

**ALASKA LEGISLATURE**

**2013**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000**

164

**HB**

**325**

**HFIN**

**FILE**

(11)

Date Referred to Committee: March 29, 2000

# HOUSE COMMITTEE REPORT

FURTHER REFERRALS:

Date of Committee Action: 4/4/00

The FINANCE Committee considered:

HB 325

HOUSE BILL NO. 325

MEDICAL ASSISTANCE: LIENS & CLAIMS

"An Act relating to priorities, claims, and liens for payment for certain medical services provided to medical assistance recipients; and providing for an effective date."

recommends it be replaced with the following committee substitute

(S) HB 325 (LUD)

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) \_\_\_\_\_

fiscal note(s) DHSS 2/2/00

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Therriault</i>	Therriault	X			
<i>Glenn Mulder</i>	Mulder			✓	
<i>Carl Bunde</i>	Bunde	✓			
<i>Alan Austin</i>	Austin			X	
<i>John J. Davis</i>	J. Davis	X			
<i>Ben Grussendorf</i>	Grussendorf	X			
<i>Carol P. Moses</i>	Moses	X			
<i>John G. Davis</i>	G. Davis			X	
<i>William Williams</i>	Williams	X			
<i>John F. Foster</i>	Foster	X			
<i>Saint Phillip's</i>	Phillips	X			

CO CHAIR'S SIGNATURE *Gene Therriault* (8) *Glenn Mulder* (3)

The 04/04/00

**FISCAL NOTE**

No. 1

**STATE OF ALASKA**  
**2000 LEGISLATIVE SESSION**

Bill Ver #: HB 325  
(H) Publish Date: 2/2/00

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: Medicaid lien recovery and filing period BRU: Medical Assistance  
 Component: Medicaid Services  
 Sponsor: Rules COMPONENT SERIAL NO. 2077  
 Requestor: Governor See also (SN#): \_\_\_\_\_

**Expenditures/Revenues:** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	(2.7)	(10.7)	(10.7)	(10.7)	(10.7)	(10.7)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(2.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGES IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	(1.6)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
1003 GF Match	(1.1)	(4.3)	(4.3)	(4.3)	(4.3)	(4.3)
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (please specify)						
<b>TOTAL</b>	<b>(2.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>

Estimate of any current year (FY2000) cost: \$0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation would make two changes to the Medicaid program: the net effect of those changes is shown above. First, the legislation would strengthen the Department of Health and Social Services' ability to recover money from third party payors when they are liable for the medical expenses that have been paid by the department for someone receiving medical assistance under Medicaid or the Chronic and Acute Medical Assistance (CAMA) program. This would result in the Department recovering more of these expenditures.

The legislation also extends the timely filing period for providers to submit claims to Medicaid and CAMA from six months to one year. This will increase expenditures as currently some claims are not paid solely because they are not filed within the six month time period. The following page shows the separate impacts. (Note: impacts to CAMA are not included as they are not considered material.)

Prepared by: Jon Sherwood Phone: 465-3355  
 Division: Medical Assistance Date/Time: 1/20/00 3:03 PM  
 Approved by Commissioner: Karen Perdue, Commissioner Date: 1/24/00  
 Agency: Department of Health & Social Services

HB 325



TONY KNOWLES  
GOVERNOR  
governor@gov.state.ak.us

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

P.O. Box 110001  
Juneau, Alaska 99811-0001  
(907) 465-3500  
Fax (907) 465-3532  
www.gov.state.ak.us

January 31, 2000

The Honorable Brian Porter  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Porter:

In the interest of recovering medical assistance payments due to the state, I am transmitting this bill that grants the Department of Health and Social Services an express right to a lien against any money recovered from a third party for assistance payments. The bill also strengthens the department's existing right of third party subrogation and extends the time period from six months to one year for medical providers to file claims with the department for medical services provided.

Under the bill, when a state medical assistance recipient recovers money from a third party who is found liable for the recipient's medical expenses, the department would have a lien against that recovery. The department's lien would be reduced by a pro rata share of the recipient's attorney fees and litigation costs incurred in the recovery. If the department incurs attorney fees and costs to enforce the lien, the amount of the lien would be increased to cover those fees and costs. The department's lien would take priority over a lien filed by a hospital, nurse, or physician.

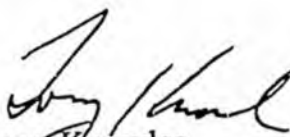
Under existing law, when a state medical assistance recipient has a claim against a third party for the recipient's medical expenses, the department has a right of subrogation. This law allows the department to stand in the place of the recipient to enforce the recipient's claim for medical assistance payments against an insurer or other third party. This bill adds a requirement that the recipient give the department notice if the recipient has an action or claim against a third party so that the department may enforce its subrogation rights. The bill also expressly grants the department the right to bring an

The Honorable Brian Porter  
January 31, 2000  
Page 2

action to recover on a subrogated medical assistance claim regardless of whether the recipient acts or fails to act to enforce the claim.

I urge your support of this important legislation.

Sincerely,



Tony Knowles  
Governor

# FISCAL NOTE

No: 1

**STATE OF ALASKA**  
**2000 LEGISLATIVE SESSION**

Bill Ver n: HB 325  
(H) Publish Date: 2/2/00

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health and Social Services  
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 Requestor: Governor See also (SN#): \_\_\_\_\_

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GRANTS, CLAIMS	(2.7)	(10.7)	(10.7)	(10.7)	(10.7)	(10.7)
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>(2.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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1002 Federal Receipts	(1.6)	(6.4)	(6.4)	(6.4)	(6.4)	(6.4)
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1004 GF						
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Estimate of any current year (FY2000) cost: \$0.0

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation would make two changes to the Medicaid program; the net effect of those changes is shown above. First, the legislation would strengthen the Department of Health and Social Services' ability to recover money from third party payors when they are liable for the medical expenses that have been paid by the department for someone receiving medical assistance under Medicaid or the Chronic and Acute Medical Assistance (CAMA) program. This would result in the Department recovering more of these expenditures.

The legislation also extends the timely filing period for providers to submit claims to Medicaid and CAMA from six months to one year. This will increase expenditures as currently some claims are not paid solely because they are not filed within the six month time period. The following page shows the separate impacts. (Note: impacts to CAMA are not included as they are not considered material.)

Prepared by: Jon Sherwood Phone: 465-3355  
 Division: Medical Assistance Date/Time: 1/20/00 3:03 PM  
 Approved by Commissioner: Karen Perdue, Commissioner Date: 1/24/00  
 Agency: Department of Health & Social Services

**ANALYSIS (cont.):**

**Medicaid Lien and Recovery**

Giving the Department lien authority and improving its subrogation rights will result in increased third-party settlement recoveries (those recoveries in which liens and subrogation are at issue) for the Medicaid program. Because regulations are necessary to implement some provisions and third party recoveries usually take place well after the Medicaid program has paid for the medical services, recoveries are not expected to increase immediately. The table below shows the projected increase in recoveries.

<u>Year</u>	<u>Increased Recovery (thousands)</u>
FY2001	\$52.7
FY2002	\$210.7
FY2003	\$210.7
FY2004	\$210.7
FY2005	\$210.7
FY2006	\$210.7

Assumption: Third party settlement recoveries will increase by one-third, beginning in the 4th quarter of FY2001.

**Timely Filing Period Extension**

Currently, some Medicaid providers fail to bill within the six month timely filing period. In some cases, these claims are not reimbursed. In other cases, where providers show good cause for late filing, they may get paid for 50 percent of the normal reimbursement for the claims.

Extending the timely filing period to 12 months and allowing full reimbursement for late claims with good cause will result in more valid claims being paid in full. The amount of late claims can vary widely from year to year, and in some years, more late claims are meet the good cause criteria for partial reimbursement. The table below represents an average estimated amount of increased claims payments as a result of the proposed change, assuming that implementing regulations become effective in the fourth quarter of FY2001.

<u>Year</u>	<u>Increased Payments (thousands)</u>
FY2001	\$50.0
FY2002	\$200.0
FY2003	\$200.0
FY2004	\$200.0
FY2005	\$200.0
FY2006	\$200.0

Assumption: New timely filing limits go into effect beginning the 4th quarter of FY2001.

<u>Net Impact</u>	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>
Liens and Recovery (decrease)	(52.7)	(210.7)	(210.7)	(210.7)	(210.7)	(210.7)
Timely Filing (increase)	50.0	200.0	200.0	200.0	200.0	200.0
<b>TOTAL</b>	<b>(2.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>	<b>(10.7)</b>

1-GH2058\H  
Lauterbach  
4/4/00

(withdrawn)

**CS FOR HOUSE BILL NO. 325(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

Offered:  
Referred:

**Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to priorities, claims, and liens for payment for certain medical  
2 services provided to medical assistance recipients; and providing for an effective  
3 date."

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

5 \* **Section 1.** AS 34.35.460 is amended by adding a new subsection to read:

6 (b) A hospital or the owner or operator of a hospital, or a physician or licensed  
7 special nurse who files a notice of lien under (a) of this section for hospitalization or  
8 services provided to a recipient of medical assistance under AS 47 shall mail a copy  
9 of the notice of lien to the unit of the Department of Health and Social Services that  
10 administers medical assistance for needy persons under AS 47. The copy must be sent  
11 by certified mail no later than 30 days after the filing of the notice of lien under (a)  
12 of this section.

13 \* **Sec. 2.** AS 34.35 is amended by adding a new section to read:

14 **Sec. 34.35.481. Priority of liens.** A lien perfected by the Department of

1 Health and Social Services under AS 47.05.075 has priority over a lien perfected by  
2 a hospital, nurse, or physician under AS 34.35.450 - 34.35.480.

3 \* Sec. 3. AS 47.05.070 (b) is amended to read:

4 (b) If the department provides or pays for medical assistance for injury or  
5 illness under this title, the department is subrogated to the rights of the recipient of that  
6 medical assistance for any claim arising from the injury or illness and to the proceeds  
7 of an insurance policy covering the injury or illness to the extent of the value of the  
8 medical assistance provided. A recipient of medical assistance or the recipient's  
9 attorney must notify the department in writing of any action or claim against a  
10 third-party pavor if medical assistance was provided by the department to treat  
11 an injury or illness for which the third party may be liable. Notwithstanding the  
12 assertion of any action or claim by the recipient of medical assistance, the  
13 department may bring an action in the superior court against an alleged third-  
14 party pavor to recover an amount subrogated to the department for medical  
15 assistance provided on behalf of a recipient.

16 \* Sec. 4. AS 47.05.070(c) is amended to read:

17 (c) If a recipient of medical assistance under this title settles a claim or obtains  
18 an award or judgment arising from the injury or illness for which the medical  
19 assistance was received, the amount of the claim to which the department is  
20 entitled under (b) of this section shall be reduced by a pro rata share of the  
21 [DEPARTMENT SHALL REIMBURSE THE RECIPIENT FOR] attorney fees and  
22 litigation costs [COMMENSURATE WITH THE AMOUNT OF THE SETTLEMENT,  
23 AWARD, OR JUDGMENT TO WHICH THE DEPARTMENT IS ENTITLED  
24 UNDER (b) OF THIS SECTION]. Regardless of the manner in which the amount of  
25 the attorney fees is derived in the particular case, the pro rata reduction of the  
26 subrogated claim for [,] reimbursement of attorney fees shall be calculated in  
27 accordance with the applicable rules of court governing the award of attorney fees in  
28 civil matters.

29 \* Sec. 5. AS 47.05.070 is amended by adding new subsections to read:

30 (e) Notwithstanding (b) of this section, the department may waive the  
31 subrogation rights to all or part of the amount of medical assistance paid on behalf of

1 a recipient of medical assistance in cases of undue hardship.

2 (f) The department may adopt regulations to interpret and implement this  
3 section.

4 \* Sec. 6. AS 47.05 is amended by adding a new section to read:

5 **Sec. 47.05.075. Medical assistance lien.** (a) The department has a lien upon  
6 any sum that may be due to the recipient of medical assistance from a third-party  
7 payor. The lien is in the amount of the medical assistance paid for medical services  
8 under this title, together with reasonable attorney fees and litigation costs incurred in  
9 the enforcement of the lien.

10 (b) A lien against a sum due from a third-party payor for medical services  
11 provided to a recipient of medical assistance under this title attaches and is effective  
12 upon filing with a recorder's office in any recording district in the state. However, a  
13 lien filed under this subsection is not perfected and has no effect unless notice of filing  
14 of the lien is served by the department upon the third-party payor, personally or by  
15 registered, certified, or insured mail, return receipt requested.

16 (c) If a recipient of medical assistance under this title settles a claim or obtains  
17 an award or judgment arising from the injury or illness for which the medical  
18 assistance was received, the amount of the lien to which the department is entitled  
19 under (a) of this section shall be reduced by a pro rata share of the attorney fees and  
20 litigation costs. Regardless of the manner in which the amount of the attorney fees is  
21 derived in the particular case, the pro rata reduction of the lien shall be calculated in  
22 accordance with the applicable rules of court governing the award of attorney fees in  
23 civil matters.

24 (d) A perfected lien under this section has priority over a lien perfected by a  
25 hospital, nurse, or physician under AS 34.35.450 - 34.35.480.

26 \* Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section  
27 to read:

28 **APPLICABILITY.** This Act applies to all claims for medical services that are  
29 provided under AS 47 to a recipient of medical assistance on or after the effective date of this  
30 Act.

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

48 325



TONY KNOWLES  
GOVERNOR  
governor@gov.state.ak.us

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

P.O. Box 110001  
Juneau, Alaska 99811-0001  
(907) 465-3500  
Fax (907) 465-3532  
www.gov.state.ak.us

January 31, 2000

The Honorable Brian Porter  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Porter:

In the interest of recovering medical assistance payments due to the state, I am transmitting this bill that grants the Department of Health and Social Services an express right to a lien against any money recovered from a third party for assistance payments. The bill also strengthens the department's existing right of third party subrogation and extends the time period from six months to one year for medical providers to file claims with the department for medical services provided.

Under the bill, when a state medical assistance recipient recovers money from a third party who is found liable for the recipient's medical expenses, the department would have a lien against that recovery. The department's lien would be reduced by a pro rata share of the recipient's attorney fees and litigation costs incurred in the recovery. If the department incurs attorney fees and costs to enforce the lien, the amount of the lien would be increased to cover those fees and costs. The department's lien would take priority over a lien filed by a hospital, nurse, or physician.

Under existing law, when a state medical assistance recipient has a claim against a third party for the recipient's medical expenses, the department has a right of subrogation. This law allows the department to stand in the place of the recipient to enforce the recipient's claim for medical assistance payments against an insurer or other third party. This bill adds a requirement that the recipient give the department notice if the recipient has an action or claim against a third party so that the department may enforce its subrogation rights. The bill also expressly grants the department the right to bring an


Governor

The Honorable Brian Porter  
January 31, 2000  
Page 2

action to recover on a subrogated medical assistance claim regardless of whether the recipient acts or fails to act to enforce the claim.

I urge your support of this important legislation.

Sincerely,



Tony Knowles  
Governor

# STATE OF ALASKA

## DEPT. OF HEALTH AND SOCIAL SERVICES

TONY KNOWLES, GOVERNOR

March 28, 2000

OFFICE OF THE COMMISSIONER

P.O. BOX 110601  
JUNEAU, ALASKA 99811-0601  
PHONE: (907) 465-3030  
FAX: (907) 465-3068

Honorable Gene Therriault, Co-Chairman  
House Finance Committee  
Room 511 Capitol Building  
Juneau, AK 99811

HB 325

Dear Representative Therriault,

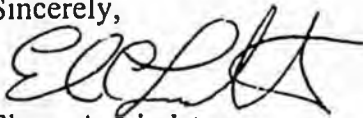
The Department of Health and Social Services respectfully requests a hearing in the House Finance Committee on House Bill 325 "An Act relating to priorities, claims, and liens for payment to certain medical services provided to medical assistance recipients; and providing for an effective date."

The bill contains two distinct provisions: 1) providing the Department of Health and Social Services with unambiguous authority to recover medical costs incurred by the Division of Medical Assistance when a legal settlement making a monetary award to cover injuries has been made; and 2) allowing providers to bill the Division for services up to twelve months from the date of service.

The House Health, Education, and Social Services Committee and House Judiciary Committee have heard the bill and has recommended Committee Substitutes. The Department supports the House (JUD) Committee Substitute which also incorporates material added in the House (HES) Committee. A fiscal note has previously been submitted.

Your favorable consideration of this request would be appreciated.

Sincerely,



Elmer A. Lindstrom  
Special Assistant to the Commissioner

CC: Pat Pourchot  
Legislative Director  
Office of the Governor

Bob Labbe  
Director  
Division of Medical Assistance

**HB**

**325**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/00

REPORTED OUT OF  
SFC 4/20/00

FURTHER:

DATE TURNED  
IN TO OFFICE: 20 April 00

Finance Committee considered

CS FOR HOUSE BILL NO. 325(JUD)

"An Act relating to priorities, claims, and liens for payment for certain medical services provided to medical assistance recipients; and providing for an effective date."

and recommends:

- be replaced with S CS HB 325 (FIN)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s) CS forthcoming
- adopt Letter of Intent by \_\_\_\_\_
- 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>[Signature]</i>	✓				
<i>al Adams</i>	X				
<i>Gary L. Latta</i>	✓				
<i>Loran D. Leman</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>Sean Randall</i>	✓	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
H&SS	4/5/00		(52.7)

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

**STATE OF ALASKA**  
**2000 LEGISLATIVE SESSION**

REPORTED OUT OF  
 SFC 4/20/00

**BILL NO. CS HB 325 (JUD)**

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health and Social Services  
 Title: Medicaid lien recovery and filing period BRU: Medical Assistance  
 Component: Medicaid Services  
 Sponsor: Rules COMPONENT SERIAL NO. 2077  
 Requestor: House Finance See also (SN#): \_\_\_\_\_

**Expenditures/Revenues:** (Thousands of Dollars)

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MISCELLANEOUS						
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CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	(31.5)	(126.0)	(126.0)	(126.0)	(126.0)	(126.0)
1003 GF Match	(21.2)	(84.7)	(84.7)	(84.7)	(84.7)	(84.7)
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Other (please specify)						
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Estimate of any current year (FY2000) cost: \$0.0

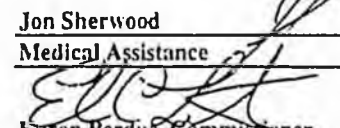
**POSITIONS:**

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PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation would make two changes to the Medicaid program. First, the legislation would strengthen the Department of Health and Social Services' ability to recover money from third party payors when they are liable for the medical expenses that have been paid by the department for someone receiving medical assistance under Medicaid or the Chronic and Acute Medical Assistance (CAMA) program. This would result in the Department recovering more of these expenditures. The impact is shown above and explained on the following page. (Note: impact to CAMA are not included as they are not considered material.)

The legislation also extends the timely filing period for providers to submit claims to Medicaid and CAMA from six months to one year. Fiscal impact of this change is not material to the Medicaid and CAMA programs.

Prepared by: Jon Sherwood Phone: 465-3355  
 Division: Medical Assistance Date/Time: 4/5/00 9:38 AM  
  
 Approved by Commissioner: Karen Perdue, Commissioner Date: 4/5/00  
 Agency: Department of Health & Social Services

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**ANALYSIS (cont.):**

**Medicaid Lien and Recovery**

Giving the Department lien authority and improving its subrogation rights will result in increased third-party settlement recoveries (those recoveries in which liens and subrogation are at issue) for the Medicaid program. Because regulations are necessary to implement some provisions and third party recoveries usually take place well after the Medicaid program has paid for the medical services, recoveries are not expected to increase immediately. The table below shows the projected increase in recoveries.

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FY2005	\$210.7
FY2006	\$210.7

Assumption: Third party settlement recoveries will increase by one-third, beginning in the 4th quarter of FY2001.

**Timely Filing Period Extension**

Impact to the Medicaid and CAMA programs of extending the timely filing period are not material.

Torgerson

SENATE FINANCE  
COMMITTEE

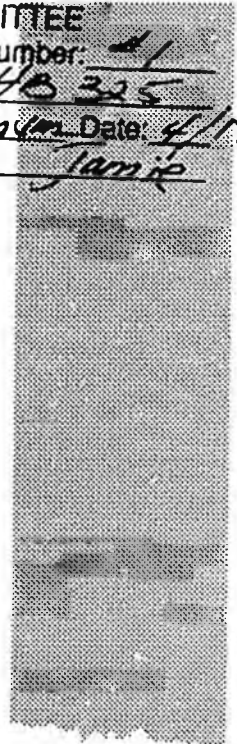
Amendment Number: 41  
Bill Number: HB 305  
Sponsor: Torgerson Date: 4/17/00  
Logged In By: Jamie

Page 3

line 29

delete

[interpret and]



Torgerson

SENATE FINANCE  
COMMITTEE

Amendment Number: 41  
Bill Number: HB 325  
Sponsor: Torgerson Date: 4/17/00  
Logged In By: Jamie

Page 3  
line 29

delete

[interpret and]

SENATE FINANCE  
COMMITTEE

Amendment Number: # 2

Bill Number: HB 325

Sponsor: Parnell Date: 4/20/10

Logged In By: Jamie

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR Parnell

TO: CSHB 325(JUD)

- 1 Page 2, line 1, following "has priority":
- 2 Delete "over"
- 3 Insert "immediately after"



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### FAX COVER SHEET

DATE: 20 April 00 TIME: 9:20 am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 2

FROM: MINDY ROWLAND  
SENATE FINANCE COMMITTEE SECRETARY  
PHONE: 465-4935  
FAX: 465-2187

NOTES: HB 325 1-G#2058 \ G  
plus attached amendments

Thx  
Mindy

Phillips COMMITTEE  
2000 COMMITTEE ACTION

Bill Number	HB 325		
Amendment	#2		
Motion	adopt		
<u>Motion by</u>	Parnell		
<u>Objection by</u>	none		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Randy Phillips			
Senator Dave Donley			
Senator Loren Leman			
Senator Al Adams			
Senator Gary Wilken			
Senator Pete Kelly			
Senator Lyda Green			
Co-Chair Sean Parnell			
Co-Chair John Torgerson			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u> Pass			

HB 325



TONY KNOWLES  
GOVERNOR  
governor@gov.state.ak.us

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

P.O. Box 110001  
Juneau, Alaska 99811-0001  
(907) 465-3500  
Fax (907) 465-3532  
www.gov.state.ak.us

January 31, 2000

The Honorable Brian Porter  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Porter:

In the interest of recovering medical assistance payments due to the state, I am transmitting this bill that grants the Department of Health and Social Services an express right to a lien against any money recovered from a third party for assistance payments. The bill also strengthens the department's existing right of third party subrogation and extends the time period from six months to one year for medical providers to file claims with the department for medical services provided.

Under the bill, when a state medical assistance recipient recovers money from a third party who is found liable for the recipient's medical expenses, the department would have a lien against that recovery. The department's lien would be reduced by a pro rata share of the recipient's attorney fees and litigation costs incurred in the recovery. If the department incurs attorney fees and costs to enforce the lien, the amount of the lien would be increased to cover those fees and costs. The department's lien would take priority over a lien filed by a hospital, nurse, or physician.

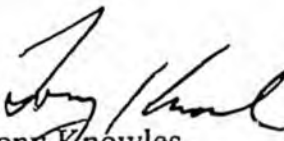
Under existing law, when a state medical assistance recipient has a claim against a third party for the recipient's medical expenses, the department has a right of subrogation. This law allows the department to stand in the place of the recipient to enforce the recipient's claim for medical assistance payments against an insurer or other third party. This bill adds a requirement that the recipient give the department notice if the recipient has an action or claim against a third party so that the department may enforce its subrogation rights. The bill also expressly grants the department the right to bring an

The Honorable Brian Porter  
January 31, 2000  
Page 2

action to recover on a subrogated medical assistance claim regardless of whether the recipient acts or fails to act to enforce the claim.

I urge your support of this important legislation.

Sincerely,



Tony Knowles  
Governor

Teleconference - Available if any questions

Off-net 1

HB 98 Diane Wendlandt, Dept. Law

Anc L10 HB 105 Kit Roberts

HB 325 Leonard Anderson

Off-Net 2 HB 239 Jerry Kurtz - to testify



# Teleconference Participants

TCN: 10794

## Participant Lists

View List for

ALL ▾

Testifiers ▾

Go >>>

Close Window

## Participants

Unidentified Testifiers:

Unidentified Observers:

### ANCHORAGE (ANC)

1

Name: Mr. Leonard Anderson

Phone:

Address:

Affiliation:

City /St /Zip:

Type: Testifier

Bill: HB 325: MEDICAL ASSISTANCE: LIENS & CLAIMS

SENATE FINANCE COMMITTEE

SIGN-IN

HB 325-MEDICAL ASSISTANCE:LIENS & CLAIMS

NAME: Jen Sherwood Subject/Bill No: HB 325  
Co./Dept./Title: DM A Phone: 465-5820  
Address: AOB Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: Lisa Kivson, AAG Subject/Bill No: HB 325  
Co./Dept./Title: DOL, DMA Phone: 465 3600  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_  
Do you wish to testify?  Yes  No  Respond To Questions

**HB**

**331**

**HFIN**

**FILE**

(11)

# HOUSE COMMITTEE REPORT

Date Referred to Committee: March 21, 2000

FURTHER REFERRALS:

Date of Committee Action: 4/12/00

The FINANCE Committee considered:

HB 331

HOUSE BILL NO. 331

ALASKA NATL GUARD/NAVAL & STATE MILITIA

"An Act relating to payment, allowances, and benefits of members of the Alaska National Guard and Alaska Naval Militia in active service; relating to computation of certain benefits for members of the Alaska State Militia; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 331 (MVA)  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) \_\_\_\_\_  fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) MVA 3-3-00

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<u>Don Bunde</u> Bunde	✓			
<u>Lail Phillips</u> Phillips	✓			
<u>W.K. Williams</u> Williams	X			
<u>Paul Moses</u> Moses	✓			
<u>David Davis</u> DAVIS	✓			
<u>John M. Davis</u> DAVIES	X			
<u>Jim Grossendorf</u> Grossendorf	X			

CHAIR'S SIGNATURE Don Bunde

# FISCAL NOTE

No: 2

Bill Version: CSHB 331 (MLV)

Bill (H) Publish Date: 3/3/00

## STATE OF ALASKA 2000 LEGISLATIVE SESSION

Revision Date: 01-Mar-00 Dept Affected: Military & Veterans Affairs  
 Title: An Act relating to compensation of members BRU: Alaska National Guard  
of the Alaska National Guard and Alaska Naval Militia ... Component: Office of the Commissioner  
 Sponsor: Rules Committee  
 Requestor: (H) MLV Component No. #414

Expenditures/Revenues (Thousands of Dollars)  
 Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES (fund code)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2000) cost: \$ n/a

### 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 simplifies the method of calculating pay and allowances for members of the National Guard and Naval Militia. There is no fiscal impact but administrative workload will be reduced in the event the National Guard is called onto Active Duty to respond to a state disaster or emergency. In addition, Guard and Naval Militia members will be paid more timely and accurately than in the past with this change.

This bill also clarifies the status of the Alaska State Defense Force when called to State Active duty. The department will pay to ASDF when called to active duty in accordance with state pay scales (level of work performed) but will recognize that the ASDF is subject to the ASDF command structure and discipline.

Prepared by: Carol B. Carroll *Carol B. Carroll* Phone: 465-4730  
 Division: Administrative Services Date: 01-Mar-00  
 Approved by Commissioner: Phillip Oates *Phillip Oates* Date: 01-Mar-00  
 Agency: Military & Veterans Affairs

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**HB**

**331**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 4/16/00

REPORTED OUT OF  
SFC 4/18/00

FURTHER:

DATE TURNED  
IN TO OFFICE: 4/18/00

Finance Committee considered CS FOR HOUSE BILL NO. 331(MLV)  
RELEASE OF CRIMINAL DEFENDANT

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>[Signature]</i>	✓	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓	<i>[Signature]</i>	X		
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department                      Date      Zero      Fiscal


**PREVIOUS FISCAL NOTE(S):\***

Department                      Date      Zero      Fiscal

MVA	1/3/00	✓	

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

REPORTED OUT OF  
SFC 4/18/00

# FISCAL NOTE

No: 2

Bill Version: CSHB 331 (MLV)  
Bill (H) Publish Date: 3/3/00

## STATE OF ALASKA 2000 LEGISLATIVE SESSION

Revision Date: 01-Mar-00 Dept Affected: Military & Veterans Affairs  
Title: An Act relating to compensation of members BRU: Alaska National Guard  
of the Alaska National Guard and Alaska Naval Militia ... Component: Office of the Commissioner  
Sponsor: Rules Committee  
Requestor: (H) MLV Component No. #414

Expenditures/Revenues (Thousands of Dollars)  
Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CHANGE IN REVENUES (fund code)</b>	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: \$ n/a

### 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 simplifies the method of calculating pay and allowances for members of the National Guard and Naval Militia. There is no fiscal impact but administrative workload will be reduced in the event the National Guard is called onto Active Duty to respond to a state disaster or emergency. In addition, Guard and Naval Militia members will be paid more timely and accurately than in the past with this change.

This bill also clarifies the status of the Alaska State Defense Force when called to State Active duty. The department will pay to ASDF when called to active duty in accordance with state pay scales (level of work performed) but will recognize that the ASDF is subject to the ASDF command structure and discipline.

Prepared by: Carol B. Carroll *Carol B. Carroll* Phone: 465-4730  
Division: Administrative Services Date: 01-Mar-00  
Approved by Commissioner: Phillip Oates *Phillip Oates* Date: 01-Mar-00  
Agency: Military & Veterans Affairs

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# STATE OF ALASKA

DEPARTMENT OF MILITARY & VETERANS AFFAIRS  
OFFICE OF THE COMMISSIONER

April 17, 2000

The Honorable John Torgerson, Co-Chair  
Senate Finance Committee  
Alaska State Senate  
Alaska State Capitol  
Juneau, AK 99811

Dear Senator Torgerson:

The Department of Military and Veterans' Affairs requests that the Committee schedule the following bill for a hearing. This bill is very important to the active members of the National Guard, Naval Militia and the Alaska State Defense Force.

CSHB 331 (MLV) "An act relating to compensation of members of the Alaska National Guard and Alaska Naval Militia in active service", changing the name of the Alaska State Militia to the Alaska State Defense Force: relating to compensation and work status for members of the Alaska State Defense Force"

This bill proposes three changes to existing law. First, the bill would streamline the process for paying members of the Guard and Naval Militia when called to active duty ensuring timely and accurate pay for the soldiers. The bill has the approval of the National Guard Officers and Enlisted Associations.

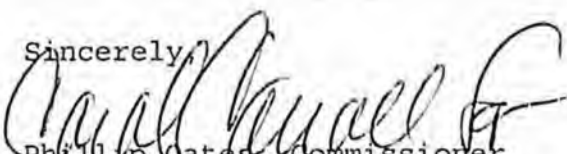
Second, it changes the name of the Alaska State Militia to the Alaska State Defense Force the name commonly used to refer to this volunteer force.

And finally, it clarifies the status of the Alaska State Defense Force when called to state active duty ensuring that the Defense Force has Title 26 job protection and is subject to Military Command and Discipline. This section is strongly supported by the members of the Alaska State Defense Force.

SB 237 and SB 238, which you have in your committee, are companion bills to HB 331. They were combined in the House and the name of the Alaska State Militia changed to the Alaska State Defense Force.

Thank you for your consideration of this request. If you have questions, please contact Carol Carroll at 465-4730.

Sincerely,



Philip Gates, Commissioner

Department of Military and Veterans Affairs

Briefing Paper  
HB 331 (MLV): Compensation of National Guard, Naval  
Militia and Alaska State Defense Force  
Prepared By  
Department of Military and Veterans Affairs  
April 14, 2000

This bill proposes three changes to existing law.

First, the bill would streamline the process for paying members of the Guard and Naval Militia when called to active duty ensuring timely and accurate pay for the soldiers.

Second, it changes the name of the Alaska State Militia to the Alaska State Defense Force the name commonly used to refer to this volunteer force.

And finally, it clarifies the status of the Alaska State Defense Force when called to state active duty ensuring that the Defense Force has Title 26 job protection and is subject to Military Command and Discipline.

Department of Military and Veterans Affairs  
HB 331 (MLV)  
Statement of Intent of Bill

HB 331 "An Act relating to compensation of members of the Alaska National Guard and Alaska Naval Militia in active service; changing the name of the Alaska State Militia to the Alaska State Defense Force; relating to compensation and work status for member of the Alaska State Defense Force; and providing for an effective date".

#### Purpose

The Department of Military and Veterans Affairs is proposing three changes to current law in order to streamline certain functions, clarify the method of paying the Alaska State Defense Force, and change the name of the Alaska State Militia to the Alaska State Defense Force.

#### Background

The Department of Military and Veterans Affairs is composed of three separate organizations. First, the State portion of the Department made up of the Commissioner's Office, Administration, Emergency Services, Facilities Management, and the Alaska Military Youth Academy; second, the federal portion of the department is made up of the Air and Army National Guard and Naval Militia; and third, the Alaska State Militia (commonly known as the Alaska State Defense Force). The collective name in statute for the second and third elements above is the Organized Militia.

#### Sectional Analysis

Sections 1-4 and Section 11 simply change in statute the name of the Alaska State Militia to the more commonly used Alaska State Defense Force.

Section 5 changes the method of calculating pay for the members of the National Guard and Naval Militia when they are called to State Active Duty. State Active Duty results from a call by the Governor for assistance during a search and rescue or a disaster. These individuals work for the federal government, Department of Defense either on a full or part-time basis. When on State Active Duty, they are paid in accordance with the Department of Defense pay

scales. This includes a daily base pay amount for each grade based on the number of years in that grade and allowances such as separate rations, housing, cost of living and flight status.

The department employs one individual who is responsible for calculating State Active Duty pay when the Governor calls on the Guard or Naval Militia to respond to a state crisis. The system is manual, complicated and subject to delay and error.

This section would simplify the procedure by eliminating allowances and replacing them with a 200% of minimum daily basic pay calculation. This would significantly reduce the number of calculations required. 200% was determined to reach approximately the same level of pay for the majority of individuals who would be called to State Active Duty. This change has been coordinated with the Officer and Enlisted Associations for the National Guard.

Section 6 is a conforming section to ensure that the changes later in the bill are noted when determining coverage under Workers Compensation.

Section 7 is also a conforming section similiar to Section 6.

Section 8 is a conforming section to ensure that Workers Compensation benefits are calculated using the changes in pay calculations for the Guard, Naval Militia and Alaska State Defense Force made in other sections of the bill.

Section 9 replaces the term Organized Militia with the groups that make up the Organized Militia for clarification purposes.

Section 10 clarifies in statute the method of paying the Alaska State Defense Force when called to State Active Duty. This group is made up of individuals who are volunteers until called to active duty to respond to a search and rescue or disaster. Each have other jobs but do not work for the Department of Defense. They are not members of the National Guard or Naval Militia.

In the past the department paid these individuals as if they were members of the Guard or Naval Militia. The Attorney General's Office advised that DMVA was paying the

Alaska State Defense Force incorrectly. This bill would establish a statutory basis for payment for services. It would pay as if the members were state employees, using the state pay schedule but recognize that the members are under a military command and discipline structure. This change will also ensure Alaska State Defense Force members retain AS 26 job protection when on State Active Duty.

Section 11 was mentioned in Section 1 above.

Section 12 is the effective date.

**Daily Rate with SBS**

Sal. Sched. AA

8 Hour Shift

	RANGE 8			RANGE 10			RANGE 12		
	Base Rate	Swing	Grave	Base Rate	Swing	Grave	Base Rate	Swing	Grave
Hourly Rate	\$ 11.33	\$ 11.66	\$ 12.02	\$ 12.74	\$ 13.15	\$ 13.58	\$ 14.39	\$ 14.82	\$ 15.33
Daily Rate	\$ 96.20	\$ 99.00	\$ 102.05	\$ 108.17	\$ 111.65	\$ 115.30	\$ 122.18	\$ 125.83	\$ 130.16

**Daily Rate without SBS**

Sal. Sched. AA

8 Hour Shift

	RANGE 8			RANGE 10			RANGE 12		
	Base Rate	Swing	Grave	Base Rate	Swing	Grave	Base Rate	Swing	Grave
Hourly Rate	\$ 11.33	\$ 11.66	\$ 12.02	\$ 12.74	\$ 13.15	\$ 13.58	\$ 14.39	\$ 14.82	\$ 15.33
Daily Rate	\$ 90.64	\$ 93.28	\$ 96.16	\$ 101.92	\$ 105.20	\$ 108.64	\$ 115.12	\$ 118.56	\$ 122.64
Daily Savings	\$ 5.56	\$ 5.72	\$ 5.89	\$ 6.25	\$ 6.45	\$ 6.66	\$ 7.06	\$ 7.27	\$ 7.52

SAD DUTY PAY AND ALLOWANCE COMPARISON WORKSHEET

<u>RANK AND YEARS OF SERVICE</u>	<u>DAILY PAY AMOUNT CURRENT METHOD*</u>	<u>DAILY PAY AMOUNT PROPOSED FORMULA</u>	<u>DIFFERENCE</u>
<u>Officers</u>			
Colonel - 20	\$277.45	\$270.74	-\$6.71
Lt Colonel - 18	\$251.52	\$216.56	-\$34.96
Major - 14	\$216.64	\$182.52	-\$34.96
Captain - 8	\$182.95	\$169.60	-\$34.12
1st Lt - 4	\$152.93	\$147.92	-\$13.35
2nd Lt - 2	\$114.44	\$128.42	-\$5.01
Warrant Officer 5 - 20	\$214.10	\$294.92	\$80.82
Warrant Officer 4 - 18	\$192.04	\$172.80	-\$19.24
Warrant Officer 3 - 12	\$162.93	\$157.06	-\$5.87
Warrant Officer 2 - 8	\$141.31	\$137.56	-\$3.75
Warrant Officer 1 - 4	\$122.55	\$114.60	-\$7.95
<u>Air Force/Army Enlisted</u>			
CMSgt/Sgt Maj - 20	\$178.05	\$201.02	\$22.97
SMSgt/1st Sgt - 18	\$157.73	\$168.56	\$10.83
MSgt/Sgt First Class - 14	\$139.05	\$117.72	-\$21.33
TSgt/SSgt - 10	\$121.36	\$105.30 (State Minmum)	-\$16.06
SSgt/Sgt - 0 thru 20	\$105.30 (State Minimum)	\$105.30 (State Minmum)	\$0.00
SRA/Spec - 0 thru 20	\$105.30 (State Minimum)	\$105.30 (State Minmum)	\$0.00
A1C/Pvt 1st Class - 0 thru 20	\$105.30 (State Minimum)	\$105.30 (State Minmum)	\$0.00
Amn/Pvt 2nd Class - 0-20	\$105.30 (State Minimum)	\$105.30 (State Minmum)	\$0.00
AB/Pvt - 0 thru 20	\$105.30 (State Minimum)	\$105.30 (State Minmum)	\$0.00

Note 1: Includes base pay, housing , COLA, Separate rations

Note 2: Calculated at with dependents housing rate and one dependent COLA rate

Note 3: Does not include other additional special pay for pilots and aircrew members

Note 4: If total pay and allowance is less than the State Daily Minimum (\$105.30) the member receives the State Daily Minimum amount.

LT Colonel - Lieutenant Colonel	1st Lt - First Lieulentant	2nd Lt - Second Lieulentant	CMSgt - Chief Master Sergeant
Sgt Maj - Sergeant Major	SMSgt - Senior Master Sergeant	1st Sgt - First Sergeant	MSgt - Master Sergeant
Sgt First Class - Sergeant First Class	TSgt - Technical Sergeant	SSgt - Staff Sergeant	Sgt - Sergeant
SRA - Senior Airman	Spec - Specialist	A1C - Airman First Class	Pvt 1st Class - Private 1st Class
Amn - Airman	Pvt 2nd Class - Private 2nd Class	AB - Airman Basic	Pvt - Private

TONY KNOWLES  
Governor  
2000 Alaska State Capitol

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

OFFICE OF THE GOVERNOR  
2000 ALASKA STATE CAPITOL  
JUNEAU, ALASKA 99801-1100  
PHONE: 907-465-3000  
FAX: 907-465-3000

February 1, 2000

The Honorable Brian Porter  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Porter:

When members of the Alaska National Guard and Alaska Naval Militia are called to active service for the state, it's important they be adequately compensated for their valuable work in a timely manner. To that end, this bill simplifies the pay scale and system for the Alaska National Guard (ANG) and Alaska Naval Militia (NM).

Currently, when called to state active duty, members of the ANG and NM receive pay and allowances equal to those provided by federal law for members of equivalent grades of the United States armed forces. Daily minimum pay is determined by grade and years of service with a statutory minimum. Allowances include food, housing, cost-of-living increase, and quarters and are determined based on the circumstances of each individual.

Calculating pay and allowances under the current law requires obtaining information from the federal government regarding current pay scales and allowance amounts. This can cause significant delays in payment of ANG and NM members. It is also a labor-intensive system involving numerous manual calculations with an unreasonable chance for errors.


This bill simplifies the pay system for state active duty by retaining statutory minimum pay, disregarding years of service, and eliminating allowances. Members will simply receive 200 percent of the minimum basic pay for a member of an equivalent grade in the active military -- or the statutory minimum, if greater. Simplifying the calculation will save administrative time and will result in members of the ANG and NM receiving their checks in a more timely fashion.

The Honorable Brian Porter  
February 1, 2000  
Page 2

The bill also provides that this proposed new pay scale will be used to calculate workers' compensation and death benefits for the organized militia, which includes the Alaska State Militia as well as the ANG and NM.

I urge your prompt and favorable action on this measure.

Sincerely,



Tony Knowles  
Governor



# Teleconference Participants

TCN: 10803

## Participant Lists

View List for

ALL

Testifiers

Go >>>

Close Window

## Participants

Unidentified Testifiers: 0

Unidentified Observers: 0

### ANCHORAGE (ANC)

1 Name:Mr. Richard Thomas Ans ?s

Phone:

Address:

Affiliation: Natl Guard

City /St /Zip:

Type: Testifier

Bill: HB 331: AK NATL GUARD/NAVAL MILITIA/DEFENSE FORCE

2 Name:Ms. Cheryl Frasca Ans ?s

Phone:

Address:

Affiliation:

City /St /Zip:

Type: Testifier

Bill: HCR 22: LB&A STUDY OF FISCAL & REVENUE POLICIES

### MATSU (MAT)

1 Name:Gen Thomas Weststall

Phone:

Address:

Affiliation:

City /St /Zip:

Type: Testifier

Bill: HB 331: AK NATL GUARD/NAVAL MILITIA/DEFENSE FORCE

SENATE FINANCE COMMITTEE

SIGN - IN

HB 331-AK NATL GUARD/NAVAL MILITIA/DEFENSE FORCE

NAME: CAROL CARROLL Subject/Bill No: HB 331  
Co./Dept./Title: DMVA Phone: 4730  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

Do you wish to testify?  Yes  No  Respond To Questions

**HB**

**333**

**HFIN**

**FILE**

HB 333

TONY KNOWLES  
GOVERNOR  
2000 11th Ave. Ste. 1000

Juneau, Alaska 99801  
Phone: 907-586-2200  
Fax: 907-586-2202  
www.governor.ak.gov

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 1, 2000

The Honorable Brian Porter  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182


Dear Speaker Porter:

I signed into law in 1997 a bill allowing fishermen to establish regional dive fishery associations with the ability to assess themselves to support management and development of their fisheries. By 1999, one association had organized and begun paying its self-assessed tax to the state. This bill I transmit today fulfills the bargain made with dive fishermen in the 1997 law --that the state ensure the association's self-assessments are used to support the dive fisheries.

This bill requires dive fishery assessments be accounted for separately and classified as non-general fund revenues. The assessment is levied on the value of fishery resources taken by dive gear within specified areas. Current law states the assessment receipts may be appropriated to the Department of Fish and Game and qualified development associations to fund research, stock assessment and management activities. By accounting for these funds separately and allowing them to be appropriated back to the program, the state will honor the commitment made by the dive fishermen who voted to tax themselves to pay for more research and management in their fishery.

This is an excellent example of the fishing industry being willing to contribute to paying the cost of commercial fisheries management and research and worthy of your support.

Sincerely,

  
Tony Knowles  
Governor

**HB**

**334**

**HFIN**

**FILE**

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: March 15, 2000

FURTHER REFERRALS:

Date of Committee Action: 4/3/00

The FINANCE Committee considered:

HB 334

HOUSE BILL NO. 334

CHARGE FOR COMMUNITY DEVELOPMENT QUOTA

"An Act relating to the establishment of and accounting for an administrative cost charge for the state's role in the community development quota program and to the appropriation of receipts from the charge; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 334 (Fin) [ ] the same title [x] a new title

[ ] additional referral to \_\_\_\_\_ Committee [ ] attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[x] fiscal note(s) F&G

[x] fiscal note(s) DCED 2-2-00

[ ] zero fiscal note(s) \_\_\_\_\_

[ ] zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Therriault</i>	Therriault	x			
<i>Yolo Mulder</i>	Mulder	x			
<i>Allen Austerman</i>	Austerman	x			
<i>Al Davis</i>	DAVIS			x	
<i>Ben Gussendorf</i>	Gussendorf			x	
<i>Phil Phillips</i>	Phillips	✓			
<i>Al Davis</i>	DAVIS	✓			
<i>W.K. Williams</i>	Williams	✓			

CHAIR'S SIGNATURE

*Gene Therriault*

FISCAL NOTE Bill version: HB 334

(H) Publish Date: 2/2/00

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected Community and Economic  
Title Administrative charge for the state's role in the CDQ BRU Community and Economic Development  
Component Community and Economic Development  
Sponsor Rules  
Requester Governor Component No. \_\_\_\_\_

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ( )	250.0	250.0	250.0	250.0	250.0	250.0
------------------------	-------	-------	-------	-------	-------	-------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Statutory Designated P/R	250.0	250.0	250.0	250.0	250.0	250.0
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2000) cost: 250.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will switch the funding source for the Community Development Quota (CDQ) program from the general fund to statutory designated program receipts, through the implementation of a fee structure on the groups benefiting under the program. This fee structure is supported by the CDQ groups and the department as a method of making this successful and lucrative program self-supporting.

Prepared by: Jeffrey W. Bush Phone \_\_\_\_\_  
Division Commissioner's Office Date/Time 2/1/00 2:56 PM  
Approved by Commissioner [Signature] Date 2/1/00  
Agency \_\_\_\_\_

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# FISCAL NOTE

**STATE OF ALASKA**  
**2000 LEGISLATIVE SESSION**

**BILL NO. CSHB 334(FIN)**

Revision Date/Time (Note if correction)		Dept. Affected	Fish and Game
Title	<u>CHARGE FOR COMMUNITY DEVELOPMENT</u>	BRU	Commercial Fisheries
	<u>QUOTA</u>	Component	Special Projects
Sponsor	<u>House Rules Committee</u>		
Requester	<u>House Finance Committee</u>	Component No.	<u>1943</u>

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	60.0	60.0	60.0	60.0	60.0	60.0
Travel	20.0	20.0	20.0	20.0	20.0	20.0
Contractual	140.0	140.0	140.0	140.0	140.0	140.0
Supplies	48.0	48.0	48.0	48.0	48.0	48.0
Equipment						
Land & Structures						
Grants & Claims	60.0	60.0	60.0	60.0	60.0	60.0
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>328.0</b>	<b>328.0</b>	<b>328.0</b>	<b>328.0</b>	<b>328.0</b>	<b>328.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1108 Stat/Des Program Receipts						
1037 GF/Mental Health						
Other (Non-GF Program Receipts)	328.0	328.0	328.0	328.0	328.0	328.0
<b>TOTAL</b>	<b>328.0</b>	<b>328.0</b>	<b>328.0</b>	<b>328.0</b>	<b>328.0</b>	<b>328.0</b>

Estimate of any current year (FY2000) cost: 0.0

**POSITIONS**

Full-time					
Part-time					
Temporary					

**ANALYSIS:** (Attach a separate page if necessary)

This bill does not appropriate any funds. It specifies that dive fishery assessments, as authorized by Chapter 90, SLA 1997, are to be accounted for separately and specifies that the appropriation of the dive fishery assessments is not from the unrestricted general fund. Dive fishery assessments are a self-imposed tax in addition to the fisheries business tax. This tax was approved by the affected divers in 1999 and collections began that year. The department estimates that \$328.0 will be collected in FY 2000 for expenditures in the following year. The expenditure of the expected revenue generated by the dive fishery assessments is included in the governor's FY 2001 budget. The funding source for dive fishery assessments in the Governor's proposed FY 2001 budget is statutory designated program receipts. This bill will change that source designation to non-general fund program receipts since this is a self-assessed tax rather than a contractual agreement.

Prepared by: Robert D. Mecum  
 Division: Division of Commercial Fisheries  
 Approved by: Commissioner Frank Rue *Sean B...*  
 Agency: Department of Fish and Game

Phone: 465-4210  
 Date/Time: 4/6/00 4:32 PM  
 Date: 04/06/2000

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CS for Senate Bill 281 (FIN) am

Page 1, Line 13 (b) was added on the Senate Floor by Sen. Green - **"all departments of state government shall be held accountable for their actions, including compliance with the recommendations of legislative audits as directed by the legislature."**

Page 2, line 12 - **"reach"** was added - **"track"** was deleted. Brings Commissioner's Office measure into conformity with all other comm offices.(ok by Dept. of Admin)

Page 6, line 17-24 - APOC - **"candidates"** was added -statute includes candidates as well as public officials.  
Line 22 **"average"** was added  
Line 23 **"candidates and "** added  
Line 24 **"average"** added

Page 6, - line 29 - **"permits"** was added **"appeals"** was deleted - the Alaska Oil and Gas commission processes permits not appeals.(provided by the Dept.)

Page 7, line 28 (Halford amend floor) -**protect shareholders in corporations-**  
Measure was -" *protect shareholders in ANCSA corporations from false and misleading proxy solicitations*"

Page 9, line 2 - **"trade and"** was added to Div of International trade and Market Development mission statement.(provided by the Dept.)

Page 10, Line 2-3 - original measure (4) was deleted - new measure provided better reflects intent. New **"(4) the increase in student achievement and interest in math and science as a result of ASTF teacher grants"**. (provided by the Department and they say they can measure this).  
*(deleted measure)- [the number of direct grants made to science and math teachers]*

Page 11, line 2-6 - the previous measures 1-3 were deleted. Replaced by new measures 1-3 which measure quality and management of AK Energy owned facilities.(provided by Department put forth by Senate subcommittee chair)

Page 23, line 16 - Missions and Measures for the entire Division of Subsistence were added to the Dept. of Fish and Game.(added by Sen. Torgerson worked out with the Dept of F&G)

Page 43, line 1-2 - Alaska Mental Health Trust Authority previous measure (1) and (2) deleted - new measures provided by the Trust (sponsored by Sen. Leman) (*deleted measures*) (1) *the % of customers who rate mental health services as "satisfactory" or better.* (2) *the number of customers on waiting lists for mental health services as compared to the total number of customers served.*

Page 43, line 26, "**operate and maintain**" were added to the department of transportation mission statement. (provided by DOT/PF - *consistent with statutes - AS 44.42.*)

Page 47, line 18-22 - The Highway Safety Planning Agency was moved from the Dept. of Public Safety the Dept. of Transportation and Public Facilities Per Executive Order 101 by the Governor.

Page 48, line 18 - University - New measures were written by Sen. Leman and ok'd by the Univ.



**Department of Community  
and Economic Development**

**Municipal & Regional Assistance Division**

P.O. Box 110800, Juneau, AK 99811-0800

Telephone: (907) 465-4750 • Fax: (907) 465-5085 • Text Telephone: (907) 465-5437

Email: [mrاد@dced.state.ak.us](mailto:mrاد@dced.state.ak.us) • Website: [www.dced.state.ak.us/mra/Home.htm](http://www.dced.state.ak.us/mra/Home.htm)

## Sponsor Statement

### HB 334 (C&RA Amended)

"An act relating to the establishment of and accounting for an administrative cost charge for the state's role in the Community Development Quota program and to the appropriation of receipts from the charge; and providing for an effective date."

---

In 1996, the Magnuson/Stevens Fisheries Conservation and Management Act authorized the Secretary of Commerce (Secretary) to collect and recover the costs associated with the management and enforcement of the CDQ program. The National Marine Fisheries Service, under the Secretary, has not taken any action yet on initiating a Community Development Quota (CDQ) fee program.

In view of an eventual CDQ fee program and in recognition of state budget reductions, the CDQ groups and the Department of Community & Economic Development (department) have decided to pursue a statutory fee program in advance of the implementation of a federal fee program.

HB 334 will switch the funding source for the CDQ program from the General Fund to Statutory Designated Program Receipts authority. The CDQ groups and the department support the fee as a method of making the CDQ program self-supporting. The total cost of state management is approximately \$250,000.

The proposed fee structure has two components. First, each group will pay a standard, flat amount that will total half the state's administrative costs. Second, each group will pay a variable share of the remaining administrative costs based upon the value of that group's fisheries quota allocation. The department would administer the cost charge.

The fee would be effective at the beginning of the new fiscal year, July 1, 2000. The House Community and Affairs Committee added a technical amendment to provide for an adjustment of the variable fee portion of the administrative cost charge.

Cc: Pat Pourchot, Governor's office

# Alaska Department of Community and Economic Development

## Municipal & Regional Assistance Division

P.O. Box 110800, Juneau, AK 99811-0800

Telephone: (907) 465-4750 • Fax: (907) 465-5085 • Text Telephone: (907) 465-5437

Email: mrad@dced.state.ak.us • Website: www.dced.state.ak.us/mra/Home.htm

### MEMORANDUM

February 22, 2000

TC: Rep. Norman Rokeberg, Chair  
House Labor & Commerce Committee

FROM: Bryce Edgmon, CDQ Manager  
Department of Community & Economic Development

RE: Sectional analysis of House Bill 334 (C&RA amended)

" An Act relating to the establishment of an accounting for an administrative cost charge for the state's role in the community development quota program and to the appropriation of receipts from the charge; and providing for an effective date."

-----  
Section One:

Creates a new subparagraph (X) to 37.05.146 adding the "CDQ administrative cost charge" to the list of program receipts that exist in statute. Other examples of program receipts include International Airport Fund, Fish and Game fund, Alaska Children's Trust, Highway Working Capital Fund, etc.

Section Two:

AS 44.33 is amended to give the Department of Community and Economic Development the authority to determine and assess the annual administrative cost fee to the CDQ groups. It provides the department the authority to provide regulations in accordance with this section.

(b) The department must determine the administrative costs no later than June 30 before the start of the applicable fiscal year. Upon being notified, a CDQ group has 45 days to pay the department their share of the administrative cost charge.

(c) The total cost of the administrative cost charge cannot exceed \$400,000. This "ceiling" is higher than the cost of currently managing the program, which is approximately \$250,000.

The rationale is that future legislation will not be needed if a higher amount of program receipt authority is deemed necessary. The CDQ groups agreed to this provision with the understanding that any upward adjustment in the administrative cost charge would involve a mutual decision-making process with the state.

This section also addresses any adjustments to the administrative cost charge from "carryover funds" and reappropriations.

(d) The administrative cost charge is broken down into two categories; a pro rata share, which is by definition the standard portion, and represents 50% of the total administrative cost charge.

The second category is the variable portion, which is assessed through a formula to the CDQ groups. The formula comes from royalties derived by multiplying the remaining 50% administrative cost charge by the ratio of the value of quota allocated to each group to the total value of the CDQ quota for the applicable year.

Variable portion = One half of administrative cost charge * the ratio of value of CDQ group's quota relative to the value of all CDQ quota (for the applicable year).
---

(e) The department may adjust the variable fee for a fiscal year for the CDQ groups if an inequitable result occurs. This will the department and the groups to use different specie's in relation to fluctuating harvest returns and prices. The aggregate amount assessed to the CDQ groups must be enough to compensate the state for the management costs in (c).

(f) The department will collect and enforce the fee, which will be deposited in the Community Development Quota Program Account in the state treasury.

(g) The Department of Administration shall identify the amount of the appropriation that lapses into the general fund each year. The legislature may appropriate an amount equal to operating costs of the CDQ program for the next fiscal year.

(h) Technical section.

Section Three:

Applicability section, which authorizes the administrative cost charge to begin on or after July 1, 2000.

Section Four:

Authorizes the Department of Community and Economic Development to adopt necessary regulations.

Section Five:

Grants the department the authority to adopt regulations.

Section Six:

Effective date -- This act takes effect June 30, 2000.

TONY KNOWLES  
GOVERNOR

907 465 1000  
Juneau, Alaska 99801  
907 465 1000  
FAX 907 465 1000  
www.governor.ak.gov

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 1, 2000

The Honorable Brian Porter  
Speaker of the House  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear Speaker Porter:

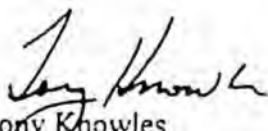
The community development quota (CDQ) program has created jobs and expanded economic opportunity in western Alaska. It is essential to this region of the state that we ensure the continuance of this federal fisheries resource program. This bill I transmit today meets that challenge by partnering with the CDQ participants to cover the state's administrative cost of the program.

Under this bill, community development groups that participate in the CDQ program will pay assessment fees to the state. The proposed fee structure has two components. First, each group will pay a standard, flat amount that will total half the state's administrative costs. Second, each group will pay a variable share of the remaining administrative costs based upon the value of that group's fisheries quota allocation.

The Department of Community and Economic Development would administer the cost charge, which is added to the statutory list of program receipts subject to separate accounting procedures.

Participants of the CDQ program recognize their future success hinges on the ability of the state to continue to administer the program. To that end, the groups proposed the funding plan forwarded in this bill and are ready to give it their full support. To protect this vital program and improve the efficiency and operation of the state's role in it, I urge your prompt and favorable action on this measure.

Sincerely,

  
Tony Knowles  
Governor



## Aleutian Pribilof Island Community Development Association

□ 234 Gold St. • Juneau, Alaska 99901 • (907) 586-0161 • 1-888-9APICDA • Fax (907) 586-0155  
□ Unalaska Office: P.O. Box 208 • Unalaska, Alaska 99685 • (907) 581-5940 • Fax (907) 581-5953

February 10, 2000

The Honorable John Harris, Co-Chair  
The Honorable Carl Morgan, Co-Chair  
Community & Regional Affairs Committee  
Alaska House of Representatives  
Juneau, Alaska


Re: HB 334

Dear Representatives Harris and Morgan:

The Aleutian Pribilof Island Community Development Association (APICDA) is one of six community development quota (CDQ) organizations in Alaska. APICDA supports HB 334. We have worked hard with the state and the other CDQ groups to fashion a fee system that is fair to all six CDQ groups and meeting the fiscal needs of the state. We believe HB 334 is a good bill and worthy of adoption.

If you have any questions, please don't hesitate to contact me.

Sincerely,

  
Larry Carter  
CEO

cc: APICDA Board of Directors

# Bristol Bay Economic Development Corporation

P.O. Box 1464 • Dillingham, Alaska 99576 • (907) 842-4370 • Fax (907) 842-4336 • 1-800-478-4370

114 S. Franklin, Suite 202 • Juneau, Alaska 99801 • (907) 463-5054 • Fax (907) 463-5036 • E-mail [bbedc@plalaska.net](mailto:bbedc@plalaska.net)



February 14, 2000

The Honorable Carl Morgan, Co-Chair  
The Honorable John Harris, Co-Chair  
House of Representatives, Community & Regional Affairs Committee  
State Capitol  
Juneau, Alaska 99801-1182

**RE: House Bill 334**

Dear Co-Chairs Morgan and Harris,

Bristol Bay Economic Development Corporation (BBEDC) is one of the six Community Development Quota (CDQ) groups formed under the Western Alaska Community Development Quota Program. BBEDC represents 5,607 residents in the 17 member communities located in Southwest Alaska.

BBEDC would like to comment on House Bill 334; "An Act relating to the establishment of and accounting for an administrative cost charge for the state's role in the community development quota program and to the appropriation of receipts from the charge; and providing for and effective date."

In conjunction with the other CDQ groups and the State of Alaska CDQ Team, BBEDC contributed to the development of the CDQ fee proposal before you today. BBEDC would like to express our support for House Bill 334 and urge the committee to implement the Bill as written.

Respectfully,

H. Robin Samuelsen, Jr.,  
Chairman of the Board, BBEDC

FOR



# Coastal Villages Region Fund

711 H Street, Suite 200 • Anchorage, Alaska 99501 • Phone 907-278-5151 • Fax 907-278-5150

February 10, 2000

The Honorable Brian Porter  
Speaker of the House  
State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Speaker Porter:

The Coastal Villages Region Fund supports HOUSE BILL NO. 334 relating to the establishment of and accounting for an administrative cost charge for the state's role in the community development quota (CDQ) program and to the appropriation of receipts from the charge to cover the state's administrative cost of the program. The Coastal Villages Region Fund is a CDQ group that represents twenty villages in the Kuskokwim River region of western Alaska.

The CDQ program has created jobs and expanded economic opportunity in the Coastal Villages region. It is essential that we ensure the continuance of this federal fisheries resource program. I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Edgar Hoelscher', written in black ink.

Edgar Hoelscher, Vice President  
Board of Directors

Cc: Fred Phillip, President  
Senator Lyman F. Hoffman  
Senator Al Adams  
Representative Mary Kapsner  
Representative Richard Foster  
Governor Tony Knowles



February 14, 2000

The Honorable John Harris, Co-Chair  
The Honorable Carl Morgan, Co-Chair  
State Capitol  
Juneau, AK 99801-1182

Re: Support For HB 334

Dear Representatives Harris and Morgan:

Norton Sound Economic Development Corporation (NSED) is in support of the concept of an administrative cost charge for the reasonable and necessary expenses of the state for their participation in the administration of the federal Community Development Quota (CDQ) program. HB334 sets forth a mechanism for the six groups participating in the CDQ program to pay the cost.

The CDQ program is a relatively new program. There are significant issues regarding the program which can affect its nature and success. Because at this time there is no Alaska statutory direction governing the state's participation, NSED suggests that the bill be amended to require periodic legislative reauthorization of the bill, such as every three years.

Subject to a modification of the bill which would require periodic reauthorization, NSED is in support of HB 334.

Sincerely yours,

Eugene Asicksik  
President and CEO



## Yukon Delta Fisheries Development Association

2200 6th Avenue • Suite 707  
Seattle • WA 98121  
Tel: (206) 443-1565 Fax: (206) 443-1912

P.O. Box 2626  
Seward • AK 99664  
Tel: (907) 224-5158 Fax: 224-5159

February 14, 2000

COPY

The Honorable Carl Morgan  
Alaska State Legislature  
State Capitol, Room 409  
Juneau, AK 99801-1182

Dear Representative Morgan:

Yukon Delta Fisheries Development Association, a Community Development Quota organization representing the communities of Alakanuk, Emmonak, Grayling, Kotlik, Mountain Village and Sheldon Point, fully supports the passage of HB 334, "An Act relating to the establishment of and accounting for an administrative cost charge for the state's role in the community development quota program".

Our organization wholeheartedly endorses the oversight provided to the CDQ program by the State of Alaska. We feel it is our responsibility to reimburse the State of Alaska for our share of the administrative costs involved in providing oversight for this Federal Community Development Quota Program.

Respectfully yours,

Ragnar O. Alstrom  
Executive Director

**HB**

**335**

**HFIN**

**FILE**

(11)

# HOUSE COMMITTEE REPORT

Date Referred to Committee: February 23, 2000

FURTHER REFERRALS:

Date of Committee Action: 2/29/00

The FINANCE Committee considered:

HB 335

## HOUSE BILL NO. 335

## STATE RETIREMENT SYSTEMS AND BENEFITS

"An Act relating to information contained in retirement system records; relating to retirement boards; relating to procedures and hearings under state retirement systems; relating to benefits for reemployed retired members of retirement systems; relating to eligibility for normal retirement for members of the teachers' retirement system who have Alaska BIA credited service; relating to disability benefits for members of state retirement systems; relating to deduction of premiums from retirement benefits; relating to protection of, and assignment and transfer of, amounts held in retirement systems; relating to retirement benefits for certain employees earning high salaries; relating to qualified domestic relations orders in state retirement systems; relating to the definition of 'retirement fund' in the teachers' retirement system; relating to membership of state employees in the teachers' retirement system; relating to refund of contributions made to the judicial retirement system or to the former elected public officers retirement system and repayment of refunded contributions in those systems; relating to self-insurance and excess loss insurance for persons receiving benefits from a state retirement system; relating to participation of elected officials in the public employees' retirement system; relating to reinstatement of credited service in the public employees' retirement system after a refund because of certain levies; relating to the level income option benefit under the public employees' retirement system; relating to participation of employees of political subdivisions and public organizations in the public employees' retirement system; relating to penalties for attempts to defraud the public employees' retirement system; relating to the definition of 'pension fund' in the public employees' retirement system; relating to calculation of years of service and of benefits under the public employees' retirement system for noncertificated employees of certain educational employers; and relating to individual accounts maintained for members of the former elected public officers retirement system."

recommends it be replaced with the following committee substitute

CS HB 335 (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) \_\_\_\_\_

fiscal note(s) DDA 2/23/00

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		CP	DNP	NR	AM
	Theriault			X	
	Bunde			X	
	Foster	X			
	J. Davies			X	
	Grossman	X			
	G. Davis			X	
	Moses			X	
	Phillips	X			

(1) CHAIR'S SIGNATURE

# FISCAL NOTE

Bill Version: CSHB 335 (STA)  
 (H) Publish Date: 2/23/00

**STATE OF ALASKA  
 2000 LEGISLATIVE SESSION**

Revision Date 2/14/00 Dept. Affected Administration  
 Title An Act relating to information contained in BRU Centralized Administrative Services  
retirement systems... Component Retirement and Benefits  
 Sponsor Representative Huoson  
 Requester (H) State Affairs Component No. 64

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel	29.2	29.2	29.2	29.2	29.2	29.2
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>

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 (PERS/TRS)	29.2	29.2	29.2	29.2	29.2	29.2
<b>TOTAL</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>

Estimate of any current year (FY2000) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

See attached

Prepared by: Guy Bell Phone 465-4471  
 Division Retirement and Benefits Date/Time 2/14/00 8:42 AM  
 Approved by Commissioner Robert Poe Jr. Date 2/14/00 2/15/00  
 Agency Department of Administration

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

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

## HB335 Fiscal Note Analysis

Section 3 (Teachers' Retirement System) and Section 29 (Public Employees' Retirement System) are the only sections in this bill which have any fiscal impact on the retirement funds. These sections would provide an honorarium payment to board members consistent with that paid to members of the Alaska State Pension Investment Board (currently \$150 per day).

For the purposes of this fiscal note we have assumed that the PERS Board will meet 25 days per year and the TRS Board 14 days per year. Each board has five members. Therefore the fiscal impact is calculated as follows:

PERS Board: 25 days x \$150/day x 5 members =	\$ 18,750
TRS Board: 14 days x \$150/day x 5 members =	<u>10,500</u>
Total Cost:	\$ 29,250

# FISCAL NOTE

Bill Version: CSHB 335 (STA)

(H) Publish Date: 2/23/00

**STATE OF ALASKA  
2000 LEGISLATIVE SESSION**

Revision Date 2/14/00 Dept. Affected Administration  
 Title An Act relating to information contained in BRU Centralized Administrative Services  
retirement systems... Component Retirement and Benefits  
 Sponsor Representative Hudson  
 Requester (H) State Affairs Component No. 64

**Expenditures/Revenues (Thousands of Dollars)**

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OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel	29.2	29.2	29.2	29.2	29.2	29.2
Contractual						
Supplies						
Equipment						
Land & Structures						
G.ants & Claims						
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<b>TOTAL OPERATING</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>	<b>29.2</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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Total Cost:		\$ 29.250

1-LS1217K  
Cramer  
2/29/00

adopted 2/29/00

**CS FOR HOUSE BILL NO. 335(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:**

**Referred:**

**Sponsor(s): REPRESENTATIVE HUDSON**

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to information contained in retirement system records; relating  
2 to retirement boards; relating to procedures and hearings under state retirement  
3 systems; relating to benefits for reemployed retired members of retirement  
4 systems; relating to eligibility for normal retirement for members of the  
5 teachers' retirement system who have Alaska BIA credited service; relating to  
6 disability benefits for members of state retirement systems; relating to deduction  
7 of premiums from retirement benefits; relating to protection of, and assignment  
8 and transfer of, amounts held in retirement systems; relating to retirement  
9 benefits for certain employees earning high salaries; relating to qualified domestic  
10 relations orders in state retirement systems; relating to the definition of  
11 'retirement fund' in the teachers' retirement system; relating to membership of  
12 state employees in the teachers' retirement system; relating to refund of