

ALASKA LEGISLATURE

1673

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

March 28, 1997

Representative Bill Williams
Fax (907) 465-3793

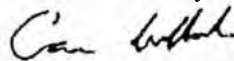
Dear Representative Williams

I support House Bill 198 and the whole concept of developing the dive fishery in southeast.

There are alot of untapped dive resources out there in southeast that Divers can earn their living from.

I believe this dive fisheries will help improve the economy for southeast people who need it, because of reduction in the timber harvest and the closure of several forest products manufacturing plants in southeast.

Sincerely,



Cam Tulloch
Petersburg Commercial Diver
Fax (907) 772 2141

March 7 1997

Devin & Bridget Myers
PO Box 8155
Ketchikan, AK 99901

Dear Mr Williams:

We appreciate your efforts in trying to create jobs in the community through the dive fisheries. The intent of this letter is to give you a little ammunition in the form of real numbers related to the urchin fishery. We would also like to offer our warm bodies and opinions whenever you think they would be helpful.

We moved to Ketchikan specifically because we believe in the long term viability of the fisheries affected by the moratorium. We attempted to move here in the fall of 1995, but we were forced to reconsider when the cucumber fishery in Southeast ended about three months earlier than projected. We love the area and hope to become a valuable part of the community here.

The following is a bare-bones list of money I (Devin) have spent since the opening of the fishery in the second week of January:

\$1,600	Boyer Barge	\$2,000	Fuel
\$400	Murray Pacific	\$1,100	Gray Marine
\$100	Alaska Dive Svc.	\$345	Service Auto
\$250	Southeast Comm.	\$175	Moorage
\$700 in wages to tenders whom are Ketchikan residents			
\$600 in groceries from local merchants to feed the crew			

This list is by no means comprehensive! Using only these expenses, just one boat is responsible for returning **\$6,225** to Ketchikan. This is in 6 weeks - and the Alaska Department of Fish and Game projected a October 1 - September 30 fishery prior to its opening and in the future.

My wife is also employed full-time, and paying her own share of taxes locally, and we rent an apartment in town. We have several friends who also have made what they hope is a permanent move to Ketchikan. Please do all you can to help us stay, purchase homes, and raise families in this wonderful community.

We ask you to help secure funding to keep the fishery alive. The peak prices for urchin roe are November and December, when we weren't yet

fishing, but we should be in coming years. Also, studies have shown that the quality of urchin roe improves when some "thinning" occurs, and even if there is no increase in catch limits, the dollar return will improve in coming years - IF we have a fishery.

We support local processors and jobs, and are confident that in the years to come, the majority of the product will be processed locally. However, the fact remains that we make more money if there are more potential buyers, and we do not like to see buyers excluded. When fisheries shut down the out-of-state processors last week, it cost us a minimum of \$1500. Please keep the divers at the top of your list when negotiating in the future. They have the least power, particularly because they are out fishing during much of the negotiations, and are taking on the most risk to get this fishery rolling. Fund the fishery, and the processing will follow.

Again, don't hesitate to call us if you need further information, or if you feel our voices can make a difference. We wish you the best of luck in getting the maximum amount of dollars into the community!

Sincerely,

A handwritten signature in cursive script, appearing to read "Devin and Bridget Myers".

Devin and Bridget Myers
(907) 247-7774

Greg Cushing
407 Herofock Street
Sitka AK-99835

April 8, 1997

Representative Alan Austerman
Chairman Special Committee on Fisheries
State Capitol
Juneau AK 99801-1182

Dear Representative Austerman:

I am writing to urge your committee to approve HB 198. This bill is vital to our efforts to conduct an orderly development of our region's dive fisheries.

As a lifelong resident of Sitka and a commercial fisherman and diver for 25 years, I have become very familiar with our area's resources. The potential for region-wide, long-term, stable dive fisheries is great. We have been working hard to establish a survey / assessment program in order to initialize the development of these fisheries.

We have a strong commitment to this development. We are willing to assess ourselves to ensure that future management is funded.

These fisheries will be very important to S E Alaska communities as they will be carried out during the Fall and Winter months, the traditional off-season. This will result in local divers having multi-specie work opportunities for months, rather than for a few days as is currently.

I would have preferred to be at this committee meeting in person, but could not because of family matters.

Thank you for your consideration of H B 198.

Sincerely,

Greg Cushing



KAKE TRIBAL CORPORATION

April 1997

P.O. Box 263

Kake, Ak. 99830

COURT RULES AGAINST KTC

Past error haunts Kake Tribal

The Alaska Supreme Court dealt a blow to a majority of Kake Tribal shareholders on February 21, 1997 when it upheld a lower court decision in the Arlene Bell Hanson et. al v. Kake Tribal Corporation. The highest court in Alaska ruled that Kake Tribal must pay 173 shareholders approximately \$98 per share as res-

Continued on page 2

Going After MONY

The only bright lining to the otherwise dark cloud created by the Alaska courts is that Kake Tribal has preserved its right to sue Mutual of New York (MONY), the company responsible for the insurance program that discriminated against certain shareholders.

"There is a wide paper trail that leads directly to Mutual of New York, the insurance company that sold the program to Kake Tribal in 1980," says Gordon Jackson. "It was naive of the board back then to accept a program that was discriminatory, but it was irresponsible for a huge enterprise like Mutual of New York to sell such a life insurance program. Certainly a corporation such as this insurance company should have known about corporate laws, fiduciary responsibilities, and shareholder rights."



The Kake Crew: over 40 residents of Kake are employed processing sea urchin this winter.

KAKE SEA URCHIN PROJECT

Kake Fisheries produces top quality product

The processing crew at Kake is given credit for producing high quality sea urchin roe that commands top prices at the famed Tsukiji Market in Tokyo, the largest sea food market in the world. Mike Ellis, the sea urchin specialist hired by Larry Cambronero to oversee processing at Kake Fisheries, says the Kake Fisheries' crew is producing a product that sells for a higher average price than that of other Alaskan urchin producers.

"For those who understand the system, the key is the average price you receive," Ellis explains. "The market is an auction, and while

someone else might sell a portion of their product for a higher price, the bragging rights go to whoever gets the best price over-all."

Start-up of the project in January coincided with the low end of the market price for sea urchin. The sales strategy Cambronero and Ellis devised was to enter the market at the low end and to build a demand for the product as prices rise. The strategy appears to be paying off. In the 7th week of producing sea urchin roe the project is making profits.

"This project is labor intensive, and fortunately, we have a good

Continued on page 2

THE 1997 WORK SEASON BEGINS

In 1996 KTC employed over 400 people. Over 500 may work in 1997.

SEA URCHIN PROCESSING

is the place to be in Kake

The early morning scene at the Kake Cold Storage is unusual only for the time of year. People, mostly young, stream into work, engaging in good natured banter as time cards are punched and rubber gloves and aprons are put on. Within a few minutes after eight in the morning the processing line

and workers talk, gossip and joke with one another.

During coffee break at 10:00 a.m. Carole Jackson, a widow with three children, is seated in the lunch room. She says that were it not for this job, she would be trying to raise money at bake sales to keep her family going.

work here, where all the people are," he says with a grin. "Sea urchin processing is a nice job. It doesn't require heavy lifting like processing halibut and salmon."

When the break ends, Sandra Thomas and Melody Martin, both 19 years old and 1995 graduates of Kake High School, are back at work. Sandra is on the production line using a table spoon to separate the sea urchin roe from the spiny shells. Nearby, Melody sits at the table where the product is packaged. Using a tweezers, she



Dan Vernetti is one of the first to arrive at the plant. He and several other workers set things up so the full crew can go right to work at 8 a.m.



George Skeek, Danny Jackson and David Thomas crack the sea urchin shells with reverse-jaw pliers.

is up and running. For the first time in living memory there is mid-winter seafood production work in Kake.

"People came out of the woodwork for these jobs," says Larry Jackson, employee coordinator for Kake Fisheries. "We are paying good wages: this is the place to be."

Anyone who has ever seen a seafood processing plant in operation would be struck by the high morale of these workers. Rock and roll blasts from a boom box and the only time harsh criticism is voiced occurs when a heavy metal tape is replaced by the easy listening rock favored by management. Even with the music, the noise level is much lower than during the height of the salmon season,

George Skeek, a heavy equipment operator during the logging season, seated across from Carol, says he would be drawing unemployment.

At the end of the table is George's father, Wilfred Skeek,

"People came out of the woodwork for these jobs."

who has regular employment as the driver of the senior services van and works part-time as a long-shoreman whenever a log ship pulls in. The elder Skeek says he doesn't need the check, but he likes the companionship. "Might as well

removes spine and gut fragments before sliding two pounds of product into a styrofoam cup filled with chilled water. Both Sandra and Melody are saving to afford attendance at the colleges of their choice, decisions available to them only with the earnings from winter season processing jobs.

Leonard Johnson, whose present job is to tend the trays of product during the drip-drying phase between extraction and packaging, is one of several people from the nearby village of Angoon who came to Kake last summer for work at the cold storage. The others left after the salmon season ended in September, but Johnson stayed on and has worked steadily ever since. "Sea urchin processing



About 18 people work the roe extraction line including Sandra Thomas, Wilfred Skeek, Ray Kadak, Ella Verneti and others.



Melody Martin and Kari Hale pack the product in styrofoam containers.

is good work. I wouldn't have a job otherwise," says Johnson who was unable to find employment in Angoon after his fourteen year stint with the local National Guard unit ended due to force reductions.

Mike Ellis, hired by Kake Fisheries manager Larry Cambronero to supervise the processing end of the project has been a commercial diver since 1976. He is also a seasoned processor with experience in markets up and down the west coast.

"We are processing red sea

"Sea urchin processing is good work. I wouldn't have a job otherwise."

urchin, which are much larger than green sea urchin. You have to extract the roe of red urchin, unlike green sea urchin which are often shipped whole," says Ellis. Because of the processing requirements for red sea urchin the project is labor intensive. "The beauty of this fishery is that it doesn't require a lot of capital or equipment. Just labor and typical plant facilities."

According to Ellis, the Kake product is receiving high marks

for quality. "We were amazed that the Japanese compare our product favorably to Santa Barbara sea urchin, which has the best reputation for flavor and consistency."

Processing, while mechanically simple, is labor intensive and requires great care, especially once the roe is extracted. If not handled properly, vibrations during shipment will render the roe into a soupy, unmarketable mess.

"There is a learning curve for processing like this," Ellis notes. "Although it's simple work, it is a manual dexterity thing. Like typing: you start out and 20 words a minute seems fast, 70 words per minute impossible." With a start up project like this, Ellis is pleased that everything has gone so smoothly that no product has been lost, and that it is receiving such high marks from the buyers.

UNI FOR SUSHI

Two to three times a week, a tender pulls into Kake with loads of sea urchins that vary from 12,000 pounds to 20,000 pounds per delivery. The variables are largely weather induced. A bad storm on the coast, and the divers will be unable to work. Really bad storms can keep the tender weather bound; and mild but foggy weather can delay delivery of the valuable, fragile, and quick to spoil processed sea urchin roe from getting to market. Despite a season of quirky weather, no shipment has spoiled, and the reports from Japan have praised the Kake Fisheries' product.

"We were amazed that the Japanese compare our product favorably to Santa Barbara sea urchin, which has the best reputation for flavor and consistency," says Mike Ellis.

The roe, known as uni in Japan where it is usually eaten as sushi, is actually gonads, either male or female, but to the untrained eye uni looks like a thumb-sized golden skein of tiny eggs. Unlike caviar of fin fish, this product does not demand an acquired taste. It has a pleasant tangy sour cream flavor and texture, palatable even to the uninitiated. The Japanese are extremely discriminatory. If the sea urchin roe is off-colored, too small or too large, not firm enough, not fresh enough, it may be rejected out of hand or will barely command any price at all.

**Management Plan for the Harvest of Red Sea Urchins
in Districts 101-104 of Southeast Alaska**



Regional Information Report ¹ NO. 1J96-19

Alaska Department of Fish and Game
Commercial Fisheries Management and Development Division
P.O. Box 240020
Douglas, Alaska 99824

August 1996

¹ The Regional Information Report Series was established in 1987 to provide an information access system for all unpublished divisional reports. These reports frequently serve diverse ad hoc informational purposes or archive basic uninterpreted data. To accommodate timely reporting of recently collected information, reports in this series undergo only limited internal review and may contain preliminary data, this information may be subsequently finalized and published in the formal literature. Consequently, these reports should not be cited without prior approval of the author or the Commercial Fisheries Management and Development Division.

INTRODUCTION

Fishers and seafood processors have expressed interest in developing a red sea urchin fishery in southern southeast Alaska since at least the late 1980s. While the department has sought an appropriation from the legislature to develop this fishery for many years, no such appropriation has been provided. In 1994, the department began to explore alternative funding sources to develop this resource.

In late 1994 the department chose test fishing to generate revenue for a stock assessment survey. District 101 was selected because of its large urchin resource and close proximity to Ketchikan (Figure 1). Ocean Fresh Alaska was the sole bidder, paying the department \$139,567 to cover costs of a stock assessment survey and for the costs associated with the monitoring the subsequent year long test fishery. In exchange, Ocean Fresh Alaska was allowed to harvest 3 million pounds of urchins from March 1995 to April 1996. The results of the survey and subsequent test fishery clearly demonstrated the economic potential of a red sea urchin fishery in the Ketchikan area.

In 1996, industry representatives sought legislation that would resolve funding and management issues necessary to begin a fishery. Legislation to resolve these issues did not emerge. The department proposed test fishing be used once again as the source of revenue but this approach met with significant opposition. As an alternative, industry representatives sought funding from the Ketchikan Gateway Borough to conduct stock assessment surveys in Districts 103 and 104 (the west coast of Prince of Wales Island and coasts of Dall and nearby islands to the north) and began discussion of alternative sources of revenue to pay for long term research and fishery management. In May of 1996, when it appeared that the borough would fund the stock assessment in District 103 and 104, a task force formed with the aid of staff of State Representative Williams (Saxman) to address the issues of long term funding and to advise the department on management of the fishery.

Members of the task force included dive fishermen, fish processors, and community representatives. Department staff served as advisors to the task force. The task force held a series of meetings through June 1996 and provided the department with a report that included a list of recommendations for management measures.

The Ketchikan Gateway Borough contracted with the department in July 1996 to conduct a survey of urchin biomass in Districts 103 and 104. These assessments, in addition to those in Districts 101 and 102, are a necessary step to allow the department to establish quotas for a commercial fishery over a wide geographic area.

With information available on stock size, two tasks remain prior to opening a commercial fishery. First, the department must adopt regulations to manage the fishery under the High Impact Emerging Fisheries Regulation (5 AAC 39.210) and the Administrative Procedures Act (AS 44.62.180-290). Second, funding must be provided to the department to cover all management costs and to begin the research program.

While adoption of interim regulations and short term funding will allow the department to open a fishery, successful completion of these steps do not assure a fishery in the longer term, nor

necessarily define how the fishery will be managed after the first year. Developing a long-term program to fund the costs of stock assessment, research and management remains an outstanding issue. If sufficient funds are not provided to the department each year, the fishery will not open. Last, the regulations adopted under the High Impact Emerging Fisheries Regulation are subject to review and change by the Alaska Board of Fisheries at its next regularly scheduled meeting.

In developing this management plan, the department incorporated many of the recommendations of the sea urchin task force. Some recommendations were deemed inappropriate by the department and either modified or eliminated. Significant changes in management from those recommended by the task force are noted and discussed.

STATE OF ALASKA
 COMMERCIAL FISHERIES ENTRY COMMISSION

13:40 Friday, January 24, 1997

PROJECT NUMBER : 96157
 PROJECT NAME : Southeast Dive Fisheries

Moratorium Eligibility List For Out Of State Permit Holders

,ADDR,CITY

A CITY	Frequency	Cumulative Frequency
ANCHORAGE	6	6
WANGOON	1	7
AUKE BAY	5	12
BETHEL	1	13
COFFMAN COVE	2	15
CORDOVA	4	19
CRAIG	51	70
DOUGLAS	1	71
EDNA BAY	6	77
GUSTAVUS	1	78
HAINES	4	82
HOMER	2	84
HYDABURG	4	88
JUNEAU	8	96
KENAI	1	97
KETCHIKAN	98	195
KLAWOCK	5	200
METLAKATLA	14	214
MEYERS CHUCK	1	215
PALMER	1	216
PETERSBURG	37	253
PORT ALEXANDER	2	255
SEWARD	2	257
SITKA	116	373
SLANA	1	374
THORNE BAY	16	390
WARD COVE	12	402
WASILLA	2	404
WRANGELL	34	438

Addresses listed are the most current ones on file.

,ADDR,STATE

A_STATE	Frequency	Cumulative Frequency
CA	26	26
CO	1	27
ID	1	28
NM	1	29
NV	1	30
NY	1	31
OR	13	44
WA	74	118
WY	1	119

S.E. DIVE FISHERIES ELIGIBILITY
 (Based on final version of HB 547)

DIVE FISHERY OPTIONS	Number Eligible Participants
Abalone: All persons who harvested abalone in 1994 or 1995 (and) any persons who harvested any of the four species in the five consecutive years 1991-1995.	190
Geoducks: All persons who harvested geoducks in 1994 or 1995 (or) January 1996 (and) any persons who harvested any of the four species in the five consecutive years 1991-1995.	170
Sea Cucumbers: All persons who harvested sea cucumbers in 1994 or 1995 (and) any persons who harvested any of the four species in the five consecutive years 1991-1995.	472
Sea Urchins: All persons who harvested sea urchins in 1992 or 1993, (and) any persons who harvested sea cucumbers in 1994 or 1995, harvested abalone in 1994 or 1995 or harvested geoduck in 1994 or 1995 or January 1996.	559

program guide

Winter weather lends itself to this month's cozy indoor projects. Eberhard Mueller, executive chef of New York City's renowned Lutèce restaurant, shares some of his signature seafood dishes. Learn to make a tempered chocolate and a coeur à la crème on our special Valentine's Day show. Later in the month, florist Michael George shows us how to construct a Victorian rose bouquet, and because it's time to look forward to spring, we'll build a beehive, and master seedsman Shepherd Ogden will show us how to raise tomatoes from seed.—*Martha Stewart*

EPISODE 421 FEBRUARY 1-2

Cooking: Seafood with Eberhard

BLACK SEA BASS WITH CHANTERELLE MUSHROOMS

SERVES 4 AS A FIRST COURSE,
2 AS A MAIN COURSE

- 1 whole black sea bass, about 2 to 2½ pounds, cleaned and scaled
- 2 tablespoons unsalted butter
- ½ teaspoon coarse or kosher salt
- Freshly ground white pepper to taste
- 1 to 1¼ pounds fresh chanterelle mushrooms, cleaned
- 1½ tablespoons canola oil, for cooking
- 1 shallot, finely chopped
- ½ pound mixed baby field greens, washed
- Sherry Vinaigrette, recipe follows
- 2 tablespoons chives, finely chopped
- Fresh chervil for garnish

1. Fillet the sea bass by making the first cut behind the gills to the backbone; starting at the tail end, cut toward the head along the backbone; remove fillet. Turn fish over; repeat. Trim the thin edges of the fillets for even cooking. Remove pin bones with pliers. Cut each fillet in half for first-course serving; leave whole for main-course serving.
2. Heat oven to 450°. Heat butter, salt, and pepper in a large sauté pan over medium heat. Add mushrooms; toss to coat. Cook until mushrooms release their liquid.
3. Heat an ovenproof sauté pan over medium-high heat. Season both sides of the fillets with salt and pepper. Add canola oil to pan. When oil is hot but not smoking, add fillets skin-side down; remove from heat if too hot. Sear until crisp, golden brown, 1½ to 2 minutes. Place the pan (with the fillets still flesh-side up) in the oven for 2 to 3 minutes.

4. Add shallots to mushrooms, and sauté. Toss greens with three-fourths quantity of Sherry Vinaigrette. Remove mushrooms from heat; add remaining vinaigrette and chives.
5. Drain fillers on paper towel. Distribute dressed greens on plates; top with mushrooms and fillets. Garnish each with chervil.

Sherry Vinaigrette

- 1 teaspoon Dijon mustard
- ¼ teaspoon coarse or kosher salt
- Freshly ground white pepper to taste
- 1 tablespoon sherry vinegar
- 1 tablespoon red-wine vinegar
- 1½ tablespoons walnut oil
- 1½ tablespoons extra-virgin olive oil

Whisk together mustard, salt, pepper, vinegars, and oils in a small bowl. Adjust seasonings, and set aside.

BAKED AND RAW SEA URCHINS

Baked Sea Urchin with Sea-Urchin Butter

SERVES 2

- 12 sea urchins, in shells
- 1 cup (two sticks) unsalted butter
- Freshly ground white pepper to taste
- 2 tablespoons fish stock
- 1 tablespoon heavy cream
- Pinch of cayenne pepper
- Coarse or kosher salt to taste
- 1 teaspoon fresh lemon juice
- Seaweed for presentation (optional)
- Whole lemon, halved, for garnish

1. Heat oven to 450°. Cut away the flat bottom of the sea-urchin shell with scissors; pour away liquid. Scrape out membrane with the end of a spoon's handle. Set aside the six most attractive urchins in a baking dish.
2. Scoop the flesh out of the remaining six, to yield about ½ cup. Pulse in food processor for 5 to 8 seconds. Add butter, and

blend until thoroughly emulsified; add more butter if necessary. Press the urchin-butter mixture through a sieve with a spatula.

3. Bake the whole sea urchins 4 to 5 minutes.
4. Meanwhile, combine stock, cream, cayenne, salt, and pepper in a small saucepan over medium heat. Add urchin-butter mixture, stirring constantly, until resulting emulsion thickens. Adjust seasoning; add lemon juice.
5. Remove sea urchins from oven. Arrange them on a bed of seaweed, drizzle with Sea-Urchin Butter, and garnish with lemon halves.

Raw Sea Urchin with Lemon

SERVES 2

- 6 to 8 sea urchins, in shells
- Seaweed for presentation (optional)
- Crushed ice:
- 1 whole lemon, halved

1. Insert scissors in hole located on domed top of sea urchin. Rotate around top of shell, cutting toward outer edge, exposing flesh.
2. Place a bed of seaweed in a shallow bowl; top with crushed ice. Arrange sea urchins on top of ice; garnish with lemon, and serve.

PAN-SEARED SEA SCALLOPS WITH FRESH HERB SAUCE

SERVES 4 AS A FIRST COURSE,
2 AS A MAIN COURSE

- 8 large sea scallops, about ½ pound
- 2 tablespoons unsalted butter
- 2 shallots, finely chopped
- ¼ cup Reisling, or other dry white wine
- 1 tablespoon white vinegar
- ½ cup fish stock
- 2 tablespoons extra-virgin olive oil
- Coarse or kosher salt to taste
- Freshly ground white pepper to taste
- 1 tablespoon vegetable oil for cooking
- 2 tablespoons fresh herbs, such as parsley, chives, and tarragon, finely chopped

1. Remove the tough muscle-like membrane from the side of each scallop.

2. Heat 1 tablespoon butter in a small saucepan over medium heat. Sauté shallots until soft. Add wine and vinegar; reduce until nearly evaporated. Add fish stock, and bring to a gentle boil. Add 1 tablespoon olive oil, and whisk until well blended.

3. Strain the resulting sauce through a fine sieve into a blender; return shallots to saucepan. Add 1 tablespoon butter, and 1 tablespoon olive oil, and blend until emulsified, about 10 seconds. Return liquid to pan.

4. Heat a 10" sauté pan on medium-high heat. Season both sides of scallops with salt and pepper. Add vegetable oil. When hot but not smoking, add scallops and more oil if needed. Cook until golden brown, 2 minutes a side.

5. Add herbs to sauce; blend well. Place scallops on a plate; surround with sauce; serve.

Sources: *Special thanks to Eberhard Mueller, executive chef, Lutèce, 249 East 50th Street, New York, NY 10022; 212-712-2221. Whole black sea bass, \$5.95 a pound; sea urchins, \$4.95 a pound (about 4 to 5 urchins); seaweed, available by special order; sea scallops, \$12.95 a pound, all available from Citarella, 2135 Broadway, New York, NY 10024; 212-572-1500 or 800-660-0750. Market prices vary; shipping and handling charges extra for priority overnight mail-order delivery. Catalog available. Global 8" chef's knife, \$12.95, from Lamalle Kitchenware, 36 West 25th Street, New York, NY 10010; 212-242-0750 or 800-660-0750.*

EPISODE 422 FEBRUARY 9-10

Cooking: Tempering
Chocolate with Marzipan

Cooking: Chocolate
Leaves and Cabbage

TEMPERING CHOCOLATE

- Work in a room with low humidity, no warmer than 75°.
- Use couverture chocolate, which contains at least 32% cocoa butter.
- As it melts, dark chocolate should not exceed 120° (110° for milk and white chocolates) or it may lose depth of flavor and burn.
- Leftovers can be remelted several times, but add a few ounces of unmelted chocolate to prevent bloom, a whitish surface cast.
- Water and condensation cause tempering chocolate to "seize," or become unworkable.



- Bittersweet chocolate tempers between 85° and 90°; milk and white chocolates temper between 82° and 85°.

INGREDIENTS

- 1 1/2 pounds bittersweet chocolate, such as Callebaut or Valrhona

1. Bring a large saucepan of water to a boil. Coarsely chop chocolate with a cleaver or chocolate fork. Place 1 pound in a metal bowl (make sure bowl fits snugly in saucepan); reserve 1/2 pound.

2. Remove water from heat, and place bowl over saucepan. Stir chocolate with a rubber spatula, periodically measuring temperature with a candy thermometer, until the melted chocolate is between 110° and 120°. If too cool, return pot to heat for a few minutes.

3. Continue stirring, and add reserved chocolate in three stages. Remove bowl, and bring down temperature by stirring constantly until mixture is smooth and drops to 85° to 90°; add more chocolate as necessary. (The bowl will feel slightly warm to the touch, and chocolate will appear smooth and shiny.)

4. To test tempering, dip an offset spatula in the melted chocolate, scrape excess off the back, and refrigerate 5 minutes; properly tempered chocolate will snap off of the spatula. Or dab a spot of melted chocolate on your lip; if it feels just slightly cool, then it's tempered. Use immediately. Keep chocolate over warm water to maintain temperature.

Sources: *Special thanks to Marilyn Mueller, proprietor, Cirillo Chocolatier, P.O. Box 2252, Annapolis, MD 21404; 410-757-4338 or fax 410-757-9759. Chocolate fork, \$19.50, from Lamalle Kitchenware, 36 West 25th Street, New York, NY 10010; 212-242-0750 or 800-660-0750. Callebaut bittersweet chocolate (#69-467399), \$10.50 for 17 1/2 ounces, and canning thermometer (#69-1081520), \$27, from Williams-Sonoma, 800-541-2233.*

COEUR A LA CREME

SERVES 6

- 4 tablespoons raspberry purée (from about 1 1/2 pint fresh berries or 1 cup frozen berries, thawed)
 - 8 ounces cream cheese
 - 2 1/2 cup confectioners' sugar
 - 1 teaspoon pure vanilla extract
 - 8 ounces crème fraîche or heavy cream
- Raspberry Coulis, recipe follows
- Fresh raspberries and mint for garnish

1. Cut six rinsed 8"-by-8" squares of cheesecloth, three to four layers thick, for each small mold, or one 16"-by-16" square for a large mold. Line mold with dampened cloth.

2. Make raspberry purée by pressing berries through a fine sieve; discard seeds. Combine cream cheese and sugar in bowl of an electric mixer; blend until smooth. Scrape down sides of bowl. Add vanilla, and combine; add raspberry purée, and mix well.

3. In a large mixing bowl, whip crème fraîche or cream with a balloon whisk until stiff. Fold stiffened cream into raspberry mixture.

4. Fill mold with mixture, and smooth the top surface. Neatly fold edges of cheesecloth over mixture, and place on a plate to catch the draining whey. Chill 24 hours before serving.

5. To serve, unwrap cheesecloth, center a plate on top of mold, and flip plate and mold right-side up. Remove mold; carefully pull away cheesecloth. Pour on Raspberry Coulis, and garnish with berries and mint.

Raspberry Coulis

MAKES 1 1/2 CUPS

- 12 ounces raspberries, fresh or frozen
- 1/2 cup sugar

In small saucepan over medium heat, boil raspberries and sugar 10 minutes, or until mixture thickens. Strain through a sieve; add water, a tablespoon at a time, until mixture resembles a sauce. Refrigerate until ready to use.

Sources: Ceramic coeur à la crème mold, \$6.95 for 1/2-cup mold, \$19.95 for 4-cup mold, available from Lamalle Kitchenware, 36 West 25th Street, New York, NY 10010; 212-242-0750 or 800-660-0750.

CHOCOLATE LEAVES AND CABBAGES

Chocolate Leaves

- 1 1/2 pounds tempered bittersweet chocolate (see recipe, above)
- Assorted pesticide-free leaves with pronounced veins, such as magnolia, nasturtium, lemon, rose, and holly

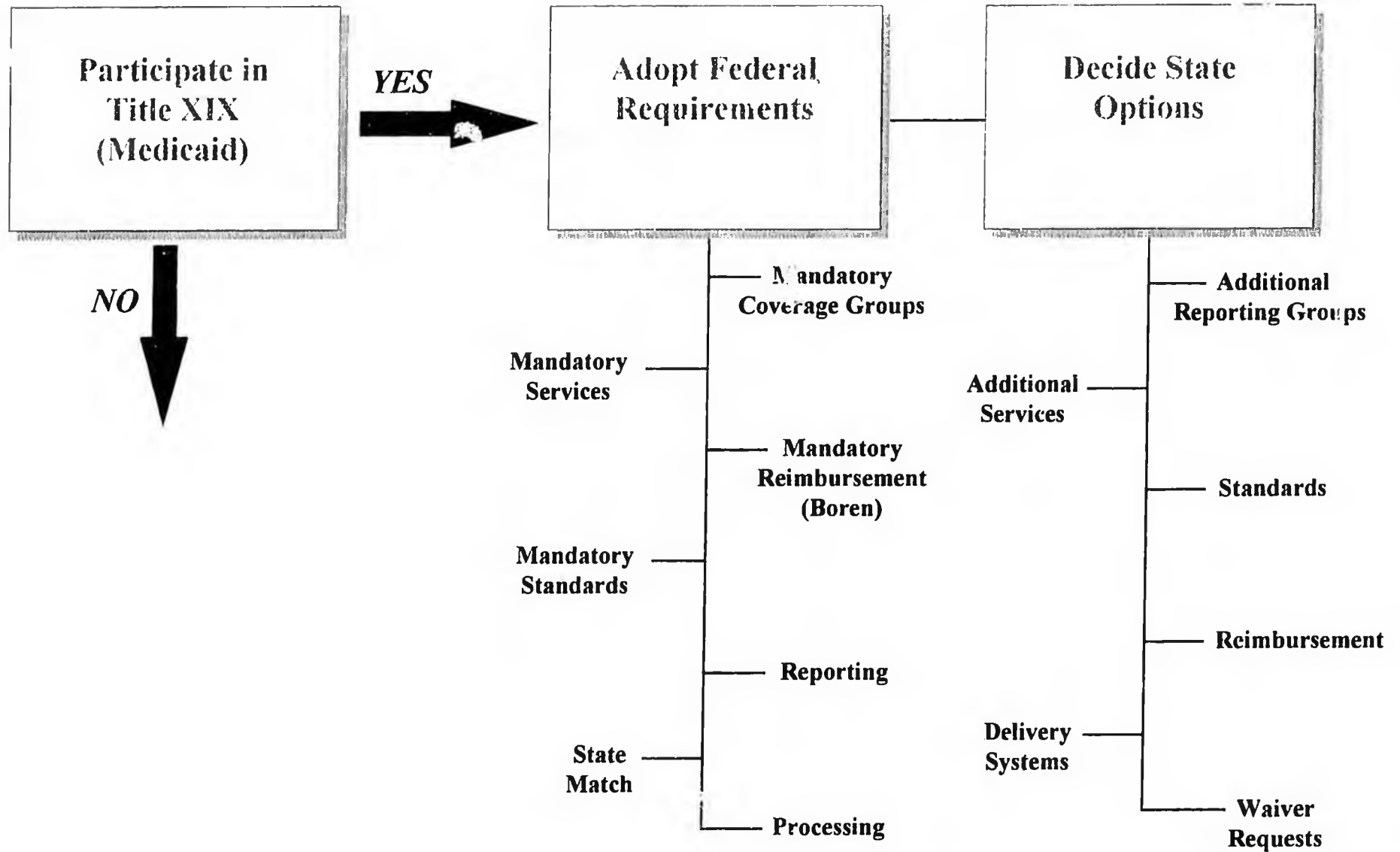
HB

2022

HFIN

FILE

Medicaid Program



WHAT IS MEDICAID?

- A *government health insurance program* for low income people operated by states within federal rules.
- An *entitlement program*, in that any person meeting the eligibility criteria must receive coverage for certain mandatory services, as well as any other services which a state chooses to offer.
- Funded by a formula comparing the per capita income of a state to all states. Alaska currently has the lowest federal match rate of 50%.

WHO IS ELIGIBLE?

Mandatory groups:

- People who meet requirements of the 1996 Aid to Families with Dependent Children (AFDC) program, or Supplemental Security Income (SSI) program;
- People ineligible for cash assistance due to earnings or child support collections;
- Pregnant women and children up to age 14 at higher income levels;
- Children receiving foster care or adoption assistance payments;
- Several defined groups of SSI-related persons who have lost cash assistance;
- Payment of Medicare premiums, deductibles, and coinsurance for certain elderly and disabled groups; and
- Emergency treatment of illegal aliens.

Optional groups:

- People eligible for Adult Public Assistance (APA);
- Children under 21, including those in custody and state adoption assistance agreements;
- Pregnant women and infants with incomes up to 185% of the federal poverty level;
- Disabled children under 18, at home, at any income, if needing institutional care;
- People in nursing homes or receiving waiver services at higher income levels;
- TB infected persons for TB treatment, and terminally ill persons receiving hospice care;
- Medically Needy - persons who meet all program requirements except income can "spend down" income on medical care to become Medicaid eligible; and
- Purchase of post-employment health insurance premiums for certain persons.

WHAT SERVICES ARE PAID FOR?

MANDATORY

inpatient and outpatient hospital
physician services
advanced nurse practitioner services
nurse midwife services
home health services
federally qualified health center services
nursing home services
x-ray and laboratory services
Early, Periodic, Screening, Diagnosis and
Treatment (EPSDT) for children.
family planning services
rural health clinic services
guarantee transportation availability

OPTIONAL

mammography
medical supplies and equipment
prescription drugs
personal care
physical therapy
prosthetics and orthotics
hospice
inpatient psychiatric care
intermediate care facility for the mentally retarded
services.
podiatry
dental care
ambulatory surgical services
vision services
chiropractic
audiology and hearing aides
occupational therapy
nutrition services
Christian Science sanatorium
dentures
preventive services
preventive services
end stage renal disease services
rehabilitative services
case management

WHAT ARE THE PAYMENT RULES?

- Federal "Boren Amendment" requires that rates paid to hospitals and nursing homes are adequate to meet the costs incurred by efficiently and economically operated facilities.
- Federally Qualified Health Centers must be reimbursed at 100 percent of cost.
- Rates for pediatric and obstetric care must be sufficient to enlist enough providers so that care and services are available to the same extent as they are available to the general public.

WHAT SERVICES ARE INCLUDED IN BENEFIT PACKAGE

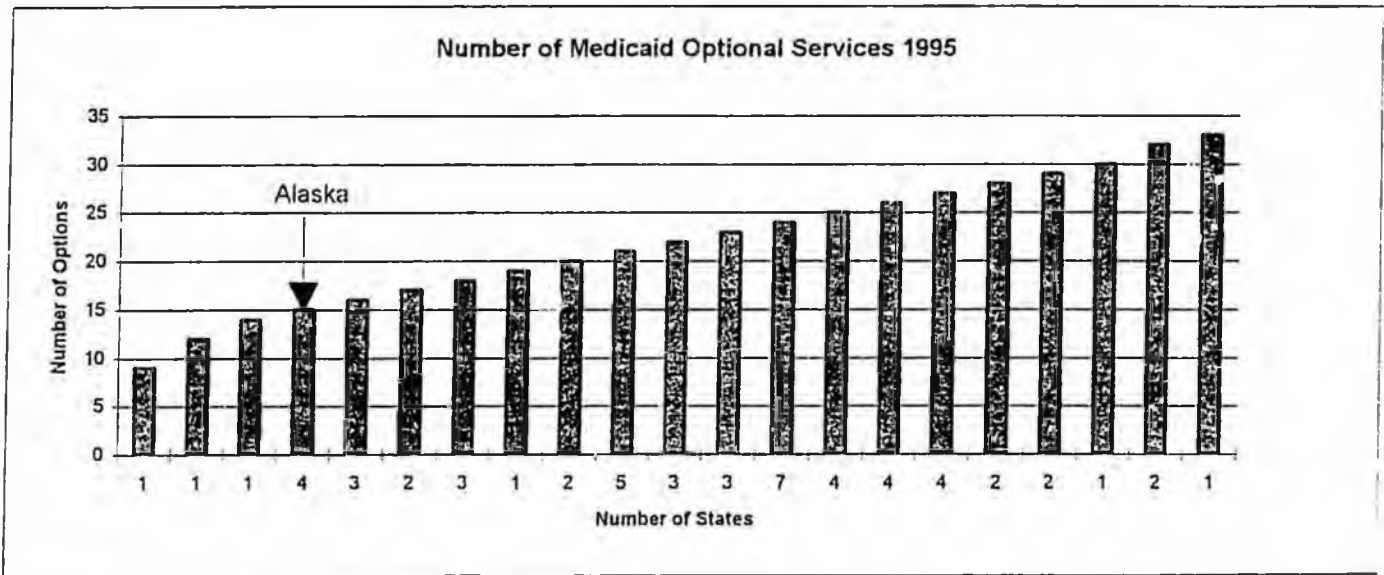
Service's must be offered:

- inpatient & outpatient hospital
- nurse midwife services
- nursing home services
- family planning services
- federally qualified health center services
- EPSDT for Children
- physician services
- home health services
- x-ray & laboratory services

- rural health clinic services
- medical transportation
- Children also receive:
 - dental care
 - audiology & hearing aids
 - podiatry
 - private duty nursing
 - vision services
 - chiropractic
 - speech therapy
 - occupational therapy

Services may be offered:

- podiatrists' services
- optometrist's services
- chiropractors' services
- psychologists' services
- medical social workers' services
- nurse anesthetists' services
- private duty nursing
- *clinic services
- dental services
- *physical therapy
- occupational therapy
- speech, hearing & language disorders
- *prescribed drugs
- dentures
- *prosthetic devices
- eyeglasses
- *diagnostic services
- *screening services
- preventive services
- *rehabilitative services
- *ICF/MR services
- *age 65 or older in IMDs inpatient hospital
- age 65 or older in NF services
- *inpatient psychiatric services <21
- Christian Science nurses
- Christian Science sanitariums
- *NF services for under age 21
- emergency hospital services
- *personal care services
- *transportation services
- *case management services
- *hospice care services
- TB related services



In 1995, Alaska was one of 4 states providing 15(*) of the 34 federal optional services available; 43 states offered more optional services than Alaska. Alaska provides Medicaid coverage to only the "categorically needy".

Appendix 1: Family Income Limits for Medicaid Eligibility by State as a Percent of the Federal Poverty Level
(for Women, Infants and Children as of August 1996)

STATE	Pregnant Women & Infants	Children Under Age Six	Children Six and Older	STATE	Pregnant Women and Infants	Children Under Age Six	Children Six and Older
Alabama	133%	133%	100%	Montana	133%	133%	100%
Alaska	133%	133%	100%	Nebraska	150%	133%	100%
Arizona	140%	133%	100%	Nevada	133%	133%	100%
Arkansas	133%	133%	100%	New Hampshire	185%	185%	185%
California	200%	133%	100%	New Jersey	185%	133%	100%
Colorado	133%	133%	100%	New Mexico	185%	185%	185%
Connecticut	185%	185%	185%	New York	185%	133%	100%
Delaware	185%	133%	100%	North Carolina	185%	133%	100%
Florida	185%	133%	100%	North Dakota	133%	133%	100%
Georgia	185%	133%	100%	Ohio	133%	133%	100%
Hawaii ^a	300%	300%	300%	Oklahoma	150%	133%	100%
Idaho	133%	133%	100%	Oregon	133%	133%	100%
Illinois	133%	133%	100%	Pennsylvania	185%	133%	100%
Indiana	150%	133%	100%	Rhode Island ^d	250%	250%	[250%] [100%] ^d
Iowa	185%	133%	100%	South Carolina	185%	133%	100%
Kansas	150%	133%	100%	South Dakota	133%	133%	100%
Kentucky	185%	133%	100%	Tennessee ^e	185% ^e	133% ^e	100% ^e
Louisiana	133%	133%	100%	Texas	185%	133%	100%
Maine	185%	133%	125%	Utah	133%	133%	100%
Maryland ^b	185%	185%	185%	Vermont	[200%] [225%] ^f	225%	225%
Massachusetts	185%	133%	100%	Virginia	133%	133%	100%
Michigan	185%	150%	150%	Washington	[185%] [200%] ^g	200%	200%
Minnesota	275%	133%	100%	West Virginia	150%	133%	100%
Mississippi	185%	133%	100%	Wisconsin	185%	185%	100%
Missouri	185%	133%	100%	Wyoming	133%	133%	100%

Source: National Governors Association MCH Update, September, 1996

States with higher income limits for Medicaid eligibility than Alaska:

Pregnent women & Infants: 34
Children age 1 to 6th birthday: 10
Children age 6 to 21st birthday: 10

RESEARCH AND PROGRAM DEVELOPMENT**TIME INVOLVED****Research:****2 WEEKS TO 6 MONTHS**

State and federal legislation
 Similar programs in other states
 Medicare, if applicable
 Impact on other state programs, if applicable
 Meet with industry representatives
 Meet with consumer groups
 Review with MCAC
 Solicit input/info from DMA staff

If a Change in Covered Services:**4 TO 6 MONTHS**

Develop definition of benefits and any limitations
 Assess impact on other programs
 Determine which providers are qualified to render the service
 Determine Licensure, certification, special training requirements
 Assess budget impact

If a Change in Eligibility Recipients:**6 MONTHS**

Develop projections of number of eligibles and extent of utilization
 Assess budget impact
 Coordinate with DPA eligibility system
 Eligibility manual change

Payment Methodology:**1 TO 6 MONTHS**

Determine fee schedule, per diem, per capita,
 Establish amounts (actuarial?)
 Assess budget impact

REGULATORY**Submit State Plan Changes:****3 MONTHS**

Draft SP amendment
 Include in Quarter submission
 Respond to Questions from HCFA

State Regulation:**1 TO 4 WEEKS**

Draft Regulations

Public Notices:**8 WEEKS**

Bid for mailing and printing
 mailing and printing
 Submit advertisements
 Hold public meetings
 document agency response to comments

Adoption**4 TO 9 MONTHS**

Commissioner adopt regulations
 Submit to the Department of Law
 Legal Review
 Certification of Lt. Governor
 Effective date

Provider/Recipient Notification:	2 TO 4 MONTHS
Draft provider manual changes	
Draft recipient notice letter	
Draft provider letter	
Draft RA messages	
Advise provider association	
Revise provider agreement	
Prepare provider enrollment packet	
Information Systems:	1 TO 6 MONTHS
Establish new provider types, services, E codes	
Modify audit and edits	
Acceptance testing	
Amend fiscal agent contract	
Billing:	1 MONTH
Determine how providers will bill (HCFA 1500, UB92)	
Determine attachments required for claim	
Set prior authorization requirements	
Coordination:	4 MONTHS
Coordinate changes with program units	
Fiscal agent	
Claims	
TPL	
SURS	
Provider enrollment	
C&L	
Hearings & appeals	
MRAC	
Other state agencies	
Other outside agencies	
Contracting:	6 MONTHS
draft RFP	
Circulate RFP to Jnu and Anch staff	
Incorporate comments	
Follow Admin RFP process	
Training:	2 MONTHS
Develop training packet for staff	
providers	
recipient service descriptions	
Quality assurance:	2 MONTHS
Case management method	
Audit targeting plan	

DRAFT

House Cost Management Plan to Achieve FY98 Budget

Cost Management Item	Total Savings Estimate	Regulations Required Y/N	Systems Developmnt	Other Developmnt	Federal Waiver Required	Expedited Regulation Implement Date	Implement Date	Notes
MH Prior Auth & Regs to Scope	4,800.0							
Prior Authorization		N	Y	Y	N		Jul-97	
Services		Y	Y	Y	N	Oct-97	Jan-98	
Rates		Y	Y	Y	N	Oct-97	Jan-98	
On-Site Reviews		N	N	N	N		May-97	
Full Year RBRVS	1,028.8	N	N	N	N			Monitoring
Full Year Facility Rates	4,800.0	N	N	N	N			Monitoring
NH Preadmission Counseling	1,500.0	Y	N	Y	N	Oct-97	Jan-98	
Managed Care Initiatives	1,500.0							
Telephone Triage		N	N	Y	N		Jul-97	
Patient Care		N	N	Y	N		Jul-97	
Primary Care Case Management		Y	Y	Y	Y	Oct-97	Jan-98	
Onsite Medical Reviews	1,000.0	N	N	Y	N		Oct-97	
Cost Shift to IHS	1,500.0	N	Y	Y	N		Jul-97	
Transportation Brokerage - YK	200.0	N	Y	Y	Y		Oct-97	
300 Alcohol/Drug Abuse Disability	3,999.0	N	N	N	N			Monitoring
125 Legal Aliens Off Caseload	500.0	N	N	N	N			Monitoring
Under Funded Options Restoration	300.0	Y	N	Y	N			
Waivers Lapse OAC	500.0	Y	N	Y	N	Oct-97	Jan-98	
Diff Gov vrs House Growth Rate	1,665.4							Monitoring
Total	23,293.2							

Sec. 47.07.035

PRIORITY OF MEDICAL ASSISTANCE.

If the department finds that the cost of medical assistance for all persons eligible under this chapter will exceed the amount allocated in the state budget for that assistance for the fiscal year, the department shall eliminate coverage for optional medical services and optionally eligible groups of individuals in the following order:

- (1) midwife services;
- (2) clinical social workers' services;
- (3) psychologists' services;
- (4) chiropractic services;
- (5) advanced nurse practitioner services;
- (6) adult dental services;
- (7) emergency hospital services;
- (8) treatment of speech, hearing, and language disorders;
- (9) optometrists' services and eyeglasses;
- (10) occupational therapy;
- (11) mammography screening;
- (12) prosthetic devices;
- (13) medical supplies and equipment;
- (14) targeted case management services;
- (15) rehabilitative services for substance abusers and emotionally disturbed or chronically mentally ill adults;
- (16) clinic services;
- (17) physical therapy;
- (18) personal care services in a recipient's home;
- (19) prescribed drugs;
- (20) hospice care;
- (21) long-term care noninstitutional services;
- (22) inpatient psychiatric facility services;
- (23) intermediate care facility services for the mentally retarded;
- (24) intermediate care facility services;
- (25) See delayed amendment note individuals described in AS 47.07.020(b)(11);
- (26) individuals under age 21 who are not eligible for benefits under the federal aid to families with dependent children program because they are not deprived of one or more of their natural or adoptive parents;
- (27) skilled nursing facility services for persons under age 21;
- (28) aged, blind, and disabled individuals who, because they do not meet the income requirements, do not receive supplemental security income under Title XVI of the Social Security Act, but who are eligible, or would be eligible if they were not in a skilled nursing facility or intermediate care facility, to receive an optional state supplementary payment;
- (29) individuals in a hospital, skilled nursing facility, or intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under Title XVI of the Social Security Act,

but who, because of income, are not eligible for the optional state supplementary payment;

(30) individuals under age 21 under supervision of the department for whom maintenance is being paid in whole or in part from public money and who are in foster homes or private child-care institutions;

(31) individuals under age 21 who the department has determined cannot be placed for adoption without medical assistance because of a special need for medical or rehabilitative care and who the department has determined are hard-to-place children eligible for subsidy under AS 25.23.190 - 25.23.220.

§ 47.07.035 WELFARE, SOCIAL SERVICES & INSTITUTIONS § 47.07.035

35 SLA 1973; am § 2 ch 105 SLA 1974; am § 1 ch 12 SLA 1976; am § 2 ch 221 SLA 1976; am § 1 ch 82 SLA 1978; am § 25 ch 40 SLA 1981; am § 2 ch 132 SLA 1982; am § 1 ch 20 SLA 1986; am § 4 ch 105 SLA 1986; am § 2 ch 119 SLA 1988; am § 3 ch 45 SLA 1989; am § 3 ch 69 SLA 1991; am § 1 ch 70 SLA 1991; am § 1 ch 38 SLA 1992; am § 1 ch 110 SLA 1992; am § 2 ch 51 SLA 1993; am § 1 ch 75 SLA 1993; am § 2 ch 76 SLA 1993; am § 19 ch 102 SLA 1994; am § 108 ch 21 SLA 1995)

Effect of amendments. — The first 1991 amendment, effective September 19, 1991, inserted "low-dose mammography screening, as defined in AS 21.42.375(e)" near the middle of subsection (b).

The second 1991 amendment, effective September 19, 1991, inserted "psychologists' services; clinical social workers' services" near the middle of subsection (b).

The first 1992 amendment, effective July 1, 1992, in subsection (b), inserted "rehabilitative services for substance abusers and emotionally disturbed or chronically mentally ill adults; targeted case management services for substance abusers, chronically mentally ill adults, and severely emotionally disturbed persons under the age of 21;"

The second 1992 amendment, effective September 20, 1992, inserted "advanced nurse practitioner services;" in subsection (b).

The first 1993 amendment, effective July 1, 1993, inserted "midwife services" near the middle of subsection (b).

The second 1993 amendment, effective January 1, 1994, inserted "hospice care" near the end of subsection (b).

The third 1993 amendment, effective June 26, 1993, added subsection (c).

The 1994 amendment, effective September 7, 1994, added subsection (d).

The 1995 amendment, effective August 8, 1995, in subsection (c), substituted "make available" for "submit" in the second sentence and added the last sentence.

Collateral references. — Transsexual surgery as covered operation under state medical assistance program, 2 ALR4th 775

Limitation on right of chiropractors and osteopathic physicians to participate in public medical welfare programs, 3 ALR4th 1056.

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

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- (22) inpatient psychiatric facility services;
- (23) intermediate care facility services for the mentally retarded;
- (24) intermediate care facility services;
- (25) individuals described in AS 47.07.020(b)(11);
- (26) individuals under age 21 who are not eligible for benefits under the federal aid to families with dependent children program because they are not deprived of one or more of their natural or adoptive parents;
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- (28) aged, blind, and disabled individuals who, because they do not meet the income requirements, do not receive supplemental security income under Title XVI of the Social Security Act, but who are eligible, or would be eligible if they were not in a skilled nursing facility or intermediate care facility, to receive an optional state supplementary payment;
- (29) individuals in a hospital, skilled nursing facility, or intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under Title XVI of the Social Security Act, but who, because of income, are not eligible for the optional state supplementary payment;
- (30) individuals under age 21 under supervision of the department for whom maintenance is being paid in whole or in part from public money and who are in foster homes or private child-care institutions;
- (31) individuals under age 21 who the department has determined cannot be placed for adoption without medical assistance because of a special need for medical or rehabilitative care and who the department has determined are hard-to-place children eligible for subsidy under AS 25.23.190 — 25.23.220. (§ 3 ch 132 SLA 1982; am § 2 ch 20 SLA 1986; am § 5 ch 105 SLA 1986; am § 3 ch 119 SLA 1988; am § 4 ch 45 SLA 1989; am § 32 ch 168 SLA 1990; am § 4 ch 69 SLA 1991; am § 2 ch 70 SLA 1991; am § 2 ch 38 SLA 1992; am § 2 ch 110 SLA 1992; am § 3 ch 51 SLA 1993; am § 2 ch 75 SLA 1993; am § 3 ch 76 SLA 1993)

	Allocations	Appropriation Items	General Funds	Other Funds
6	Public Assistance	187,918,800	93,285,600	94,633,200
7	Alaska Temporary Assistance	113,563,900		
8	Program			
9	Adult Public Assistance	44,515,000		
10	General Relief Assistance	541,900		
11	Old Age Assistance-Alaska	2,298,100		
12	Longevity Bonus (ALB) Hold			
13	Harmless			
14	Permanent Fund Dividend Hold	21,492,500		
15	Harmless			
16	Energy Assistance Program	5,507,400		
17	Medical Assistance	337,227,300	96,814,900	240,412,400
18	Medicaid Non-Facility	130,203,200		

19 This appropriation is subject to Section 29 of this act.

20 It is the intent of the Legislature that the Medical Assistance Division provide to adults the

21 services numbered five through 31, as prioritized in AS 47.07.035, which includes eyeglasses,

22 hearing aids and dental care. The Legislature assumes the rate of growth in the Medicaid formula

23 will not exceed 7.0% in the fiscal year 1998. Additionally the Legislature assumes that the

24 Division will manage costs through regulations limiting scope, duration and amount of services, as

25 well as through implementation of managed care initiatives. Specifically, it is the intent of the

26 Legislature that the Division will: implement mental health prior authorization; implement changes

27 to scope of mental health services; realize full-year savings from resource-based relative value

28 scale rate-setting; realize full-year savings from new facility reimbursement rates; implement

29 preadmission screening for nursing homes; implement three managed care initiatives; conduct on-site

30 medical reviews; initiate additional cooperation with IHS/Medicaid program; and, work with community

31 mental health providers to maintain service at fiscal year 1997 levels. The Division will produce,

32 in cooperation with the Division of Mental Health and Developmental Disabilities, a complete

DRAFT

House Cost Management Plan to Achieve FY98 Budget

Cost Management Item	Total Savings Estimate	Regulations Required Y/N	Systems Developmnt	Other Developmnt	Federal Waiver Required	Expedited Regulation Implement Date	Implement Date	Notes
MH Prior Auth & Regs to Scope	4,800.0							
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Full Year Facility Rates	4,800.0	N	N	N	N			Monitoring
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Managed Care Initiatives	1,500.0							
Telephone Triage		N	N	Y	N		Jul-97	
Patient Care		N	N	Y	N		Jul-97	
Primary Care Case Management		Y	Y	Y	Y	Oct-97	Jan-98	
Onsite Medical Reviews	1,000.0	N	N	Y	N		Oct-97	
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125 Legal Aliens Off Caseload	500.0	N	N	N	N			Monitoring
Under Funded Options Restoration	300.0	Y	N	Y	N			
Waivers Lapse OAC	500.0	Y	N	Y	N	Oct-97	Jan-98	
Diff Gov vrs House Growth Rate	1,665.4							Monitoring
Total	23,293.2							

HOUSE BILL NO. 202
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE HANLEY

Introduced: 3/18/97
Referred: Finance

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to the medical assistance program; and providing for an
2 effective date."

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

4 * Section 1. MEDICAID SERVICES FUNDING. For fiscal year 1998, the operation of
5 AS 47.07.035 is suspended. If, at any time during fiscal year 1998, the commissioner of
6 health and social services finds that the cost of medical assistance for all persons eligible
7 under AS 47.07 is likely to exceed the amount allocated in the state budget for that assistance
8 for fiscal year 1998, the commissioner shall immediately take steps consistent with federal
9 Medicaid requirements to reduce costs for the remainder of the fiscal year in order to keep
10 total costs for the program under AS 47.07 within the amount allocated in the state budget for
11 that assistance.

12 * Sec. 2. This Act takes effect July 1, 1997.

HB

2006

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 21, 1997

FURTHER REFERRALS:

Date of Committee Action: 2/12/98

The FINANCE Committee considered:

HB 206

HOUSE BILL NO. 206

PERS FOR VILLAGE PUBLIC SAFETY OFFICERS

"An Act relating to credit under the Public Employees' Retirement System for service as a village public safety officer."

recommends it be replaced with the following committee substitute CS HB 206 (Fin) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) DOA

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Therriault</i>	Therriault		✓	X	
<i>Pat Kelly</i>	Kelly	✓			
<i>Mark Hanley</i>	Hanley			X	
<i>Don Mulder</i>	Mulder	✓			
<i>Larry Martin</i>	Martin	✓			
<i>Eric Kehring</i>	Kehring	X			
<i>Paul Davies</i>	Davies	X			
<i>Ben Grosskopf</i>	Grosskopf	X			
<i>Carl G. Moses</i>	Moses	X			
<i>Henry L. Davis</i>	DAVIS	X			

CHAIR'S SIGNATURE

Gene Therriault *Mark Hanley*

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSHB 206

Revision Date: _____
 Title: An Act relating to credited service in the public employees retirement system.
 Sponsor: Representative Porter
 Requestor: (H) FIN

Department Affected: Administration
 BRU: Centralized Administrative Services
 Component: Retirement and Benefits
 COMPONENT SERIAL NO. 2271

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	*	*	*	*	*	*
TRAVEL	*	*	*	*	*	*
CONTRACTUAL	*	*	*	*	*	*
SUPPLIES	*	*	*	*	*	*
EQUIPMENT	*	*	*	*	*	*
LAND & STRUCTURES	*	*	*	*	*	*
GRANTS, CLAIMS	*	*	*	*	*	*
MISCELLANEOUS	*	*	*	*	*	*
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES	*	*	*	*	*	*
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ()	*	*	*	*	*	*
------------------------	---	---	---	---	---	---

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts	*	*	*	*	*	*
1003 GF Match	*	*	*	*	*	*
1004 GF	*	*	*	*	*	*
1005 GF/Program Receipts	*	*	*	*	*	*
1037 GF/Mental Health	*	*	*	*	*	*
OTHER	*	*	*	*	*	*
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY 98) cost: \$ 0

POSITIONS:

FULL-TIME	*	*	*	*	*	*
PART-TIME	*	*	*	*	*	*
TEMPORARY	*	*	*	*	*	*

ANALYSIS: (Attach a separate page if necessary.) Based on the amendment to HB206 that limits purchase of VPSO service to those who are not entitled to receive retirement benefits for the same service, this bill is estimated to have an unmeasurable impact in the PERS funding ratio. There is an increase to the unfunded liability of the PERS of approximately \$145,000. This would result in an employer contribution increase of approximately \$13,000 per year, unmeasurable as a percent of payroll.

This bill would also, for the first time, allow employees to claim credited service for non government employment. This would set a precedent and open the door for other non government forms of service.

If enacted this bill would have no effect on the PERS average employer contribution rate or the funding ratio.

Prepared by: Guy Bell
 Division: Retirement and Benefits

Phone: 465-4470
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Mark Boyer
 Date: 2/27/98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 206

Revision Date: _____
 Title: "An Act relating to credited service in the public employees retirement system."
 Sponsor: Representative Porter
 Requestor: (H) FIN

Department Affected: Administration
 BRU: Centralized Administrative Services
 Component: Retirement and Benefits
 COMPONENT SERIAL NO. 2271

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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 EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ()	0	0	0	0	0	0
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1037 GF/Mental Health	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

Estimate of any current year (FY98) : \$ 0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

This bill is estimated to have an unmeasurable impact in the PERS funding ratio. There is an increase to the unfunded liability of the PERS of approximately \$450,000. This would result in an employer contribution increase of approximately \$40,000 per year, unmeasurable as a percent of payroll.

(continued on next page)

Prepared by: Guy Bell
 Division: Retirement and Benefits

Phone: 465-4460
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 2/11/98

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**FISCAL NOTE
STATE OF ALASKA**

1998 LEGISLATIVE SESSION

BILL NO. HB 206

ANALYSIS: (continued)

This bill would also, for the first time, allow employees to claim credited service for non government employment. This would set a precedent and open the door for other non government forms of service.

Another point is that many VPSO's receive retirement as part of their employment. If past enacted legislation is an indicator, then the legislature does not support "double dipping" on retirement benefits.

If enacted this bill would have no effect on the PERS average employer contribution rate or the funding ratio.

Sec. 01.10.060. Definitions.

In the laws of the state, unless the context otherwise requires,

- (1) "action" includes any matter or proceeding in a court, civil or criminal;
- (2) "daytime" means the period between sunrise and sunset;
- (3) "month" means a calendar month unless otherwise expressed;
- (4) "municipality" means a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough, or a unified municipality;
- (5) "nighttime" means the period between sunset and sunrise;
- (6) "oath" includes affirmation or declaration;
- (7) "peace officer" means
 - (A) an officer of the state troopers;
 - (B) a member of the police force of a municipality;
 - (C) a village public safety officer;
 - (D) a United States marshal or deputy marshal; and
 - (E) an officer whose duty it is to enforce and preserve the public peace;

Article 8. General Provisions.

Section	Section
660. Nonguarantee of employment	680. Definitions
670. Fraud	690. Short title
678. Inclusion of cost-of-living differentials in compensation and benefits	

Sec. 39.35.660. Nonguarantee of employment. This chapter is not a contract of employment between an employer and an employee, nor does it confer a right of an employee to be continued in the employment of an employer, nor is it a limitation of the right of an employer to discharge an employee with or without cause. (§ 38 ch 143 SLA 1960)

Sec. 39.35.670. Fraud. A person who knowingly makes a false statement, or falsifies or permits to be falsified a record of this system, in an attempt to defraud the system, is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$500, or by imprisonment for not more than twelve months, or by both. (§ 41 ch 143 SLA 1960)

Sec. 39.35.675. Inclusion of cost-of-living differentials in compensation and benefits. (a) An employee shall make contributions to the system based on compensation including a cost-of-living differential.

(b) The amount of a cost-of-living differential may not be included in the employee's compensation for purposes of calculating benefits paid under this chapter unless the employee has received a cost-of-living differential in a comparable amount or of at least that many steps for at least 50 percent of the employee's credited service.

(c) When an employee receives a benefit, and if the employee's compensation for purposes of calculating the benefit does not include a cost-of-living differential, then the administrator shall refund to the employee the amount of contributions the employee made based on the differential.

(d) In this section "cost-of-living differential" means an adjustment to salary based on the cost of living in the geographic region where the employee works and includes a pay step differential under AS 39.27.020. (§ 40 ch 82 SLA 1996)

Editor's notes. — Section 68, ch. 82, SLA 1986, first hired under the Public Employees' Retirement System after December 31, 1986.

Sec. 39.35.680. Definitions. In this chapter, unless the context otherwise requires,

(1) "active member" means an employee who is employed by an employer, is receiving compensation for seasonal, permanent full-time, or permanent part-time service, and is making contributions to the system;

(2) "actuarial adjustment" means equality in value of the aggregate expected payments under two different forms of pension payments, considering expected mortality and interest earnings on the basis of tables adopted from time to time by the board;

(3) "administrator" means the person appointed by the commissioner of administration under AS 39.35.050;

(4) "average monthly compensation" means the result obtained by dividing the compensation earned by an employee during a considered period by the number of months, including fractional months, for which compensation was earned; the considered period consists of (A) for employees first hired before July 1, 1996, the three consecutive payroll years during the period of credited service that yields the highest average, and (B) for employees first hired on or after July 1, 1996, the five consecutive payroll years during the period of credited service that yield the highest average, or if the employee does not have the required number of consecutive payroll years, the employee's period of credited

service; an employee must have at least 115 days of credited service in the last payroll year in order for that year to be used as part of the consecutive payroll years;

(5) "beneficiary" means a person designated by an employee to receive benefits that may be due from the system upon the employee's death;

(6) "board" means the Public Employees Retirement Board;

(7) "calendar year" means the period beginning on January 1 and ending on December 31;

(8) "compensation" means the total remuneration earned by an employee for personal services rendered to an employer, including employee contributions under AS 39.35.160, cost-of-living differentials only as provided in AS 39.35.675, payments for leave that is actually used by the employee, the amount by which the employee's wages are reduced under AS 39.30.150(c), and any amount deferred under an employer-sponsored deferred compensation plan, but does not include retirement benefits, severance pay or other separation bonuses, welfare benefits, per diem, expense allowances, workers' compensation payments, or payments for leave not used by the employee whether those leave payments are scheduled payments, lump-sum payments, donations, or cash-ins;

(9) "credited service" means the number of years, including fractional years, recognized for computing benefits that may be due from the system;

(10) "deferred vested member" means an inactive member who meets the five-year credited service requirement to qualify for a retirement benefit;

(11) "dependent child" means an unmarried child of an employee, including one adopted, who is dependent upon the employee for support and who is either (A) under 19 years old or (B) under 23 years old and registered at and attending on a full-time basis an accredited educational or technical institution recognized by the Department of Education; age restrictions set out in this paragraph do not apply to a child who is totally and permanently disabled;

(12) "disabled member" means an employee who is terminated, who has not received a refund from the system and is receiving a disability benefit from the system;

(13) "early retirement" means retirement for a member who is not eligible for normal retirement and who is at least 55 years old and is eligible to receive benefits under AS 39.35.370(b) or under AS 39.35.385(b) or (f);

(14) "elected official" means a person whose compensation results from personal services rendered to an employer as an elected representative;

(15) "employee contribution account" means the total maintained by the system of the employee's mandatory contributions, voluntary contributions, indebtedness principal, and interest contributions, interest credited to each of those accounts, and adjustments to the accounts in accordance with AS 39.35.100;

(16) "employee savings account" means the account maintained by the system to record the voluntary contributions of each employee, including interest and adjustments to the account in accordance with AS 39.35.100;

(17) "employer" means the State of Alaska or a political subdivision or public organization of the state that participates in the system;

(18) "fiscal year" means the period beginning on July 1 and ending on June 30 of the following calendar year;

(19) "former member" means an employee who is terminated and who has received a total refund of the balance of the employee contribution account, or who has requested in writing a refund of the balance in the employee contribution account, or who is eligible for a refund under AS 39.35.200(b);

(20) "inactive member" means an employee who is terminated and who has not received a refund from the system or an employee on leave-without-pay status or layoff status;

(21) "member" or "employee"

(A) means a person eligible to participate in the system and who is covered by the system;

(B) includes

- (i) active member;
- (ii) inactive member;
- (iii) vested member;
- (iv) deferred vested member;
- (v) non-vested member;
- (vi) disabled member;
- (vii) retired member;
- (viii) an elected public officer under AS 39.35.381;

(C) does not include

- (i) former members;
- (ii) persons compensated on a contractual or fee basis;
- (iii) casual or emergency workers or nonpermanent employees as defined in AS 39.25.200;

(iv) persons covered by the Alaska Teachers' Retirement System except as provided under AS 39.35.131 and 39.35.381, or persons covered by the optional university retirement program;

(v) employees of the division of marine transportation engaged in operating the state ferry system who are covered by a union or group retirement system to which the state makes contributions;

(vi) justices of the supreme court or judges of the court of appeals or of the superior or district courts of Alaska;

(vii) the administrative director of courts appointed under art. IV, sec. 16 of the state constitution unless the director becomes a member under AS 39.35.158; and

(viii) members of the elected public officers' retirement system (former AS 39.37);

(D) may include employees of the division of marine transportation excluded under (C)(v) of this paragraph provided that

(i) the State of Alaska formally agrees to their inclusion through the process of collective bargaining; and

(ii) no collective bargaining agreement has the effect of obligating contributions made by the state under AS 39.30.150 in the event the state resumes participation in the federal social security system;

(22) "military service" means active duty service in the armed forces of the United States;

(23) "nonoccupational disability" means a physical or mental condition that, in the judgment of the administrator, presumably permanently prevents an employee from satisfactorily performing the employee's usual duties for an employer or the duties of another position or job that an employer makes available and for which the employee is qualified by training or education, not including a condition resulting from a cause that the board, in its regulations has excluded;

(24) "non-vested member" means an active or inactive member who does not meet the five-year credited service requirement to qualify for a retirement benefit;

(25) "normal retirement" means retirement for a member who is eligible to receive benefits under AS 39.35.370(a) or under 39.35.385(a) or (f);

(26) "occupational disability" means a physical or mental condition that, in the judgment of the administrator, presumably permanently prevents an employee from satisfactorily performing the employee's usual duties for an employer or the duties of another comparable position or job that an employer makes available and for which the employee is qualified by training or education; however, the proximate cause of the condition must be a bodily injury sustained, or a hazard undergone, while in the performance and within the scope of the employee's duties and not the proximate result of the wilful negligence of the employee;

(27) "payroll year" means the period that includes the first pay period ending in January of a year through the last pay period ending in December of that year;

(28) "peace officer" or "fire fighter" means an employee occupying a position as a peace officer, chief of police, correctional officer, correctional superintendent, fire fighter, fire chief, or probation officer;

(29) "pension fund" or "fund" means the fund in which the assets of the system are deposited and held;

(30) "permanent full-time" means an employee who is occupying a permanent position that regularly requires working 30 or more hours a week;

(31) "permanent part-time" means an employee who is occupying a permanent position that regularly requires working at least 15 hours but less than 30 hours a week;

(32) "prescribed rate of interest" means the rate of interest used for computing employer contributions, for preparing actuarial tables used by the system and for crediting interest to employee contributions and savings accounts, and for charging interest on employee indebtedness accounts;

(33) "public organization" means an organization or entity

(A) created by the constitution or laws of the state for the purpose of administering state programs;

(B) whose officers and employees are paid by a method other than by the state payroll prepared by the Department of Administration; and

(C) whose employees are not required by law to participate in the system;

(34) "qualified domestic relations order" means a divorce or dissolution judgment under AS 25.24, including an order approving a property settlement, that

(A) creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to an employee;

(B) sets out the name and last known mailing address, if any, of the employee and of each alternate payee covered by the order;

(C) sets out the amount or percentage of the employee's benefit, or of any survivor's benefit, to be paid to the alternate payee, or sets out the manner in which that amount or percentage is to be determined;

(D) sets out the number of payments or period to which the order applies;

(E) does not require any type or form of benefit or any option not otherwise provided by this chapter;

(F) does not require an increase of benefits in excess of the amount provided by this chapter, determined on the basis of actuarial value; and

(G) does not require the payment to an alternate payee of benefits that are required to be paid to another alternate payee under another order previously determined to be a qualified domestic relations order.

(35) "retired member" means an employee who is terminated, who has not received a refund from the system and is receiving a benefit other than disability, from the system;

(36) "retirement" means that period of time from the first day of the month following (A) the date of termination and (B) application for retirement, in which a person is appointed to receive a retirement benefit, other than occupational or nonoccupational disability benefit;

(37) "seasonal" refers to an employee who is occupying a position for less than 12 months each year where it is anticipated that the same employee will return to the position when needed and includes a temporary employee of the legislature if part of the service for the legislature during each calendar year is performed during a legislative session;

(38) "surviving spouse" means the spouse of an employee who has been married to the employee for at least one year at the time of the employee's death; the one-year marriage requirement does not apply when the employee's death was an occupational or accidental death;

(39) "system" means the Public Employees' Retirement System of Alaska;

Adopted

c

AMENDMENT 3

OFFERED IN THE HOUSE

TO: HB206

Page 2, line 8
After "retirement."

Insert new subsection to read:

"(d) An employee is not entitled to credited service under this section if the employee is entitled to receive retirement benefits from another employer for the same service."

Adopted

AMENDMENT 2

OFFERED IN THE HOUSE

TO: HB206

Page 1, line 7

After "AS 18.65.670."

Insert "An employee is not entitled to credited service for employment as a village public safety officer unless the employee was employed as a village public safety officer for at least 1 year."

Failed

A

AMENDMENT |

OFFERED IN THE HOUSE

TO: HB206

Page 1, line 5

After "A vested employee"

~~and~~ ^{or} fire fighter

Insert "who has at least 5 years of credited service as a peace officer" - defined

under AS 39.25.200.(28)

Sec. 39.35.340. Military service.

(a) A vested employee is entitled to credited service for active military service in the armed forces of the United States, either by enlistment or induction, if the employee received a discharge under honorable conditions and is not entitled to receive retirement benefits from the United States government for the same service. The credited service allowed may not exceed an aggregate period of five years. Benefits are not payable on credited service for military service unless the employee makes retroactive contributions to the system for the period of time that service credit is claimed. However, if the employee was in the employ of an employer on the date of entry into the armed forces and returned to the employ of an employer within 90 days after the date of discharge from military service, the employee is not required to make retroactive contributions under this system for the period of credited service.

(b) In order to obtain credited service under this section, an employee shall make an election to do so and shall verify the period of military service. When eligibility for credited service for military service has been established, an indebtedness shall be determined as follows: (1) the employee's actual compensation, or the calculated annual compensation for those employees working less than 12 months, during the calendar year 1976 or the year in which an employee first becomes vested under this chapter, whichever is later, multiplied by (2) the number of years of military service credited under this section, and this product multiplied by (3) six percent for members who are first eligible to claim this military service before January 1, 1987, or eight and one-half percent for members who are first eligible to claim this military service on or after January 1, 1987. Interest as prescribed by regulation accrues on this indebtedness beginning on July 1, 1977, or one year following the date a person first becomes vested, whichever is later. Any outstanding indebtedness that exists at the time a person is appointed to retirement necessitates an actuarial adjustment to the benefits payable based upon that military service.

(c) A retired employee on July 1, 1976, is eligible to receive increased benefits based upon military service as described in (a) of this section. To receive credited service for military service, a retired employee shall verify the military service. When verified, a retired employee is entitled to receive an increased benefit that shall be actuarially adjusted to reflect the employee's indebtedness for that credit. The indebtedness shall be calculated in the same manner as described in (b) of this section except that it shall be based on the average monthly compensation used in calculating the benefit. The effective date of this increased benefit is the beginning of the month following that in which eligibility has been established.

(d) The credited service granted under this section may not be used to satisfy the credited service requirements for normal retirement.

Alaska State Legislature

Representative Brian S. Porter

HOUSE MAJORITY LEADER



DISTRICT 20

SESSION
STATE CAPITOL, ROOM 210
UNEAAL ALASKA 99506-1182
PHONE: 907 465-4900
FAX: 907 465-3804

INTERIM
716 W 4TH AVE, SUITE 900
ANCHORAGE, AK 99501-2104
PHONE: 907 258-8197
FAX: 907 258-8510

MEMBER
HOUSE JUDICIARY COMMITTEE
HOUSE SENIORS COMMITTEE
HEALTH CARE & SOCIAL SERVICES COMMITTEE
LEGISLATIVE COUNCIL JOINT COMMITTEE

Sponsors Statement

for

HB 206 PERS For Village Public Safety Officers

Throughout the State the **Village Public Safety Officer Program** has provided a very important means of maintaining peace and harmony in the villages. Most of these individuals were not covered by a retirement program. Now some of these former officers are working for other organizations that are covered by the State PERS program. The work experience these individuals obtained by participating in this program has proven to be an invaluable asset in their present endeavors.

This bill would allow them to obtain retirement credit for the service rendered under the VPSO program. The eligible participant could receive credit for up to 5 years of service in the VPSO. Once their service had been verified, an indebtedness would be determined, and the vested employee would have to arrange to buy this time back into the State PERS system. The provisions of this bill will help in the recruiting and the retention of participants of the VPSO program in the villages. Turnover and a lack of qualified applicants has been a historic problem for the VPSO program.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 21, 1997

SUBJECT: Sectional Summary of HB 206. (Credit in PERS for village public safety officers)

TO: Representative Brian Porter
Attn: Joel Lounsbury

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1 permits an employee who is a vested member of the Public Employees' Retirement System (PERS) to receive up to five years' credit for employment as a village public safety officer (VPSO). (Under AS 39.35.680(40), a vested member is defined as one who meets the five-year requirement to qualify for a retirement benefit.) Under subsection (b), the member is required to contribute the full actuarial cost of providing benefits based on VPSO employment. Under subsection (c), the credited service granted for VPSO employment may not be used to satisfy the credited service requirements for normal retirement. (Under AS 39.35.370(a)(2), a member of PERS with at least 20 years of credited service as a fire fighter or peace officer is eligible for a normal retirement. Under paragraph (3) of that subsection, an employee with at least 30 years of credited service can take a normal retirement.)

TC:jdr
97-207.jdr

Major Changes and Key Issues

Children's Initiative

AST Detachments would receive \$1,518.8 under the children's initiative to address child protection issues. This increment will permit filling of approximately twenty trooper recruits attending the fall 1998 and spring 1999 Alaska Law Enforcement Training (ALET) academies. VPSO contracts would receive \$428.0 to fill at least five vacant VPSO's and some equipment so that rural Alaska has more staff to address children's issues.

Alaska Public Safety Information Network (APSIN) would receive \$181.2 to provide the automated access needed for existing staff in all related agencies to do their jobs more effectively.

Court Security

The Alaska Court System has included \$1,417.0 in its FY99 operating budget request for twenty-two new Court Security Officers. If the issue remains unaddressed, the Chief Justice of the Supreme Court may order the department to take Troopers off the street to assign them courtroom duties. AST Detachments would receive \$691.3 to partially restore trooper enforcement. This increment will permit filling of approximately eight trooper recruits attending the fall 1998 and spring 1999 ALET academies.

Fish and Wildlife Protection

To increase FWP enforcement, \$312.0 will be used to fill existing Trooper positions that would otherwise be kept vacant.

Village Public Safety Officer (VPSO) Turnover

With a 43% turnover rate the past five years, it is difficult to maintain trained veterans in rural Alaska where the VPSO is typically the sole first responder to any type of public safety emergency. With \$508.2 for a 12% salary increase, VPSO retention should improve.

Improved Technology for Law Enforcement Statewide

The Crime Lab will receive \$238.5 to implement DNA testing and to maintain DWI testing capability now that federal funding sources are exhausted.

Records and Identification will receive \$116.0 to locate Alaska's criminal fingerprint records with the Western Identification Network (WIN) to improve Alaska's ability to identify criminals.

Criminal Justice Policy Initiatives

Criminal justice and social service agencies will have direct electronic access to a domestic violence protective order file, and a new flagging feature allowing to identify criminal convictions involving domestic violence.

Key to addressing juvenile crime, law enforcement and youth justice agencies require efficient access to juvenile criminal history information which is driving an initiative to explore how to best capture and automate these records.

Legislation to adopt an amendment to the Interstate Compact on Juveniles will be pursued to permit law enforcement officials in Alaska to participate in a national system to notify all states on wanted Alaska juveniles in the event wanted juveniles are detained by another state.

Fire Safety

Fire fatalities in Alaska are three times the national per capita average. During the first eleven months of 1997, there have been thirteen deaths due to fire. DPS is reviewing with the fire prevention industry ways to strengthen fire education, early detection and early intervention to help reduce loss of life and property.

Commercial Fisheries Enforcement

Beginning with FY98, criminal fines and forfeitures are being used to strengthen detection and prosecution of criminal violations of Alaska's fish and game laws. The Department has purchased a 156' patrol vessel to enhance commercial fisheries enforcement in western Alaska.

Budget Summary	FY97 Actual	FY98 Authorized	FY99 Governor
Designated/Statutory Program Receipts	\$862.8	\$0.0	\$388.3
General Funds	\$76,694.5	\$75,776.5	\$80,168.8
Federal Funds	\$6,065.4	\$9,010.2	\$8,807.3
Other Funds - Interagency receipts, etc.	\$4,956.8	\$6,022.5	\$7,011.6
TOTAL BUDGET	\$88,579.5	\$90,809.2	\$96,376.0
Positions - Full-time	738	736	760
Part-time and Non-Permanent	31	33	30
KEY PROGRAM AREAS (All Fund Sources)			
Justice Enforcement and Public Safety	\$73,333.4	\$75,163.2	\$80,407.3
Fish and Wildlife Protection	\$15,246.1	\$15,646.0	\$15,968.7

PUBLIC SAFETY EMPLOYEES ASSOCIATION
"REPRESENTING ALASKA'S FINEST"

4300 Boniface Parkway, #116
Anchorage, AK 99504-4387
(907)337-1979 FAX:(907)337-1753

Representative Bryan Porter
State Capitol
Juneau, AK 99801-1182

April 15, 1997

Dear Representative Porter:

On behalf of the Public Safety Employees Association I would like to personally thank you for sponsoring House Bill 206.

PSEA fully supports HB206. This bill allows Village Public Safety Officers(VPSO's) to buy up to five years of credited PERS retirement time for that time served as a VPSO.

As you already know VPSO's are not paid a lot and receive very minimal retirement benefits through the Native Regional Corporations. HB206 provides a greater incentive for VPSO's to stay at the job and then, if opportunities exist, to become a state or city law enforcement officer.

We also believe that VPSO's can make excellent future state or municipal law enforcement officers. Some of the best training for any Alaska State Trooper is time spent in villages as a VPSO.

Again, I would like to thank you for taking your time to put this piece of legislation together. If you have any further questions please do not hesitate to call me.

Sincerely,



Keith Perrin
PSEA President

TANANA CHIEFS CONFERENCE, INC.

122 First Avenue, Suite 600
Fairbanks, Alaska 99701-4897
Tele: 907/452-8251x3236 & Fax: 907/459-3851

April 21, 1997

Brian Porter
Rm: 216, State Capital
Juneau, Alaska 99801
Tele: 907/465-4930
Fax: 907/465-3834

Dear Representative Porter:

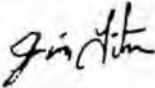
This letter is in regards to House Bill 206. I am very troubled by the House Finance Committee's drastic cuts to services in Rural Alaska. The areas of concern that Tanana Chiefs Conference would like to see considered by the Senate Finance Committee during their deliberations over the operating budget.

(VPSO) Village Public Safety Officer.

The Village Public Safety Officer has provided law enforcement service in rural Alaska for nearly (20) years, and within those twenty years there has been a drastic change in Rural Alaska, towards declining incidents; drowning, fire, alcohol related incidents. The VPSO provide a broad range of public safety services in rural Alaska, including but not limited to health and safety situations. With the existing retirement plan, and to implement our VPSO's into the State Pers, it would enable our program to recruit qualified, dedicated Police Officers. Although we do receive good qualified VPSO's, but they don't stay long, because of the low pay and not much of a retirement system, along with a heavy work load. With that, I encourage you and your staff to fully support House Bill 206. This will ensure that they will continue to play a crucial role in protecting the life, health and safety needs of our rural residents.

Sincerely,

TANANA CHIEFS CONFERENCE, INC.

Jim D. Titus 
VPSO Coordinator

John Terrel
P.O. Box 245
Naknek, Alaska 99633
(907) 246-4222

February 6, 1998

Representative Brian Porter
State Capitol, Room 214
Juneau, Alaska 99801

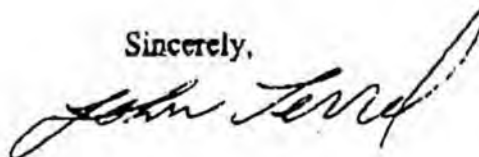
Dear Representative Porter:

This is to let you know that I support your efforts with House Bill 206. It is my understanding that this bill allows time spent as a Village Public Safety Officer (VPSO) to be entered into the PERS retirement system if the VPSO leaves the program but continues as a law enforcement officer. I was a VPSO for over two years and was in the First VPSO/Municipal Police Transition Academy. I became one of the first VPSO Sergeants in the program. When I became a municipal police officer and found out that time spent as a VPSO was not counted in PERS I was angry and very disappointed. I have now been a Police Officer for the Bristol Bay Borough Police Department for over eight years.

I owe the VPSO program a lot for allowing me to become a Municipal Police Officer, but VPSO's are treated as step children as it is. Not allowing this time on PERS is adding insult to injury. This Bill would be a good incentive to keep people in the VPSO program, instead of quitting to find a job with real benefits.

Thank you very much for this thoughtful and much needed bill.

Sincerely,



John Terrel

Representative Brian Porter
Alaska Legislature
FAX #465-3834

February 6, 1998

RE: HB206

Representative Porter,

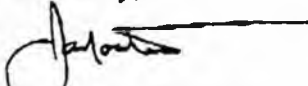
It is my understanding that HB206 is going before the legislature next week. I wanted to take a moment to express my support for this bill.

This bill provides an incentive for Village Public Safety Officers to remain serving their villages and also encourages them to later to seek employment with departments that are under the PERS system. This is a WIN WIN, for both the VPSO, the village, and future employers because it allows the VPSO's to serve with out feeling like they are "spinning their wheels" when it comes to retirement.

I, myself started as a VPSO. This bill will benefit me personally very little since I was looking toward my future when I was making employment decisions, and stayed as a VPSO a short time before moving onto another agency that offered a good retirement plan (the Troopers). I feel if this bill would have been in place back then, I could have stayed much longer.

Thank you for hearing me, and I hope that this bill passes.

Sincerely,



Joseph A. Masters

HB

206

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/1/98

FURTHER: 5/5/98

DATE TURNED IN TO OFFICE: 5/5/98

Finance Committee considered CS FOR HOUSE BILL NO. 206(FIN) am

"An Act relating to credit under the Public Employees' Retirement System for service as a village public safety officer."

and recommends:

- be replaced with _____ CS _____
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Al Hydas</i>	X	<i>Alan K. [unclear]</i>	✓		
<i>John [unclear]</i>	✓	<i>Alan K. [unclear]</i>	X		
		<i>John [unclear]</i>	X		
Co-Chair:		Co-Chair: <i>[Signature]</i>			
Co-Chair:		Co-Chair: <i>[Signature]</i>			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
Admin	2/27/98		*

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

No: 1

Bill Version: CS HB 206 (FIN)

(H) Publish Date: 3/2/98

STATE OF ALASKA
1998 LEGISLATIVE SESSION

5/5/98

Revision Date: _____
 Title: An Act relating to credited service in the public employees retirement system.
 Sponsor: Representative Porter
 Requestor: (H) FIN

Department Affected: Administration
 BRU: Centralized Administrative Services
 Component: Retirement and Benefits

COMPONENT SERIAL NO. 2271

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	*	*	*	*	*	*
TRAVEL	*	*	*	*	*	*
CONTRACTUAL	*	*	*	*	*	*
SUPPLIES	*	*	*	*	*	*
EQUIPMENT	*	*	*	*	*	*
LAND & STRUCTURES	*	*	*	*	*	*
GRANTS, CLAIMS	*	*	*	*	*	*
MISCELLANEOUS	*	*	*	*	*	*
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES	*	*	*	*	*	*
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ()	*	*	*	*	*	*
------------------------	---	---	---	---	---	---

FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts	*	*	*	*	*	*
1003 GF Match	*	*	*	*	*	*
1004 GF	*	*	*	*	*	*
1005 GF/Program Receipts	*	*	*	*	*	*
1037 GF/Mental Health	*	*	*	*	*	*
OTHER	*	*	*	*	*	*
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY 98) cost: \$ 0

POSITIONS:

FULL-TIME	*	*	*	*	*	*
PART-TIME	*	*	*	*	*	*
TEMPORARY	*	*	*	*	*	*

ANALYSIS: (Attach a separate page if necessary.) Based on the amendment to HB206 that limits purchase of VPSO service to those who are not entitled to receive retirement benefits for the same service, this bill is estimated to have an unmeasurable impact in the PERS funding ratio. There is an increase to the unfunded liability of the PERS of approximately \$145,000. This would result in an employer contribution increase of approximately \$13,000 per year, unmeasurable as a percent of payroll.

This bill would also, for the first time, allow employees to claim credited service for non government employment. This would set a precedent and open the door for other non government forms of service.

If enacted this bill would have no effect on the PERS average employer contribution rate or the funding ratio.

Prepared by: Guy Bell
 Division: Retirement and Benefits

Phone: 465-4470
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Alison M. Edge

Date: 2/27/98

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jd
COMMITTEE COPY

April 1, 1998

MEMO TO FILE

TO: Finance Committee

BILL/RES. NO.: **CS FOR HOUSE BILL NO. 206(FIN) am**

ATTENTION: Nancy, Heidi, Vicki
Senate Secretary's Office

This bill/resolution has not yet received a do pass recommendation.

Please leave this note in the file.

Thank you.

HB

208

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/18/97

REPORTED OUT OF
FURTHER: SFC ~~APR 22 1997~~

DATE TURNED
IN TO OFFICE: 4-22-97

Finance Committee considered CS FOR HOUSE BILL NO. 208(L&C)

"An Act relating to the board of directors of the Alaska Aerospace Development Corporation."

and recommends:

- be replaced with SCS CS HB 208 (FIN)
- adopt previous CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Reed & Hill</i>	<input checked="" type="checkbox"/>	<i>Lee Adams</i>	<input checked="" type="checkbox"/>		
<i>Stan R. Parnell</i>	<input checked="" type="checkbox"/>	<i>David Dowling</i>	<input checked="" type="checkbox"/>		
<i>John Ingram</i>	<input checked="" type="checkbox"/>				
Co-Chair: <i>Irue DeLong</i>	<input checked="" type="checkbox"/>	Co-Chair:			
Co-Chair: <i>Don King</i>	<input checked="" type="checkbox"/>	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
#1 H. Lic. Cont.	4/9	<input checked="" type="checkbox"/>	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

Bill No. 1

Bill Version: CSHB 208(L&C)

(H) Publish Date: 4/9/97

**STATE OF ALASKA
1997 LEGISLATIVE SESSION**

REPORTED OUT OF
SFC APR 22 1997

Revision Date: April 7, 1997
Title: An Act relating to the board of
Directors of the AK Aerospace Develop. Corp
Sponsor: Representative Austerman
Requestor: House Labor & Commerce

Department Affected: Commerce & Economic Develop
BRU: AK Aerospace Development Corp.
Component: AK Aerospace Development Corp.
1424

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
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						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE FUND SOURCE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE						
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: _____

ANALYSIS: (Attach a separate page if necessary)

The House Labor & Commerce Committee voted to zero out the fiscal note. The committee feels that travel should be covered within the Department's budgeted travel accounts.

Prepared by: Shirley L. Armstrong House Labor and Commerce Committee Phone: 465-4954
Division: Shirley L. Armstrong, Staff House Labor & Commerce Date: 4/9/97
Approved by: Shirley L. Armstrong Representative Norman Rokeberg, Chair
Agency: House Labor and Commerce Committee Date: 4/9/97
Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov., & Impacted Agency(ies).

*Am #1 - Concepted by Pearce -
Adopted w/o*

0-LS0696E

*Am #2 - Moved by Pearce
Adopted w/o*

*Pearce Moved S.C. 208 (L&C)
w/o*

CS FOR HOUSE BILL NO. 208(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 4/9/97
Referred: Rules

Sponsor(s): REPRESENTATIVE AUSTERMAN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the board of directors of the Alaska Aerospace Development
2 Corporation."

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

4 * Section 1. AS 14.40.826(a) is amended to read:

5 (a) The powers and responsibilities of the corporation are vested in the
6 board of directors. The board of directors of the corporation consists of nine
7 members appointed by the governor as follows:

8 (1) ^{three} two state residents who have a significant high level of
9 experience in the private business sector, specializing in financing or economic
10 development or marketing [ONE MEMBER OF THE BOARD OF REGENTS OF
11 THE UNIVERSITY OF ALASKA];

12 (2) the president or the designee of the president of the University of
13 Alaska;

14 (3) the director or designee of the Geophysical Institute of the

*Am #2
by Pearce*

H

1 University of Alaska;

2 (4) [THE EXECUTIVE DIRECTOR OF THE ALASKA SCIENCE
3 AND TECHNOLOGY FOUNDATION;

4 (5)] the commissioner of commerce and economic development or the
5 commissioner's designee;

6 ^{two} (5) three members who have held or currently hold positions in the
7 aerospace or commercial space industry or special experience regarding federal
8 regulatory procedures and policies involving space or operational experience:
9 members with aerospace experience shall not exceed two; and

10 (6) [TWO MEMBERS WHO HAVE EXPERIENCE AND
11 UNDERSTANDING OF THE AEROSPACE OR COMMERCIAL SPACE
12 INDUSTRY, ONE OF WHOM SHALL HAVE A SPECIAL EMPHASIS IN
13 FEDERAL REGULATORY PROCEDURES AND POLICY INVOLVING SPACE;

14 (7) ONE FACULTY MEMBER OF THE UNIVERSITY OF ALASKA
15 WITH RESEARCH INTERESTS INVOLVING ROCKETS OR SATELLITES;

16 (8)] a public school educator or a public member.

17 * Sec. 2. AS 14.40.826(b) is amended to read:

18 (b) The members of the board of directors of the corporation described in
19 (a)(5) [(a)(6)] of this section may be nonresidents of the state. The term of the
20 members described in (a)(1), (5) and (6) [(a)(1), (6), (7), AND (8)] of this section is
21 four years and those terms shall be staggered.

22 * Sec. 3. AS 14.40.826(c) is amended to read:

23 (c) Members of the board of directors of the corporation described in (a)(1),
24 (5) and (6) [(a)(6) AND (8)] of this section receive \$100 compensation for each day
25 spent on official business of the corporation.

26 * Sec. 4. AS 14.40.831 is amended to read:

27 Sec. 14.40.831. Chair and Vice-chair. The board of directors of the
28 corporation shall select a chair and vice-chair from among the members
29 [PRESIDENT OF THE UNIVERSITY OF ALASKA OR THE DESIGNEE OF THE
30 PRESIDENT SHALL BE THE CHAIR OF THE BOARD OF DIRECTORS OF THE
31 CORPORATION. THE COMMISSIONER OF COMMERCE AND ECONOMIC

1 DEVELOPMENT OR THE DESIGNEE OF THE COMMISSIONER SHALL BE
2 VICE-CHAIR] of the board of directors of the corporation. The vice-chair presides
3 over all meetings in the absence of the chair and has other duties the board of directors
4 of the corporation may direct.

5 * Sec. 5. TRANSITIONAL PROVISION. Notwithstanding AS 14.40.826, as amended by
6 this Act, persons serving on the board of directors of the Alaska Aerospace Development
7 Corporation on the day before the effective date of this Act may continue to serve on the
8 board until their current terms expire or until they are replaced by the governor under this Act,
9 whichever is earlier.

Conceptual Amendment #1 to CSHB 208(L&C) by Pearce:

"the chair and vice-chair be Alaska residents"

Amendment #2 by Pearce:

page 1, line 8: delete "two" insert "three"

page 2, line 6: delete "three" insert "two"

1 University of Alaska;

2 (4) [THE EXECUTIVE DIRECTOR OF THE ALASKA SCIENCE
3 AND TECHNOLOGY FOUNDATION;

4 (5)] the commissioner of commerce and economic development or the
5 commissioner's designee;

6 ¹⁰⁰⁵
7 (5) three members who have held or currently hold positions in the
8 aerospace or commercial space industry or special experience regarding federal
9 regulatory procedures and policies involving space or operational experience;

10 ~~members with aerospace experience shall not exceed two; and~~

11 (6) [TWO MEMBERS WHO HAVE EXPERIENCE AND
12 UNDERSTANDING OF THE AEROSPACE OR COMMERCIAL SPACE
13 INDUSTRY, ONE OF WHOM SHALL HAVE A SPECIAL EMPHASIS IN
14 FEDERAL REGULATORY PROCEDURES AND POLICY INVOLVING SPACE;

15 (7) ONE FACULTY MEMBER OF THE UNIVERSITY OF ALASKA
16 WITH RESEARCH INTERESTS INVOLVING ROCKETS OR SATELLITES;

17 (8)] a public school educator or a public member.

18 * Sec. 2. AS 14 40.826(b) is amended to read:

19 (b) The members of the board of directors of the corporation described in
20 (a)(5) [(a)(6)] of this section may be nonresidents of the state. The term of the
21 members described in (a)(1), (5) and (6) [(a)(1), (6), (7), AND (8)] of this section is
22 four years and those terms shall be staggered.

23 * Sec. 3. AS 14.40.826(c) is amended to read:

24 (c) Members of the board of directors of the corporation described in (a)(1),
25 (5) and (6) [(a)(6) AND (8)] of this section receive \$100 compensation for each day
26 spent on official business of the corporation.

27 * Sec. 4. AS 14.40.831 is amended to read:

28 Sec. 14.40.831. Chair and Vice-chair. The board of directors of the
29 corporation shall select a chair and vice-chair from among the members
30 [PRESIDENT OF THE UNIVERSITY OF ALASKA OR THE DESIGNEE OF THE
31 PRESIDENT SHALL BE THE CHAIR OF THE BOARD OF DIRECTORS OF THE
CORPORATION. THE COMMISSIONER OF COMMERCE AND ECONOMIC

DELETED
OR CHG TO ONE!

HB

210

SFIN

FILE

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. HB 210

Revision Date	<u>1/8/98</u>	Dept. Affected	<u>DOT&PF</u>
Title	<u>Airport Duty-Free Concessions</u>	BRU	<u>Anch & Frbnks International Airports</u>
		Component	<u>Airport Operations</u>
Sponsor	<u>Representative Rokberg</u>		
Requester	<u>House Transportation</u>	Component Serial No.	<u>1812, 1813</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
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 EXPENDITURES						
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Heal.h						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Department of Transportation and Public Facilities anticipates no additional costs associated with passage of House Bill 210.

Prepared by	<u>Dennis Poshard</u>	Phone <u>465-3901</u>
Division	<u>Special Assistant</u>	Date <u>1/8/98</u>
Approved by	<u>[Signature]</u>	Date <u>1/8/98</u>
Agency	<u>DOT&PF</u>	

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HB 210

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

May 6, 1997

SUBJECT: Retroactivity of application of HB 210 to current contracts
(Work Order No. 10-LS0826\A)

TO: Representative Norman Rokeberg
Attn: Janet Seitz

FROM:  Theresa Bannister
Legislative Counsel

This memo accompanies the amendment that you requested for the bill described above to make it clear that the bill applies to contracts in effect on the effective date of the Act.

You will note that the amendment contains an express statement that it is retroactive. After further consideration of the application of the bill to current contracts, I believe that application of the bill to current contracts may, in fact, be retroactive. The reason for this conclusion is that the bill would give a different legal effect to the contracts than they had before the effective date of the bill. This stems from the fact that after the effective date the contracts become eligible for an extension they weren't eligible for before. The express statement in sec. 2 proposed by the amendment is necessary to make sure that the bill will be interpreted to operate retroactively.

Application of the bill to contracts entered into before the effective date of this Act would also be considered a retroactive application of the bill, even if the language, "including a contract entered into before the effective date of this Act," were not added. Therefore, if you want to make sure that your bill covers those current contracts, I recommend adding the language in the amendment.

If I may be of further assistance, please advise.

TLB:lmb
97-076.lmb

0-LS0826A.1
Bannister
5/6/97

AMENDMENT

SENATE FINANCE
COMMITTEE

Amendment Number: 1
Bill Number: HB 210
Sponsor: Pearce Date: 5/1/97
Logged In By: [Signature]

OFFERED IN THE SENATE
TO: HB 210

- 1 Page 1, line 6, following the second occurrence of "contract":
- 2 Insert ", including a contract entered into before the effective date of this Act,"

- 3 Page 1, following line 10:
- 4 Insert a new bill section to read:
- 5 "* Sec. 2. To the extent sec. 1 covers contracts entered into before the effective date of
- 6 this Act, sec. 1 is retroactive under AS 01.10.090."

SENATE FINANCE
COMMITTEE

Amendment Number: 2

Bill Number: HB 210

Sponsor: _____ Date: 4/30/98

Logged In By: Mindy

0-LS0826\K.1'

Bannister

4/29/98

AMENDMENT

OFFERED IN THE SENATE

TO: SCS HB 210(FIN), Draft Version "K"

1 Page 1, line 2, following "extension":

2 Insert "and modification"

3 Page 2, line 7:

4 Delete "a new subsection"

5 Insert "new subsections"

6 Page 2, line 14, following "contract":

7 Insert ", except for a holdover for the convenience of the department"

8 Page 2, following line 14:

9 Insert a new subsection to read:

10 "(h) If the contractor makes a substantial investment in leasehold
11 improvements ^{approved by department,} subsequent to the award of a contract under this section, the
12 commissioner may modify any contract provision that would increase the contractor's
13 contract payments because of an increase in the contractor's income due to the
14 leasehold improvements."

*Sen Jacques move
Sen Jacques move do
and and
amended w/ dit objects*

*amended Amendment #2
adopted w/ dit
objects*

SENATE FINANCE
COMMITTEE

Amendment Number: 3

Bill Number: HB 210

Sponsor: Adams Date: 5/1/98

Logged In By: Mindy

by Senator Adams

moved

Co Chair Sharp object

2-3 FAILED

AMENDMENT

OFFERED IN THE SENATE

TO: SCSHB210(FIN), Draft Version "K"

Page 1, line 13, following "commissioner"

Delete "shall"

insert "may"

SENATE FINANCE
COMMITTEE

Amendment Number: 4.
Bill Number: HB 210
Sponsor: Adams Date: 5/1/98
Logged In By: Mindy

AMENDMENT

OFFERED IN THE SENATE

TO: SCSHB210(FIN), Draft Version "K"

Page 1, line 13, following "years."

Delete "The"

Insert "For each land lease the"

Page 1, line 14

Delete "^aan"

Insert "one"

by Senator Adams
move by Adams
Sen Panell object removed

Conceptinal
adopted w/out objection
Amended #4.

move to amend Sen Adams
no objection

0-LS0826K
Bannister
4/29/98

*Sen Joseph move to
adopt
What object* ADOPTED
WORK DRAFT

SENATE CS FOR HOUSE BILL NO. 210(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE ROKEBERG

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to leases of state-owned or state-controlled airport or air
2 navigational facility land; and relating to the extension of contracts for the sale
3 and delivery of in-bond merchandise at international airports."

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

5 * Section 1. AS 02.15.090(c) is amended to read:

6 (c) Notwithstanding the right of the public to rightful, equal, and uniform use
7 under (a) of this section, before the expiration of a land lease, including the
8 termination of a lease in hold over status, entered into under this section, the lessee may
9 apply for a new lease, or for an extended term under the existing lease, for the same
10 land. The duration of a new lease under this subsection, including any extensions
11 of that lease, may not exceed 55 years. The duration of an extension under this
12 subsection, when added to the lease being extended and to any earlier extensions
13 of the lease being extended, may not exceed 55 years. The commissioner shall
14 approve the application for a new land lease or an extended term under this section

one

Adams moved amended #4
SCS HB 210(FIN)

moved by Adams
sponsor objected
work with drafters
0-LS0826K

WORK DRAFT

WORK DRAFT

1 without offering the land to other persons for leasing ~~and without regard to the~~
2 ~~number of the lessee's prior leases or lease extensions for the same land~~ if

3 (1) the lessee is in compliance with the terms and conditions of the
4 existing or holdover lease; and

5 (2) the continued use of the leasehold is consistent with written airport
6 operation policies and is in the state's best interest.

7 * Sec. 2. AS 02.15.091 is amended by adding a new subsection to read:

8 (g) Notwithstanding the other provisions of this section, the department may
9 extend a contract for the sale and delivery of in-bond merchandise at an international
10 airport if an extension is expressly permitted under the procurement solicitation for and
11 under the provisions of the contract being extended, if the contractor agrees, and if the
12 department determines that extension of the contract is in the best interest of the state
13 and of the airport. An extension under this subsection may not extend a contract for
14 an additional period longer than the original term of the contract.