abuse	22
Maternity	20
Home health	17
Breast reconstruction	11
Ambulatory surgery	8
Hospice	7
In-vitro fertilization	6
Cleft lip and palate	6
Temporomandibular joint disease	6
Provider mandates	
Chiropractors	39
Psychologists	38
Dentists	30
Optometrists	31
Podiatrists	26
Nurse midwives	23
Social workers	16
Nurse practitioners	14
Osteopaths	11
Psychiatric nurses	9
Nurses	8
Nurse anesthetists	7
Physical therapists	6
Speech/hearing therapists	6
Special populations	
Newborns	48
Mentally/physically handicapped dependents	34
Adopted children	15
Preventive care for children	10
Noncustodial children	7
Dependent students	6

Source: Blue Cross and Blue Shield Association; Krohm and Grossman, 1990

Table 3. Percent of claim dollars attributable to state mandated benefits, by state.

	Iowa (1987)	Maine (1988)	Maryland (HIAA) ¹ (1984)	Maryland BC/BS (1984)	Wisconsin (1989)
Mental health	3.7%	2.6%	6.5%	6.5%	4.8%
Alcoholism and drug abuse	1.7	1.3	(²)	0.8	(²)
Other mandates	(Not significant)	(No data)	5.1	3.8	2.3
Total	5.4	3.9	11.6	11.1	7.1

¹ The Maryland HIAA data are based on a percentage of premium. The others are based on a percentage of claim dollars.

² Included in mental health

Source: Blue Cross and Blue Shield Association; Krohm and Grossman, 1990

BREAST CANCER EARLY DETECTION FACT SHEET

Incidence

Leading cause of premature death in American women
1 in 9 women develop breast cancer
1988: 135,000 new cases in the U.S.; 42,000 deaths
75% of breast cancers occur in women over age 50
40% of breast cancers occur in women over age 65

Early Detection Benefits

Mammography and physical exam detect 95% of breast cancers
Mammography most effective means to detect breast cancer in the curable stage
Over 90% of breast cancers detected early survive **vs** 60% whose tumors have spread **vs** 16% of late detection cancers

Compliance

15%-20% of eligible women have annual mammograms

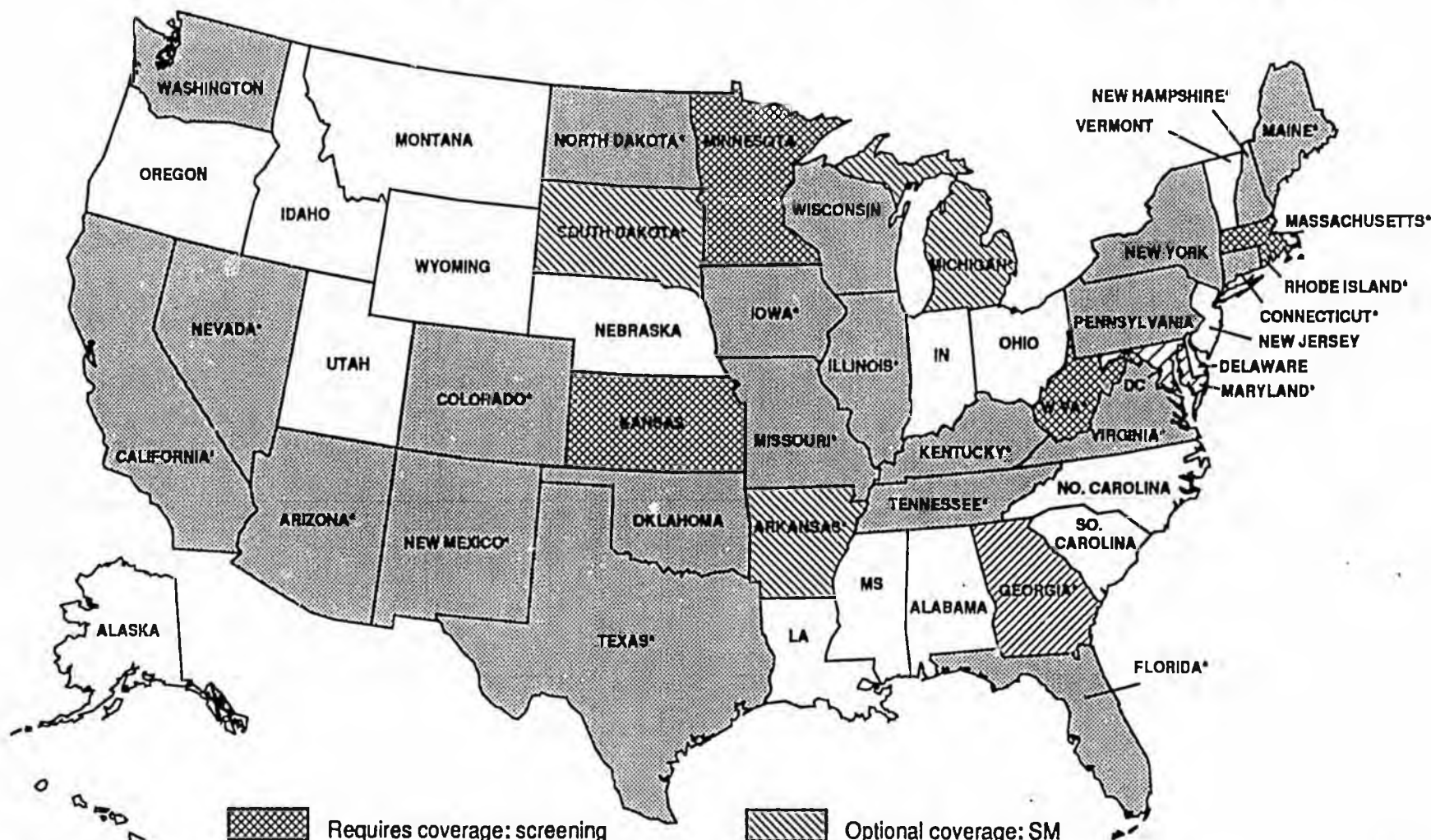
Costs




Early detection, breast cancer cured = \$12,000 - \$18,000
No early detection, cancer results in death = \$60,000
Medical cost saving from early detection = \$200 million
Additional productivity cost (individual, financial, societal)
per woman = \$9,000
national total = \$400 million
Total annual cost saving, national = \$600 million




Barriers

Cost -- National avg = \$100-\$200 per mammogram
Fear of results
Fear of radiation - mammogram produces less radiation than a dental X-ray

State Insurance Laws: Cancer Early Detection Tests



-  Requires coverage: screening mammography (SM) and Pap Smear (PS)
-  Optional coverage: SM and PS
-  Requires coverage: SM

-  Optional coverage: SM
-  Medicare Supplemental Policies cover SM
-  No laws

*States with ACS Screening Guidelines

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

January 30, 1991

TO: Rep. Pat Carney, Co-chair
Rep. Georgianna Lincoln, Co-chair
House HESS Committee

FROM: Rep. Fran Ulmer

RE: HB 45, re mammography screening

The following is a list* of those states which currently require insurance coverage for mammography screening:

Washington	Missouri
California	Illinois
Arizona	Kentucky
Nevada	Tennessee
Colorado	West Virginia
New Mexico	Virginia
Texas	Pennsylvania
Oklahoma	New York
Kansas	Massachusetts
North Dakota	New Hampshire
Minnesota	Maine
Wisconsin	Rhode Island
Iowa	Connecticut
Florida	

The largest, most populous states of the nation are included in this list. They have concluded that requiring insurance coverage for mammography screening is an effective means of promoting the use of this cost effective, preventive procedure.

*This information provided by the American Cancer Society.

District 4B — Juneau
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Hospice of Juneau

& Home Care

Facts About House Bill 45

What is House Bill 45 and what will it accomplish?

House Bill 45 is proposed legislation which will require insurance companies covering breast cancer treatment to cover screening mammography as it is suggested by the American Cancer Society. This is important because most such policies in Alaska excluded coverage for screening mammography. If screening mammograms were covered, more women will get screening mammography and lives will be saved.

What is mammography?

Mammography is a low dose x-ray of the breast which is able to detect breast cancers before they can be detected by patients or their doctors. It has been demonstrated in several large studies that women who get regular mammograms after the age of 40 have a better chance of surviving and being cured of their disease. Approximately one woman in ten will get breast cancer during her lifetime.

Is this radical or innovative legislation?

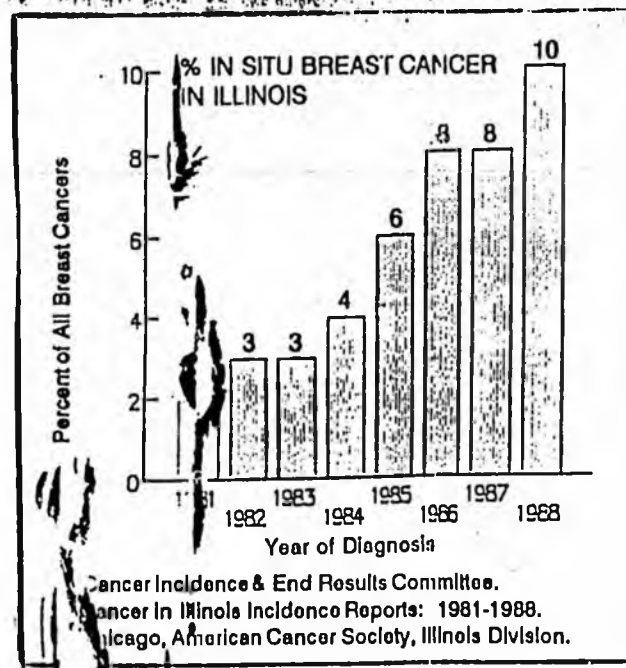
No. Thirty four states already have legislation similar to this bill and most use the same guidelines which come from the American Cancer Society.

What about the expense?

Covering screening mammograms according to the American Cancer Society guidelines is not an "open ended" coverage. The cost of the mammograms is known and the frequency of the test is limited by the coverage guidelines. The estimated cost per covered person has been estimated by the insurance industry at slightly over \$1 per month. In the long run most people agree that the costs to society will be greater if we do not encourage mammography. The cost of treating and curing a small and early stage breast cancer is far less expensive than dealing with advanced disease and deaths.

What are the statistics for breast cancer and what impact can mammography have?

One woman in 10 will get breast cancer. There will be about 150,000 new cases in 1991 and about 44,000 will die of the disease. The current 60-70% survival rate can be increased to 80-90% if enough women have regular mammograms. There will be about 175 new cases of breast cancer in Alaska this year. Until we can prevent this disease, we should do what we can to see that our victims survive.



CONGRATULATIONS. . . You Have Made a Difference

YOUR ACCOMPLISHMENTS TO DATE:

- Since 1981, the proportion of in situ stage breast cancers has increased dramatically from 2% to 10% which is directly attributable to increased use of mammography.
- This increase in diagnosed early stage cancers translates into an additional 2,427 lives saved from 1981 to 1988 and an estimated \$101,934,000 savings in corresponding medical care costs.
- The average fee for a mammogram has decreased from \$105 in 1983 to \$87 in 1989.
- Most women cite their physician's advice as key to whether they have or have not had a mammogram.
- October is National Breast Cancer Awareness Month.



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DOCUMENTS WHICH HAVE NOT BEEN
FILMED BUT ARE AVAILABLE IN THE
ORIGINAL FILE INCLUDE:

letters of support

HB 445

FISCAL NOTE

STATE OF ALASKA
 1991 LEGISLATIVE SESSION

Revision Date: May 9, 1991 Department Affected: Administration
 Title: An Act relating to insurance coverage for BRU: Retirement and Benefits
mammograms
 Sponsor: Ulmer Component: Retirement and Benefits
 Requestor: _____ COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING:	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	171.0	856.4	856.4	856.4	856.4	856.4
TRAVEL	0	0	0	0	0	0
CONTRACTS	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	171.0	856.4	856.4	856.4	856.4	856.4
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of dollars)

GENERAL FUND	156.4	774.2	774.2	774.2	774.2	774.2
FEDERAL FUNDS	7.9	39.4	39.4	39.4	39.4	39.4
OTHER	8.5	42.8	42.8	42.8	42.8	42.8
TOTAL	171.0	856.4	856.4	856.4	856.4	856.4

POSITIONS

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

Estimate of current year impact: _____

ANALYSIS: (attach a separate page, if necessary.)

This bill is anticipated to increase Political Subdivision personal services costs by \$778.3 in FY 93 and each year thereafter. Please see attached analysis for details.

Prepared By: Gary Bader *Gary Bader* Phone: 465-4460
 Division: Retirement and Benefits Date: 5/7/91
 Approved by Commissioner: Millett Kellor *Millett Kellor* Date: 5/10/91
 Agency: Department of Administration

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB & Impacted Agency(ies).

House Bill 45
 Analysis of Financial Impact of
 Mandatory Coverage of Mammograms
 Prepared by the Division of Retirement and Benefits
 Department of Administration
 May 9, 1991
 Page 2 of 3

This fiscal note and analysis is being revised to reflect new pricing provided by the State's insurance carrier. The bill will not result in additional operations cost for the Division of Retirement and Benefits. The estimated cost to all agencies of the State shown on the attached fiscal note is the result of two components: active State employees and contributions to the retirement funds for retirees.

The bill is estimated to result in an increase of \$0.95 per month per active State employee. It is also estimated to result in a 0.10% in the PERS contribution rate for the State and a 0.09% increase in the TRS contribution rate for State.

The total estimated cost to the State is calculated as follows:

Active State Employees beginning in FY 92
and continuing each year

	<u>FY 92</u>	<u>FY 93</u>
The increase of \$0.95 per month per employee times the number of State employees (15,000) times 12 months equals	\$ 171,000	\$ 171,000

Retirement Fund Contributions beginning in
FY 93 and continuing each year

The change in the PERS employer contribution rate for the State (.10%) times the estimated FY 93 PERS PERS salaries (\$561,946,558) equals	0	561,947
--	---	---------

The change in the PERS employer contribution rate for the University of Alaska (U of A) (.10%) times the estimated FY 93 U of A PERS salaries (\$64,208,199) equals	0	64,208
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Page 3 of 3

	<u>FY 92</u>	<u>FY 93</u>
The change in the TRS employer contribution rate for the State (.09%) times the estimated FY 93 TRS salaries (\$6,733,228) equals	0	6,060
The change in the TRS rate for the University of Alaska (U of A) (.09%) times the estimated FY 93 TRS salaries (\$59,090,399) equals	0	53,181
TOTAL COST TO THE STATE	<u>\$171,000</u>	<u>\$856,396</u>
There will also be a corresponding increase in cost to political subdivisions and school districts that participate in the retirement plans administered by the State.		
The change in the PERS rate for the Political Subdivisions (.10%) times the estimated FY 93 salaries (\$421,887,360) equals	0	421,887
The change in the TRS rate for the School Districts (.09%) times the estimated FY 93 salaries (\$396,010,883) equals	0	356,409
TOTAL COST TO THE POLITICAL SUBDIVISIONS		<u>\$ 778,296</u>

STATE OF ALASKA
1991 LEGISLATIVE SESSION

FISCAL NOTE

Bill Version: HB 45
(H) Publish Date: 4/19/91

Revision Date: 4/14/91 Department Affected: University of Alaska
Title: Insurance Coverage for Mammograms BRU: Statewide Programs and Services
Component:

Sponsor: Ulmer
Requestor: Component Serial No. All

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUNDING: (Thousands of Dollars)	FY92	FY93	FY94	FY95	FY96	FY97
GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared by: Marsha Hubbard, Director Phone: 474-7593
 Division: Statewide Budget Office Date: 4/14/91
 Approved by: Brian Rogers, Vice President for Finance
 Agency: University of Alaska Date: 4/15/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

HOUSE BILL NO. 45

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES ULMER, Brown, B.Davis, Parnell, Koponen

Introduced: 1/21/91

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

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to insurance coverage for mammograms; requiring the medical assistance
 2 program to cover mammograms; and reordering the priorities granted to services covered
 3 under the medical assistance program."

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

5 * Section 1. AS 21.42 is amended by adding a new section to read:

6 Sec. 21.42.375. COVERAGE FOR MAMMOGRAMS. (a) An insurer authorized under
 7 AS 21.09 to offer, issue for delivery, deliver, or renew an individual or group disability insurance
 8 policy for medical coverage on an expense incurred basis in the state, or a hospital or medical
 9 service corporation authorized under AS 21.87 to offer or renew a subscriber's contract for
 10 medical coverage in the state shall provide coverage for low-dose mammography screening under
 11 the schedule described in (b) of this section if the policy or contract covers mastectomies and
 12 prosthetic devices and reconstructive surgery incident to mastectomies.

13 (b) The minimum coverage required under (a) of this section includes

14 (1) a baseline mammogram for a person who is at least 35 years of age but less

1 than 40 years of age;

2 (2) one mammogram every two years for a person who is at least 40 years of age
3 but less than 50 years of age;

4 (3) an annual mammogram for a person who is at least 50 years of age;

5 (4) a mammogram at any age for a person with a history of breast cancer or
6 whose parent or sibling has a history of breast cancer, upon referral by a physician.

7 (c) The coverage required by this section

8 (1) must be included in the policy or contract on a basis that is not less favorable
9 than for other radiological examinations;

10 (2) may be subject to standard policy provisions applicable to other benefits such
11 as deductible or copayment provisions.

12 (d) This section does not apply to supplemental contracts covering a specified disease
13 or other limited benefits.

14 (e) In this section, "low-dose mammography screening" and "mammogram" mean the X-
15 ray examination of the breast using equipment dedicated specifically for mammography, including
16 the X-ray tube, filter, compression device, screens, films, and cassettes, with an average radiation
17 exposure delivery of less than one rad mid-breast, with two views for each breast.

18 * Sec. 2. AS 21.87.340 is amended to read:

19 Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the provisions
20 contained or referred to previously in this chapter, the following chapters and provisions of this
21 title also apply with respect to service corporations to the extent applicable and not in conflict
22 with the express provisions of this chapter and the reasonable implications of the express
23 provisions, and for the purposes of the application the corporations shall be considered to be
24 mutual "insurers":

25 (1) AS 21.03

26 (2) AS 21.06

27 (3) AS 21.09, except AS 21.09.090

28 (4) AS 21.18.010

29 (5) AS 21.18.030

30 (6) AS 21.18.040

31 (7) AS 21.18.120

- 1 (8) AS 21.21.321
- 2 (9) AS 21.36
- 3 (10) AS 21.42.345 - 21.42.365, and 21.42.375
- 4 (11) AS 21.51.120
- 5 (12) AS 21.53
- 6 (13) AS 21.54.020
- 7 (14) AS 21.69.400
- 8 (15) AS 21.69.520
- 9 (16) AS 21.69.600, 21.69.620, and 21.69.630
- 10 (17) AS 21.78
- 11 (18) AS 21.89.040
- 12 (19) AS 21.89.060
- 13 (20) AS 21.90

14 * Sec. 3. AS 47.07.030(b) is amended to read:

15 (b) In addition to the mandatory services specified in (a) of this section, the department
16 may offer only the following optional services: case management and nutrition services for
17 pregnant women; personal care services in a recipient's home; emergency hospital services;
18 long-term care noninstitutional services; medical supplies and equipment; clinic services; inpatient
19 psychiatric facility services for individuals age 65 or older and individuals under age 21;
20 prescribed drugs; physical therapy; occupational therapy; chiropractic services; low-dose
21 mammography screening, as defined in AS 21.42.375(e); treatment of speech, hearing, and
22 language disorders; adult dental services; prosthetic devices and eyeglasses; optometrists'
23 services; intermediate care facility services, including intermediate care facility services for the
24 mentally retarded; skilled nursing facility services for individuals under age 21; and reasonable
25 transportation to and from the point of medical care.

26 * Sec. 4. AS 47.07.035 is amended to read:

27 Sec. 47.07.035. PRIORITY OF MEDICAL ASSISTANCE. If the department finds that
28 the cost of medical assistance for all persons eligible under this chapter will exceed the amount
29 allocated in the state budget for that assistance for the fiscal year, the department shall eliminate
30 coverage for optional medical services and optionally eligible groups of individuals in the
31 following order:

- 1 (1) chiropractic services;
- 2 (2) adult dental services;
- 3 (3) emergency hospital services;
- 4 (4) treatment of speech, hearing, and language disorders;
- 5 (5) optometrists' services and eyeglasses;
- 6 (6) occupational therapy;
- 7 (7) mammography screening;
- 8 (8) prosthetic devices;
- 9 (9) [(8)] medical supplies and equipment;
- 10 (10) [(9)] clinic services;
- 11 (11) [(10)] physical therapy;
- 12 (12) [(11)] personal care services in a recipient's home;
- 13 (13) [(12)] prescribed drugs;
- 14 (14) [(13)] long-term care noninstitutional services;
- 15 (15) [(14)] inpatient psychiatric facility services;
- 16 (16) [(15)] intermediate care facility services for the mentally retarded;
- 17 (17) [(16)] intermediate care facility services;
- 18 [(17) REPEALED.]
- 19 (18) individuals under age 21 who are not eligible for benefits under the federal aid to
20 families with dependent children program because they are not deprived of one or more of their
21 natural or adoptive parents;
- 22 (19) skilled nursing facility services for persons under age 21;
- 23 (20) aged, blind, and disabled individuals who, because they do not meet the income
24 requirements, do not receive supplemental security income under Title XVI of the Social Security
25 Act, but who are eligible, or would be eligible if they were not in a skilled nursing facility or
26 intermediate care facility, to receive an optional state supplementary payment;
- 27 (21) individuals in a hospital, skilled nursing facility, or intermediate care facility whose
28 income while in the facility does not exceed 300 percent of the supplemental security income
29 benefit rate under Title XVI of the Social Security Act, but who, because of income, are not
30 eligible for the optional state supplementary payment;
- 31 (22) individuals under age 21 under supervision of the department, for whom

1 maintenance is being paid in whole or in part from public money and who are in foster homes
2 or private child-care institutions.

3 * Sec. 5. AS 21.42.375, enacted by sec. 1 of this Act, applies to individual and group disability
4 insurance policies and to hospital or medical service subscriber contracts entered into or renewed on or
5 after the effective date of this Act.

FISCAL NOTE

No. 5

Bill Version HB 45

(H) Publish Date: 4/19/91

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: 4/16/91 Department Affected: Dept. of Administration

Title: Insurance coverage for mammograms BRU: Div. of Retirement & Benefits

Component: _____

Sponsor: Ulmer

Requestor: HOUSE FINANCE COMMITTEE

COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	169.2*	719.9	719.9	719.9	719.9	719.9
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	169.2	719.9	719.9	719.9	719.9	719.9

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	135.4	576.0	576.0	576.0	576.0	576.0
FEDERAL FUNDS	22.7	96.5	96.5	96.5	96.5	96.5
OTHER	11.1	47.4	47.4	47.4	47.4	47.4
TOTAL	169.2	719.9	719.9	719.9	719.9	719.9

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

*FY 92 costs reflect only active employee health insurance premium increases.
Increases to retirement system costs will be reflected in rates developed for FY 93.
(See attached)

Prepared By: Representative Mike Navarre, Co-Chair *Mike Navarre* Phone: 465-3706
Representative Eileen MacLean, Co-Chair *E MacLean* Phone: 465-3722

Division: HOUSE FINANCE COMMITTEE Date: 4-17-91

Approved by Commissioner: _____

Agency: _____ Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

House Bill 45
Insurance Coverage for Mammograms

Analysis of Financial Impact
Revised, April 16, 1991

This bill will not result in additional operations costs for the Division of Retirement and Benefits. For FY 92, only active state employees will accrue costs for this benefit. The estimated cost of \$719.9 to all agencies of the state shown for FY 93 and forward is the result of two components: active state employees and contributions to the retirement funds for retirees.

The bill is estimated to result in an increase of \$.94 per month per active state employee. It is also estimated to result in a .10% in the PERS contribution rate for the state and a .08% increase in the TRS contribution rate for the state.

The total estimated cost to the state is calculated as follows:

Active state employees

The increase of \$.94 per month per employee times the number of state employees (15,000) times 12 months, equals	\$169,200
---	-----------

Retirement fund contributions

The change in the PERS employer contribution rate for the state (.10%) times the estimated FY 92 PERS salaries (\$545,579,183), equals	\$545,479
--	-----------

The change in the TRS employer contribution rate for the state (.08%) times the estimated FY 92 TRS salaries (\$6,537,114), equals	\$5,230
--	---------

TOTAL COST TO STATE	\$719,909
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In addition to the state costs outlined above, there will also be additional costs for the political subdivisions and school districts that participate in the state's retirement systems and health plan. The total estimated cost for these entities is calculated as follows.

Active political subdivision and school district employees

The increase of \$.94 per month per employee times the number of employees (1200) times 12 months, equals	\$12,536
--	----------

Retirement fund contributions

The change in the PERS employer contribution rate for political subdivisions (.10%) times the estimated FY 92 salaries (\$409,599,379), equals	\$409,599
--	-----------

The change in the TRS employer contribution rate for school districts (.08%) times the estimated FY 92 salaries (\$384,476,586) equals	\$307,581
--	-----------

TOTAL COST TO POLITICAL SUBDIVISION & SCHOOL DISTRICTS	\$729,716
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COMMITTEE COPY

SENATE COMMITTEE REPORT

DATE: 4/24/91

FURTHER: Finance

DATE TURNED INTO OFFICE: 10 May 1991

HESS Committee considered HOUSE BILL NO. 45

"An Act relating to insurance coverage for mammograms; requiring the medical assistance program to cover mammograms; and reordering the priorities granted to services covered under the medical assistance program."

and recommended:

and report it back as follows

- replace with _____ CS _____
- or adopt _____ CS _____
- 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 _____

P H 45 for attach new bill

ATTACHES (NEW) FISCAL NOTE(S):

fiscal note(s) Admin May 1991

zero fiscal note(s)

appropriation-no fiscal note

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date:

zero fiscal note(s) LNV - House 4/15/91

Governor's bill w/fiscal note

SIGNING DO PASS:

[Signature]

OTHER RECOMMENDATIONS:

[Signature] None

Curtis Stupplewski Do Pass
Chair: Signature and Recommendation

HB 46

SENATE FINANCE COMMITTEE REPORT

DATE: 5/14/91

FURTHER:

DATE TURNED INTO OFFICE: 5-16-91

The Finance Committee considered CS FOR HOUSE BILL NO. 46 (FINANCE) an "An Act creating the Alaska Aerospace Development Corporation; providing for the lease of state land to the corporation; providing an exemption from municipal sales and use taxes for space-related activities; and providing for an effective date."

and recommended:

replace with SCS CSNB46 (FIN)
 or adopt CS
 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):

Dept/Date:

fiscal note(s) 302.5 DATED 5/14/91

zero fiscal note(s)

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s)

zero fiscal note(s)
Univ. 3/7/91
Admin 2/1/91

appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Dick Stubbly
Rich Uelg (DO PASS)
Pat Kunkel

Al Adams - NO Rec
Lynn Hoffman - NO Rec
[Signature]
[Signature]
[Signature]

Co-Chairs: Signatures and Recommendations

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SCSCS HB 46 (L & C)

Revision Date: _____ Department Affected: Commerce & Economic Dev.
 Title: Establishing the Alaska BRU: Alaska Aerospace Development Corporation
Aerospace Development Corporation Component: _____
 Sponsor: Rep. Moyer
 Requestor: Rep. Moyer COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	126.4					
TRAVEL	37.6					
CONTRACTUAL	118.0					
SUPPLIES	1.5					
EQUIPMENT	19.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	302.5	*	*	*	*	*

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	302.5					
FEDERAL FUNDS						
OTHER						
TOTAL	302.5	*	*	*	*	*

POSITIONS:

FULL-TIME	2					
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.) Assumes the AADC will become effective July 1, 1991. Initial year would be funded from the general fund.

*Subsequent years will be funded from corporate receipts of the AADC revolving fund. Since this is a new organization, it is not possible to predict annual costs beyond FY 92.

Prepared By: Guy Bell, Director Phone: 465-2587
 Division: Administrative Services Date: _____
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Development Date: 5/14/91

Distribution (by preparer): Legislative F

Rev 10/90

GB/SH/dg19111D-1/051491f

Changes in SCSCS HB 46 (FIN)
 reflect NO FISCAL CHANGE from the original
 fiscal note. This fiscal note is appropriate.

5-16-91 RL
 date Comte Aide (initial)

3, & Impacted Agency(ies).

Page 1 of 2

ALASKA AEROSPACE DEVELOPMENT CORPORATION

<u>Personal Services:</u>		\$126.4
Executive Director (26A)	\$ 90.1	
Secretary I (10B)	\$ 36.3	
<u>Travel:</u>		\$ 37.6
Executive Director	\$ 20.0	
Board (4 meetings/year)	\$ 12.0	
Honorarium/Stipend	\$ 5.6	
<u>Contractual:</u>		\$118.0
Office Space (500 sq. ft. @ \$2.00/ft)	\$ 12.0	
Professional Services (bond counsel engineering, actuarial, etc.)	\$100.0	
Utilities (phones, other)	\$ 6.0	
<u>Supplies:</u>		\$ 1.5
Office Supplies	\$ 1.5	
<u>Equipment:</u>		\$ 19.0
Telecopier	\$ 3.0	
Computer/Word Processing	\$ 10.0	
Furniture	\$ 6.0	
 FY 92 TOTAL		 <u>\$302.5</u>

STATE OF ALASKA
1991 LEGISLATIVE SESSION

FISCAL NOTE

No. 2
Bill Version: CSHB 46(ITT)
(H) Publish Date: 3/13/91

Revision Date: _____ Department Affected: University of Alaska
Title: Creating AK Aerospace BRU: ALL
Development Corporation Component:
Sponsor: Moyer
Requestor: ITT Component Serial No. ALL

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE	0.0
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FUNDING: (Thousands of Dollars)						
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a _____ Changes in 505 CSHB 46 (Fin) have no fiscal impact. This fiscal note is appropriate. ED
 _____ Changes in 505 FOR CSHB 46 (4 C) have no fiscal impact. This fiscal note is appropriate. 5/13/91 RAW
5-16-91 AL date Comte Aide (initial)

Prepared by: Brian Rogers Phone: 474-7448
 Division: Vice President for Finance Date: 3/7/91
 Approved by: Brian Rogers, Vice President for Finance
 Agency: University of Alaska Date: 3/7/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Fiscal Note - Bill #CSHB 46 (ITT) Analysis

Creation of the Alaska Aerospace Development Corporation will not entail new costs by the University of Alaska. Any costs of university participation in meetings with the corporation will be borne from existing funds.

Depending on the success of the Alaska Aerospace Development Corporation in attracting new aerospace related businesses to use the Poker Flat Research Range, the university may receive revenues to support operation of the research range in fiscal '93 and thereafter. Until the corporation is operational, however, the university has no way of knowing what those revenues may be.

COMMITTEE COPY

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

No. 3
Bill Version: CSHB 46 (ITT)
(H) Publish Date: 3/13/91

Revision Date: _____ Department Affected: Administration
Title: An act creating the Alaska Spaceport Authority BRU: Risk Management
Sponsor: Mover, Koponen Component: _____
Requestor: Labor & Comm. & Ec. Dev. COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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
---------	---	---	---	---	---	---

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

Estimate of current year impact: Nil.

ANALYSIS: (Attach a separate page) See following page	Changes in <u>500 CSHB 46 (FIT)</u> have no fiscal impact. This fiscal note is appropriate.	Changes in <u>500 CSHB 46 (FIT)</u> have no fiscal impact. This fiscal note is appropriate.
	<u>5-16-91</u> date	<u>MU</u> Comte Aide (initial)

Changes in 500 CSHB 46 (FIT) have no fiscal impact. This fiscal note is appropriate.

5/13 date JW Comte Aide (initial)

Prepared By: Don Hitchcock Phone: 465-2180
Division: Risk Management Date: 2-27-91

Approved by Commissioner: Millett Keller
Agency: Department of Administration Date: 4/1/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

5-16-91
Adopted

7-LS0236Y.3
Luckhaupt
05/16/91

Phoned to Legal
Services 5-16-91
6:50 pm

A M E N D M E N T

OFFERED IN THE SENATE

TO: SCS CSHB 46(L&C)

Page 2, following line 22:

Insert a new subsection to read:

"(d) In addition to the members of the board of directors described in (a) of this section, two members of the legislature shall serve as ex officio nonvoting members of the board of directors. The two ex officio nonvoting members shall include one member of the senate appointed by the president of the senate and one member of the house appointed by the speaker of the house."

Page 2, line 23:

Delete "(d) Members"

Insert "(e) The voting and nonvoting members"

SENATE CS FOR CS FOR HOUSE BILL NO. 46 (FINANCE)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES MOYER, Koponen, M.A.Miller

A BILL

FOR AN ACT ENTITLED

1 "An Act creating the Alaska Aerospace Development Corporation; providing for the lease
2 of state land to the corporation; providing an exemption from municipal sales and use
3 taxes for space-related activities; and providing for an effective date."

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

5 * Section 1. SHORT TITLE. This Act may be known as the Alaska Aerospace Development
6 Corporation Act.

7 * Sec. 2. AS 14.40 is amended by adding new sections to read:

8 ARTICLE 7. ALASKA AEROSPACE DEVELOPMENT CORPORATION.

9 Sec. 14.40.821. CREATION AND TERMINATION OF CORPORATION. (a) The
10 Alaska Aerospace Development Corporation is created as a public corporation of the state. The
11 corporation is a body corporate and politic located for administrative purposes within the
12 Department of Commerce and Economic Development and affiliated with the University of
13 Alaska but with a separate and independent legal existence.

14 (b) The corporation may not be terminated as long as it has bonds, notes, or other

L

1 obligations outstanding. If the corporation is terminated, it shall be terminated in a manner that
2 permits the University of Alaska and Poker Flat Research Range to continue their research and
3 educational missions uninterrupted.

4 Sec. 14.40.826. BOARD OF DIRECTORS. (a) The board of directors of the corporation
5 consists of nine members appointed by the governor as follows:

6 (1) one member of the Board of Regents of the University of Alaska;
7 (2) the president or the designee of the president of the University of Alaska;
8 (3) the director of the Geophysical Institute of the University of Alaska;
9 (4) the executive director of the Alaska Science and Technology Foundation;
10 (5) the commissioner of commerce and economic development or the
11 commissioner's designee;

12 (6) two members who have experience and understanding of the aerospace or
13 commercial space industry, one of whom shall have a special emphasis in federal regulatory
14 procedures and policy involving space;

15 (7) one faculty member of the University of Alaska with research interests
16 involving rockets or satellites;

17 (8) a public member.

18 (b) The members of the board of directors of the corporation described in (a)(6) of this
19 section may be nonresidents of the state. The term of the members described in (a)(1), (6), (7),
20 and (8) of this section is four years and those terms shall be staggered.

21 (c) Members of the board of directors of the corporation described in (a)(6) and (8) of
22 this section receive \$100 compensation for each day spent on official business of the corporation.

23 (d) In addition to the members of the board of directors described in (a) of this section,
24 two members of the legislature shall serve as ex officio nonvoting members of the board of
25 directors. The two ex officio nonvoting members shall include one member of the senate
26 appointed by the president of the senate and one member of the house appointed by the speaker
27 of the house.

28 (e) The voting and nonvoting members of the board of directors of the corporation are
29 entitled to per diem and travel expenses authorized under AS 39.20.180.

30 Sec. 14.40.831. CHAIR AND VICE-CHAIR. The president of the University of Alaska
31 or the designee of the president shall be the chair of the board of directors of the corporation.

1 The commissioner of commerce and economic development or the designee of the commissioner
2 shall be vice-chair of the board of directors of the corporation. The vice-chair presides over all
3 meetings in the absence of the chair and has other duties the board of directors of the corporation
4 may direct.

5 Sec. 14.40.836. MEETINGS; STAFF. (a) A majority of the members of the corporation
6 constitutes a quorum for the transaction of business or the exercise of a power or function at a
7 meeting of the corporation. The corporation shall meet at least every three months. The
8 corporation may meet and transact business by electronic media if (1) public notice of the time
9 and locations where the meeting will be held by electronic media has been given in the same
10 manner as if the meeting were held in a single location; (2) participants and members of the
11 public in attendance can hear and have the same right to participate in the meeting as if the
12 meeting were conducted in person; and (3) copies of pertinent reference materials, statutes,
13 regulations, and audio-visual materials are reasonably available to participants and the public.
14 A meeting by electronic media as provided in this subsection has the same legal effect as a
15 meeting in person.

16 (b) The corporation may employ persons as staff it considers advisable, including an
17 executive director, and may employ professional advisors, technical experts, agents, and other
18 employees it considers advisable. The executive director and employees of the corporation are
19 in the exempt service under AS 39.25.

20 (c) The corporation may hire legal counsel to represent the corporation.

21 (d) The corporation shall keep minutes of each meeting and send a certified copy of the
22 minutes to the governor and to the Legislative Budget and Audit Committee.

23 Sec. 14.40.841. ALASKA AEROSPACE DEVELOPMENT CORPORATION
24 REVOLVING FUND. The Alaska Aerospace Development Corporation revolving fund is
25 established in the corporation. The revolving fund consists of appropriations made to the
26 revolving fund by the legislature, and rents, fees, or other money or assets transferred to the
27 revolving fund by the corporation. Amounts deposited in the revolving fund may be pledged to
28 the payment of bonds of the corporation or expended for the purposes of the corporation under
29 this chapter.

30 Sec. 14.40.846. INSURANCE COVERAGE; SAFETY PROGRAM. (a) The corporation
31 may engage actuarial experts and shall develop probability models to indicate the degree of

1 potential harm to the public and private enterprise from the corporation's activities.

2 (b) The corporation shall, to the extent available and consistent with federal requirements,
3 secure insurance coverage within reasonable limits for liability that may arise as a consequence
4 of its activities and the activities of its officers and employees and to insure its buildings,
5 structures, and other facilities against loss.

6 (c) The corporation shall establish a safety program that includes

7 (1) the development and implementation of a loss prevention program consisting
8 of a comprehensive corporation wide safety program, including a statement by the board, of
9 safety policy and responsibility and regulations implementing it;

10 (2) provision for regular and periodic facility and equipment inspections;

11 (3) investigation of job-related accidents and other accidents occurring on the
12 premises of the corporation or within areas of its jurisdiction;

13 (4) the establishment of a program to promote increased safety awareness among
14 employees, agents, and subcontractors of the corporation;

15 (5) the study of safety operations at other space-related facilities in the United
16 States;

17 (6) all federal and state safety and emergency facility requirements for commercial
18 space facilities.

19 Sec. 14.40.851. SPACE ACTIVITIES LOCATION. To the extent that the University of
20 Alaska agrees to lease the Poker Flat Research Range to the corporation, the Poker Flat Research
21 Range constitutes the location and launch site for the corporation. The corporation may not
22 pledge or encumber the Poker Flat Research Range, nor is it an asset of the corporation. Other
23 sites may be developed and utilized if determined by the board to be necessary.

24 Sec. 14.40.856. LICENSES AND PERMITS. The corporation shall obtain all federal and
25 state licenses and permits necessary to fulfill the purposes, to perform the duties, and exercise
26 the powers of the corporation.

27 Sec. 14.40.861. PURPOSE OF THE CORPORATION. The purpose of the corporation
28 is to allow the state to take a lead role in the exploration and development of space, to enhance
29 human and economic development, and to provide a unified direction

30 (1) for space-related economic growth thereby ensuring a stable and dynamic
31 research and business climate by attracting space-related businesses to locate within and utilize

1 the opportunities provided in the state;

2 (2) for space-related educational and research development by encouraging and
3 assisting the University of Alaska in developing space-related programs, research, and courses
4 of instruction and to assist the University of Alaska as a member of the Space Grant State
5 Consortia under 42 U.S.C. 2486 (National Space Grant College and Fellowship Program);

6 (3) to promote the continued utilization of the Poker Flat Research Range as a
7 launch site for launch vehicles and for scientific research both from ground based and rocket or
8 balloon based instrumentation;

9 (4) to recognize the importance and benefits of and to promote and encourage the
10 continued utilization of Poker Flat Research Range for the University of Alaska's polar research
11 efforts;

12 (5) for promotion of space-related tourism activities at Poker Flat Research Range
13 and other space-related facilities or centers that may be utilized or established by the corporation;
14 and

15 (6) for development of a state strategy for and to implement the acceleration of
16 space-related economic growth and educational and research development in the state by the use
17 of innovative development methods designed to stimulate space-related business; and educational
18 and research development and improve the entrepreneurial atmosphere in the state.

19 Sec. 14.40.866. POWERS AND DUTIES OF THE CORPORATION. (a) In furtherance
20 of its corporate purposes, in addition to its other powers the corporation may

21 (1) sue and be sued;

22 (2) adopt a seal;

23 (3) have perpetual succession;

24 (4) adopt, amend, and repeal bylaws and regulations;

25 (5) make and execute contracts and other instruments;

26 (6) in its own name acquire property, lease, rent, convey, or acquire real and
27 personal property, except that a project site or part of a project site may not be acquired by
28 eminent domain;

29 (7) issue bonds and otherwise incur indebtedness, in accordance with
30 AS 14.40.891, in order to pay the cost of a project or projects to construct or improve launch
31 facilities or other space and aerospace projects or in order to provide money for the corporation's

1 purposes under this chapter; the corporation may also secure payment of the bonds or other
2 indebtedness as provided in this chapter;

3 (8) accept gifts, grants, or loans from, and enter into contracts or other
4 transactions regarding them with, a federal agency or an agency or instrumentality of the state,
5 a municipality, private organization, or other source;

6 (9) enter into contracts or agreements with a federal agency, agency or
7 instrumentality of the state, municipality, or public or private individual or entity, with respect
8 to the exercise of its powers, and do all things necessary or convenient to carry out its corporate
9 purposes and exercise the powers granted in this chapter;

10 (10) own, acquire, construct, develop, create, reconstruct, equip, operate, maintain,
11 extend, and improve launch sites, launch pads, landing areas, ranges, payload facilities,
12 laboratories, space business incubators, facilities for the construction of rockets and other launch
13 vehicles, and other space facilities and space-related systems, including educational, cultural,
14 tourism, and parking facilities, and space-related initiatives;

15 (11) undertake a program of advertising to the public and space-related businesses
16 promoting the space-related projects of the corporation and space-related businesses;

17 (12) construct, improve, and operate by itself or in cooperation with the
18 University of Alaska or the Department of Transportation and Public Facilities transportation
19 facilities appropriate to meet the transportation requirements of a facility operated by the
20 corporation;

21 (13) construct, improve, and operate water, sewage, and utility service to a facility
22 operated by the corporation;

23 (14) construct, provide, or improve public safety facilities for a facility operated
24 by the corporation;

25 (15) charge fees, rents, or other charges for the use of a facility, structure, or
26 service developed, operated, or provided by the corporation including fees, rents, and other
27 charges in excess of the actual operating cost of the use of the facility, structure, or service;

28 (16) pledge rents, fees, charges, or other revenue from the use of its services or
29 facilities as security for bonds of the corporation;

30 (17) undertake to finance or develop a space-related project with any agency or
31 authority of the state, its political subdivisions, agencies or authorities of other states, the federal

1 government, foreign governments, or private entities;

2 (18) apply to the federal government for a grant allowing the designation of
3 corporation territory as a foreign trade zone under AS 45.77.010;

4 (19) negotiate agreements for the overflight or recovery of a space vehicle, rocket,
5 missile, payload, booster, scientific experiments or other space-related material, debris, or parts
6 with any person or entity, including but not limited to adjacent landowners;

7 (20) lease the Poker Flat Research Range or portions of it from the University of
8 Alaska and to lease to the University space-related facilities that the corporation may construct
9 or acquire;

10 (21) apply for and hold in the name of the corporation patents, copyrights, and
11 other intellectual property.

12 (b) The corporation shall

13 (1) prepare an annual report of its operations to include a balance sheet, an
14 income statement, a statement of changes in financial position, a reconciliation of changes in
15 equity accounts, a summary of significant accounting principles, an auditor's report, comments
16 regarding the year's business, and prospects from the next year; the report shall be provided by
17 the third day of each regular session of the legislature to the governor, the presiding officers of
18 each house of the legislature, the University of Alaska, and the Legislative Budget and Audit
19 Committee;

20 (2) submit its annual budget to the legislature through the governor as provided
21 for state agencies by AS 37.07;

22 (3) establish a personnel management system for hiring employees and setting
23 employee-benefit packages;

24 (4) establish procedures, rules, and rates governing per diem and travel expenses
25 of the employees of the corporation in substantial conformity to statutes, procedures, rules, and
26 rates governing state employees;

27 (5) fulfill its purposes, perform its duties, and exercise its power in a manner that
28 does not interfere or restrict the educational and research functions of Poker Flat Research Range
29 and the University of Alaska.

30 Sec. 14.40.871. REGULATIONS. (a) The corporation shall adopt regulations to carry
31 out the purposes of this chapter.

1 (b) Except for AS 44.62.310 and 44.62.312 regarding public meetings, the provisions of
2 AS 44.62 (Administrative Procedure Act) regarding the adoption of regulations do not apply to
3 the corporation. The corporation shall make available to members of the public copies of the
4 regulations adopted under this section. Within 45 days after adoption of a regulation under this
5 section, the chair of the corporation shall submit the regulation adopted to the chair of the
6 Administrative Regulation Review Committee under AS 24.20.400 - 24.20.460.

7 (c) The corporation may adopt regulations by motion or by resolution or in another
8 manner permitted by its bylaws.

9 (d) Except as provided in (e) of this section, at least 15 days before the adoption of a
10 regulation, the corporation shall give public notice of the proposed action by publishing the notice
11 in at least three newspapers of general circulation in the state and by mailing a copy of the notice
12 to every person who has filed a request for notice of proposed regulations with the corporation.
13 The public notice must include a statement of the time, place, and nature of the proceedings for
14 the adoption of the regulation and must include an informative summary of the subject of the
15 proposed action. On the date and at the time and place designated in the notice, the corporation
16 shall give each interested person or an authorized representative of the person, or both, the
17 opportunity to present statements, arguments, or contentions orally or in writing and shall give
18 members of the public an opportunity to present oral statements, arguments, or contentions for
19 a total period of at least one hour. The corporation shall consider all relevant matter presented
20 to it before taking the proposed action on the regulation. At a hearing under this subsection, the
21 corporation may continue or postpone the hearing to a time and place determined by the
22 corporation and announced at the hearing before taking the action to continue or postpone the
23 hearing. A regulation adopted by the corporation may vary from the informative summary
24 specified in this subsection if the subject matter of the action taken on the regulation remains the
25 same and if the original notice of the proposed action was written so as to assure that members
26 of the public are reasonably notified of the subject matter of the proposed action in order for
27 them to determine whether their interests could be affected by the corporation's proposed action
28 on that subject.

29 (e) The adoption of a regulation may be made as an emergency regulation if, in the order
30 of adoption, the corporation states the facts constituting the emergency and makes a finding that
31 the adoption of the regulation is necessary for the immediate preservation of the orderly operation

1 of the corporation's programs. The requirements of (d) of this section do not apply to the initial
2 adoption of an emergency regulation; however, upon adoption of an emergency regulation under
3 this subsection, the corporation shall, within 10 days after that adoption, publish notice of the
4 adoption in accordance with the notice procedures specified in (d) of this section. An emergency
5 regulation adopted under this subsection may not remain in effect for more than 120 days unless,
6 before the expiration of that period, the corporation adopts that regulation as a permanent
7 regulation in accordance with the procedures specified in (d) of this section.

8 (f) A regulation adopted under this section takes effect immediately upon its adoption
9 by the corporation or at another time specified by the corporation in its order of adoption.

10 Sec. 14.40.876. EXERCISE BY CORPORATION OF POWERS WITHIN
11 MUNICIPALITIES. The corporation may exercise any of its powers in all portions of a space-
12 related facility or territory lying within the boundaries of a municipality to the same extent and
13 in the same manner as in areas of the space-related facility or territory not within the boundaries
14 of a municipality.

15 Sec. 14.40.881. TRADE SECRETS CONFIDENTIAL. The corporation shall maintain
16 the confidentiality of a trade secret, or other proprietary technical information, supplied for
17 purposes related to this chapter unless the owner of the trade secret authorizes its release or a
18 court orders its release. Information covered by this section is not a public record for purposes
19 of AS 09.25.110 - 09.25.140. The corporation shall adopt regulations implementing this section.

20 Sec. 14.40.886. APPROVAL OF PROJECTS BY LEGISLATURE. Notwithstanding any
21 other provision of this chapter, a proposed construction project of \$1,000,000 or more shall be
22 submitted by the corporation to the legislature for approval at a regular session of the legislature.

23 Sec. 14.40.891. ISSUANCE OF BONDS, NOTES, AND REFUNDING BONDS. (a)
24 Except as provided in (b) of this section, the corporation may issue bonds in its discretion for
25 any of its corporate purposes and may issue refunding bonds for the purpose of paying or retiring
26 bonds previously issued by it.

27 (b) The corporation may not, without prior legislative approval, issue bonds, other than
28 refunding bonds,

29 (1) in a total amount in excess of \$1,000,000 each calendar year; or

30 (2) if the annual debt service on all outstanding bonds issued and proposed to be
31 issued exceeds \$1,000,000 in a fiscal year.

1 Sec. 14.40.896. SECURITY FOR BONDS. The corporation may issue bonds including
2 but not limited to bonds on which the principal and interest are payable (1) exclusively from the
3 income and revenue of the space-related project financed with the proceeds of the bonds, (2)
4 exclusively from the income and revenue of designated space-related projects whether or not they
5 are financed in whole or in part with the proceeds of the bonds, (3) from its revenue or other
6 assets generally, or (4) exclusively from rents, fees, charges, or other revenue collected or
7 received by the corporation. Bonds may be additionally secured by a pledge of a grant or
8 contribution from the federal government or from another source, or by a pledge of income or
9 revenue of the corporation, or by a mortgage of a space-related project or other property of the
10 corporation.

11 Sec. 14.40.899. LIMITATION OF LIABILITY ON BONDS. The members of the
12 corporation and a person executing the bonds are not liable personally on the bonds by reason
13 of their issuance. The bonds of the corporation are not a debt of the state or a political or
14 municipal corporation or other subdivision of the state, including the University of Alaska, and
15 each bond must so state on its face. Neither the state nor a political or municipal corporation
16 or other subdivision of the state, including the University of Alaska, other than the corporation
17 is liable on the bonds, nor are the bonds payable out of funds or properties other than those of
18 the corporation. The corporation may not pledge the faith of the people of the state for a loan
19 or obligation. Bonds of the corporation are not a debt, indebtedness, or the borrowing of money
20 within the meaning of a limitation or restriction on the issuance of bonds contained in the
21 constitution or laws of the state.

22 Sec. 14.40.902. ISSUANCE AND SALE OF BONDS AND NOTES. Bonds and notes
23 of the corporation are authorized by adoption of a resolution prescribing the date of issuance and
24 maturity, interest rate, denomination, form, conversion privilege, rank or priority, execution, terms
25 of redemption, medium, and place of payment. Bonds and notes may be sold in the manner, on
26 the terms, and at the price the corporation determines. Each bond and note is negotiable. The
27 signature of a member or an officer upon a bond or note or coupon is not invalidated by that
28 person's ceasing to hold office before the delivery of the bond or note. The recitation of a bond
29 or note that it has been issued in the financing of a space-related project or purpose under this
30 chapter is conclusive as to the issuance of the bond or note and the character of the project in
31 a challenge of the validity of the bond or note or the security for it.

1 Sec. 14.40.906. BONDS EXEMPT FROM TAXES. Bonds and other obligations of the
2 corporation are issued for an essential public and governmental purpose and are public
3 instrumentalities and, together with interest on them and income from them, are exempt from
4 taxes.

5 Sec. 14.40.908. INDEPENDENT FINANCIAL ADVISOR. In negotiating the private
6 sale of bonds or bond anticipation notes to an underwriter, the corporation shall retain a financial
7 advisor who is independent from the underwriter. The financial advisor may not bid on the
8 bonds or notes if offered at public sale or negotiate for their purchase if sold at private sale.

9 Sec. 14.40.912. ADDITIONAL POWERS TO SECURE BONDS OR OBLIGATIONS
10 UNDER LEASES. In connection with the issuance of bonds or the incurring of obligations
11 under leases and in order to secure the payment of bonds or lease obligations, the corporation,
12 in addition to its other powers, may

13 (1) pledge all or a part of its gross or net rents, fees, or revenues to which its
14 right exists or may exist;

15 (2) mortgage or encumber all or a part of its real or personal property, owned or
16 later acquired;

17 (3) covenant against pledging all or a part of its rents, fees, and revenue, or
18 against mortgaging all or a part of its real or personal property, to which its right or title exists
19 or may come into existence or against permitting or suffering any lien on the revenues or
20 property;

21 (4) covenant with respect to limitations on its right to sell, lease, or otherwise
22 dispose of a space-related project or a part of a space-related project;

23 (5) covenant as to what other, or additional debts or obligations may be incurred
24 by it;

25 (6) covenant as to the bonds to be issued and as to the issuance of the bonds in
26 escrow or otherwise, and as to the use and disposition of the proceeds of bonds;

27 (7) provide for the replacement of lost, destroyed, or mutilated bonds;

28 (8) covenant against extending the time for the payment of its bonds or interest
29 on the bonds;

30 (9) redeem the bonds, and covenant for their redemption and to provide the terms
31 and conditions of redemption;

1 (10) covenant as to the rents and fees to be charged in the operation of a space-
2 related project, the amount to be raised each year or other period of time by rents, fees, and other
3 revenue, and as to the use and disposition of this revenue;

4 (11) create or authorize the creation of special funds for money held for
5 construction or operating costs, debt service, reserves, or other purposes, and covenant as to the
6 use and disposition of this money;

7 (12) prescribe the procedure by which the terms of a contract with bondholders
8 may be amended or abrogated, the amount of bonds the holders of which must consent thereto
9 and the manner in which the consent may be given;

10 (13) covenant as to the rights, liabilities, powers, and duties arising upon the
11 breach by it of a covenant, condition, or obligation, and covenant and prescribe as to events of
12 default and terms and conditions upon which any or all of its bonds or obligations shall become
13 or may be declared due before maturity, and covenant as to the terms and conditions upon which
14 this declaration and its consequences may be waived;

15 (14) vest in a trustee or trustees or the holders of bonds or a specified proportion
16 of them, the right to enforce the payment of the bonds or covenants securing or relating to the
17 bonds;

18 (15) vest in one or more trustees the right, in the event of a default by the
19 corporation, to take possession of a space-related project or a part of the project, and so long as
20 the corporation continues in default to retain possession and to use, operate, and manage the
21 project, and to collect the rent and revenue from the project, and to dispose of the money
22 according to the agreement between the corporation and the trustees;

23 (16) provide for the powers and duties of the trustees, and limit the liability of
24 the trustees; and

25 (17) provide the terms and conditions upon which the trustee or trustees or the
26 holders of bonds, or portions of bonds, may enforce a covenant or right securing or relating to
27 the bonds.

28 **Sec. 14.40.916. RIGHT OF OBLIGEE OF CORPORATION TO BRING INJUNCTION.**

29 An obligee of the corporation may, in addition to all other rights that may be conferred and
30 subject only to contractual restriction binding upon the obligee, seek an injunction or an action
31 in nature of an action for mandamus against the members, the corporation, its officers, agents,

1 or employees.

2 Sec. 14.40.921. POWER OF CORPORATION TO CONFER UPON OBLIGEE RIGHT
3 TO BRING ACTION OR PROCEEDING. The corporation may by resolution, trust indenture,
4 mortgage, lease, or other contract confer upon an obligee holding or representing a specified
5 amount in bonds, or holding a lease, the right upon a default as defined in the resolution or
6 instrument by suit, action or proceeding

7 (1) to have possession of a space-related project or part of one surrendered to the
8 obligee, with possession retained by the obligee as long as the corporation continues in default;

9 (2) to obtain the appointment of a receiver of a space-related project or part of
10 one and its rents and profits, who may enter, take possession, and for the duration of the default
11 operate and maintain it, collect and receive all fees, rents, revenues, or other charges thereafter
12 arising, and keep the money in a separate account or accounts to be applied in accordance with
13 the obligations of the corporation as the court directs;

14 (3) to require the corporation and its members to account as if they were the
15 trustees of an express trust.

16 Sec. 14.40.926. EXEMPTION OF REAL PROPERTY OF CORPORATION FROM
17 EXECUTION OR OTHER PROCESS. All real property of the corporation is exempt from levy
18 and sale by execution, and an execution or other judicial process may not issue against it. A
19 judgment against the corporation may not be a charge or lien upon its real property. However,
20 this section does not limit the right of an obligee to foreclose or otherwise enforce a mortgage
21 of the corporation or to pursue any remedy for the enforcement of a pledge or lien given by the
22 corporation on its rents, fees, or revenues.

23 Sec. 14.40.931. POWER OF CORPORATION TO OBTAIN FEDERAL AID AND
24 COOPERATION. The corporation may borrow, accept contributions, grants, or other financial
25 assistance from the federal government in aid of a space-related project and for this purpose may
26 comply with conditions and enter into the mortgages, trust indentures, leases, or agreements that
27 are necessary, convenient, or desirable in order to obtain financial aid or cooperation from the
28 federal government in the undertaking, construction, maintenance, or operation of a space-related
29 project.

30 Sec. 14.40.936. EXEMPTION FROM TAXES AND ASSESSMENTS. The property of
31 the corporation is public property used for essential public and governmental purposes and this

1 property and the corporation are exempt from all taxes and special assessments of a municipality,
2 the state, or a political subdivision of the state. However, instead of taxes, the corporation may
3 make payments to the municipality or political subdivision for improvements, services, and
4 facilities furnished by it for the benefit of a space-related project.

5 Sec. 14.40.941. DISPOSAL OF SURPLUS PROPERTY. (a) The corporation may
6 convey real or personal property that it determines is in excess of its needs. Except as provided
7 in (b) of this section, the sale shall be by public auction or by sealed bids. Public notice shall
8 be given by publishing notice of the sale at least once a week for two consecutive weeks in a
9 newspaper of general circulation within the area in which the property to be sold is located and
10 by posting notice of sale in at least two public places in the area. In no event may the auction
11 be held less than 30 days after the last day of publication. If an acceptable bid is not received,
12 the corporation may sell the property at negotiated sale within six months after the date of the
13 auction. A negotiated sale may not be made on an appraisal made more than nine months before
14 the date of sale. The price at a negotiated sale may not be less than the appraised value.

15 (b) Real or personal property of the corporation may be conveyed to a state or federal
16 agency or political subdivision or the University of Alaska for less than the appraised value
17 without competitive bidding, upon a determination by the board that the terms are fair and proper
18 and in the best interests of the state. The board shall consider both the nature of the agency's
19 or political subdivision's public services or functions and the terms under which the property was
20 acquired by the corporation.

21 Sec. 14.40.946. PUBLIC LOANS OR DONATIONS TO OR COOPERATION WITH
22 CORPORATION. (a) A public body or agency of the state may

- 23 (1) lend or donate money or property to the corporation;
24 (2) cooperate with it in the planning, construction, or operation of a project;
25 (3) transfer to it an interest in property, grant an easement, undertake otherwise
26 authorized construction of facilities adjacent to a project;
27 (4) furnish or improve otherwise authorized roads, streets, alleys, and sidewalks;
28 (5) purchase bonds of the corporation;
29 (6) incur the entire expense of improvements made under this chapter;
30 (7) agree with the corporation that a certain sum or that no sum shall be paid by
31 the corporation to it instead of taxes;

1 (8) enter into agreements respecting exercise of the powers granted in this chapter
2 that shall be approved and executed by the public body or municipality in or adjacent to the
3 project before the project may be constructed; and

4 (9) in general do all things necessary or convenient to cooperate in the planning,
5 construction, or operation of a project.

6 (b) Except as required under AS 44.62.310 and 44.62.312, a sale, conveyance, lease, or
7 agreement under this section may be made without appraisal, public notice or advertisement, or
8 bidding. A public body may exercise the powers granted in this section by resolution or
9 ordinance by a majority of the members of the governing body present at the meeting at which
10 it is introduced, and the resolution or ordinance takes effect immediately without publishing or
11 posting.

12 Sec. 14.40.951. RESERVE FUND. (a) The corporation shall establish and maintain a
13 special fund called the Alaska Aerospace Development Corporation reserve fund in which there
14 shall be deposited or transferred

15 (1) all money appropriated by the legislature for the purpose of the fund in
16 accordance with the provisions of (g) of this section;

17 (2) all proceeds of bonds required to be deposited in the fund by terms of a
18 contract between the corporation and its bondholders or a resolution of the corporation with
19 respect to the proceeds of bonds;

20 (3) all other money appropriated by the legislature to the reserve fund; and

21 (4) any other money or funds of the corporation that it decides to deposit in the
22 fund.

23 (b) Subject to the provisions of (h) of this section, money in the reserve fund shall be
24 held and applied solely to the payment of the interest on and principal of bonds of the
25 corporation as the interest and principal become due and payable and for the retirement of bonds;
26 and the money may not be withdrawn if a withdrawal would reduce the amount in the reserve
27 fund to an amount less than the required debt service reserve except for payment of interest then
28 due and payable on bonds and the principal of bonds then maturing and payable and for the
29 retirement of bonds in accordance with the terms of a contract between the corporation and its
30 bondholders and for which payments of other money of the corporation is not then available. In
31 this subsection, "required debt service reserve" means, as of the date of computation, the amount

1 required to be on deposit in the reserve fund as provided by resolution of the corporation.

2 (c) Money in the reserve fund in excess of the required debt service reserve as defined
3 in (b) of this section, whether by reason of investment or otherwise, may be withdrawn at any
4 time by the corporation and transferred to another fund or account of the corporation subject to
5 the provision of (h) of this section.

6 (d) Money in the reserve fund may be invested in the same manner and on the same
7 conditions as permitted for investment of funds belonging to the state or held in the treasury
8 under AS 37.10.070; however, the corporation may agree with the bondholders to further limit
9 these investments.

10 (e) For purposes of valuation, investments in the reserve fund shall be valued at par or
11 if purchased at less than par, at cost unless otherwise provided by resolution of the corporation.
12 Valuation on a particular date shall include the amount of interest then earned or accrued to that
13 date on the money or investments in the reserve fund.

14 (f) Notwithstanding any other provision of this chapter, bonds may not be issued by the
15 corporation unless there is in the reserve fund the required debt service reserve for all bonds then
16 issued and outstanding and for the bonds to be issued; however, the corporation may satisfy this
17 requirement by depositing as much of the proceeds of the bonds to be issued, upon their issuance,
18 as is needed to meet the required debt service reserve. The corporation may at any time issue
19 its bonds or notes for the purpose of increasing the amount in the reserve fund to the required
20 debt service reserve, or to meet whatever higher or additional reserve that may be fixed by the
21 corporation with respect to the fund.

22 (g) In order to assure the maintenance of the required debt service reserve in the reserve
23 fund, the legislature may appropriate annually to the corporation for deposit in the fund the sum,
24 certified by the chair of the corporation to the governor and to the legislature, that is necessary
25 to restore the fund to an amount equal to the required debt service reserve. The chair annually,
26 before January 30, shall make and deliver to the governor and to the legislature a certificate
27 stating the sum required to restore the fund to that amount, and the certified sum may be
28 appropriated and paid to the corporation during the then current state fiscal year. Nothing in this
29 subsection creates a debt or liability of the state.

30 (h) All amounts received on account of money appropriated to the reserve fund referred
31 to in (a)(3) of this section shall be held and applied in accordance with (b) of this section;