

**ALASKA LEGISLATURE**

**2371**

**HOUSE and SENATE FINANCE COMMITTEE FILES,**

**2001 - 2002**

**B. Expenditures**

**Grant Activities**

Table 3 summarizes each type of assistance program for which funds were expended or encumbered in FY 01.

Appendix A provides additional detail of the program expenditures by grant and facility location.

**TABLE 3**  
**Storage Tank Assistance Fund**  
**FY 01 Expenditures and Obligations by Grant Program Activity**

	<u>Expended</u>	<u>Obligated</u>	<u>Total</u>
<b>Cleanup By Appropriation</b>			
FY 98 49180-02	93,823.11	3,577.17	97,400.28
FY 99 49020-03	545,564.15	330,983.59	876,547.74
FY 00 49120-04	425,368.93	1,351,814.41	1,777,183.34
	<u>\$ 1,064,756.19</u>	<u>\$ 1,686,375.17</u>	<u>\$ 2,751,131.36</u>
<b>Upgrade By Appropriation</b>			
FY 98 49180-02	0.00	0.00	0.00
FY 99 49020-03	(9,184.70)	12,646.19	3,461.49
FY 00 49120-04	0.00	0.00	0.00
	<u>\$ (9,184.70)</u>	<u>\$ 12,646.19</u>	<u>\$ 3,461.49</u>
<b>Closure By Appropriation</b>			
FY 98 49180-02	13,813.19	3,261.96	17,075.15
FY 99 49020-03	34,846.28	1,305.67	36,151.95
FY 00 49120-04	0.00	0.00	0.00
	<u>\$ 48,659.47</u>	<u>\$ 4,567.63</u>	<u>\$ 53,227.10</u>
<b>Totals</b>	<u><u>\$ 1,104,230.96</u></u>	<u><u>\$ 1,703,588.99</u></u>	<u><u>\$ 2,807,819.95</u></u>

### C. Assistance Requested and Funded for FY 01

Appendix A is a detailed list by owner/operator of all projects funded during FY 01 by prior year funds and is divided into grant activities by appropriations. Within each prior year appropriation, the amount encumbered or expended per program during FY 01 is listed as well as specific activities paid for by grant funds.

#### 1. Tank Cleanup Program

Appendices B and C list the FY 02 Priority Ranked Cleanup Projects. All of the 46 projects are expected to require FY 02 funding for a total of \$1.5 million.

Appendix A, pages 1 and 2, shows the amount expended or encumbered for cleanup grants and the specific activities for each site from prior year grants. Some facilities may be listed more than once since each grant, and amendments to prior year grants, are listed separately. Cleanup grants generally paid for the costs of assessment, testing, and containment, and soil and water remediation.

Grants for cleanup exclude 10% of the total project costs, up to a maximum of \$25,000; the grant applicant is responsible for payment of these excluded costs. The Tank Cleanup Loan Program is available to finance this excluded portion of costs with loans repayable over a five-year period.

#### 2. Senate Bill 128 - New Loan Program

The new cleanup loan program created by Senate Bill 128 is being implemented during FY 02. It is anticipated that four applicants will be taking advantage of the opportunity to borrow funds for their petroleum cleanups.

#### 3. Tank Upgrade and Closure Program

The funds associated with this program have been obligated, and work accomplished. This program is complete for all intents and purposes.

## IV. FINANCIAL ASSISTANCE FOR FY 02

Senate Bill 128, effective July 1, 1999, modified the Financial Assistance Program by setting net worth caps for tank upgrade and cleanup grant recipients, established a new loan program, and repealed the old reimbursement program for tank work done before 1990.

It should be noted that any eligible FY 99 priority ranked cleanup grant applicant is eligible to apply for a loan under the new provisions of AS 46.03.422.

All applicants remaining on the FY 99 waiting list were required to complete eligibility certifications as required under SB 128. These responses were priority ranked in accordance with regulatory criteria set out in Article 5 of 18 AAC 78. The FY 02 priority ranking lists are included as Appendices B and C.

**TABLE 4**  
**Financial Assistance to be Provided in FY 02**

TANK CLEANUP GRANT AND LOAN PROGRAM	(\$ In Thousands)
Total Number Anticipated Grants	46
Total Dollar Amount of Anticipated Grants	\$1,225.0
Contingency Funds (15%)	\$225.0
Total Number Anticipated Loans	4
Total Dollar Amount of Anticipated Loans	\$1,000

## V. PROJECTED COSTS AND UNFUNDED REQUESTS

The repeal of the Reimbursement Program (Section 14, SB 128) and the certification of net worth requirements for the grant programs have dramatically impacted the waiting lists for funds.

Prior to the change in legislation, 158 applicants with requests totaling \$3,388,400 were waitlisted under the Reimbursement Program. These applications were received by the March 5, 1991 deadline for cleanup, closure or upgrade activities occurring on or after December 22, 1988 and before September 5, 1990. When making annual grant program allocations, the Board of Storage Tank Assistance was required to consider the Reimbursement Program as the lowest funding priority. These 158 applicants are no longer eligible for funding now that this part of the program has been repealed.

As indicated in Table 5 at the end of FY 99 the grant waitlist consisted of 215 new cleanup applications totaling \$23.9 million; 29 continuation cleanup projects totaling an estimated \$1.65 million; 37 upgrade applications for \$1.5 million and 96 tank closure applications amounting to \$1.1 million.

Appendix B and C list FY 02 priority ranked applicants.

Of the total 244 cleanup grant applicants (29 continuation and 215 "new" cleanups) only 51 of them responded and were found eligible under the new net worth certification requirements. Two upgrade and three closure projects were also found eligible under those new requirements.

Table 6 summarizes the current status of applications since the implementation of SB 128 program changes.

## VI. PROGRAM SUMMARY SINCE INCEPTION

From the inception of the Underground Storage Tank Financial Assistance Program on September 5, 1990 until December 31, 2001, over \$29 million has been expended in grants and loans to pay a portion of the costs of tank tightness testing, site assessment, cleanup, upgrade or closure of USTs in Alaska. Of the over 2,000 applications originally received, approximately one-half (1,041) have been funded. (1,005 prior to SB 128 and 36 projects funded in FY 01.)

Grant and loan activity for all grant programs from inception of the Financial Assistance Program through December 31, 2001, is summarized on Tables 5 and 6, next page.

Table 6 summarizes the status of applications after the transition to SB 128, reflects the cleanup grants issued during FY 01, and estimates future funding needs.

**Table 5**  
**Financial Assistance Grants and Loans Summary - Pre-SB128**

*(Dollars are in Thousands)*

	TTT/SA		Cleanup		Upgrade		Closure		Reimbursement		Total		
	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars	%
Applications Received	416	\$362.5	575	\$56,028.5	308	\$12,076.6	614	\$6,609.0	158	\$3,388.4	2071	\$78,465.0	100%
Grants & Loans Issued	286	\$210.7	231	\$17,889.9	146	\$6,150.0	342	\$3,171.0	0	\$0.0	1005	\$27,421.6	49%
Awaiting Funds Prior to SB128	0	\$0.0	215	\$23,925.7	37	\$1,465.9	96	\$1,080.5	158	\$3,388.4	506	\$29,860.5	24%
Continuation Cleanup Projects 6/30/99	0	\$0.0	29	\$1,650.0	0	\$0.0	0	\$0.0	0	\$0.0	29	\$1,650.0	2%
Ineligible/Withdrawn/Cancelled	130	\$151.9	100	\$12,562.9	125	\$4,460.7	176	\$2,357.5	0	\$0.0	531	\$19,533.0	25%

**Table 6**  
**Financial Assistance Grants and Loans Summary Through 12/31/01 - Post-SB128**

*(Dollars are in Thousands)*

	Cleanup Grant		SB 128 Loan Program		Upgrade		Closure	
	No.	Dollars	No.	Dollars	No.	Dollars	No.	Dollars
Applications Awaiting Funds Prior to SB128	<u>244</u>	<u>\$25,575.7</u>	Note 1	<u>\$14,250.0</u>	<u>2</u>	<u>\$0.0</u>	<u>3</u>	<u>\$32.2</u>
SB128 Eligible/Interested Applicants	51	\$8,908.0	57	\$14,250.0	2	\$0.0	3	\$32.2
<b>SB128 Funding Approach (Note 2):</b>								
FY01 Grants Issued	36	\$2,197.0	0	\$0.0	0	\$0.0	3	\$32.2
FY02 Projected Projects	46	\$1,500.0	4	\$1,000.0	0	\$0.0	0	\$0.0

Note 1. Any Cleanup Grant applicant *may* be eligible to apply for a loan under the new program established under SB128. Of the potential pool of 244 applicants, 57 have responded positively to the Department's survey with regard to interest in the loan program. A few applicants have already completed their cleanups making them ineligible for a loan, and have withdrawn from the program. For FY02 at least four loan applications are anticipated for a total of \$1 million.

Note 2: Of the 51 eligible/interested applicants after SB128, grants were issued for 36 projects during FY 01. For FY 02, 46 of the original 51 projects require initial or continuation funding.

# APPENDICES

Appendix A - FY 2001 Grant Activities

Appendix B - Final FY 2002 Continuation Cleanup Grant Priority Ranking List

Appendix C - Final FY 2002 New Cleanup Grant Priority Ranking List

Appendix D - Board of Storage Tank Assistance Activities

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APPENDIX A  
 FY 01 GRANT ACTIVITIES  
 TANK CLEANUP PROGRAM FINANCIAL ASSISTANCE

OWNER NAME	FACILITY NAME	FAC ID#	GRANT EXPEND.	GRANT BAL. 6/30/01	LOAN	ACTIVITIES FUNDED							FACILITY LOCATION
						C	CA	CL	CU	RA	SA	T	
FY01 GRANT ACTIVITIES - TANK CLEANUP APPROPRIATION 49180-02 (FY98)													
PHIL CARBOY	GOLD HILL	440	1,310.74	66.73			X		X			X	FAIRBANKS
WRIGHT AIR SERVICE, INC.	WRIGHT AIR SERVICE, INC.	563	3,667.05	284.00								X	FAIRBANKS
ANCHORAGE BAPTIST TEMPLE	ANCHORAGE BAPTIST TEMPLE	1145	7,121.91			X	X		X			X	ANCHORAGE
PETRO PRODUCTS	FORMER RENNER'S GAS & SA	1421	22,023.00				X		X			X	ANCHORAGE
RON'S SERVICE	RON'S SERVICE	1478	648.18				X		X			X	FAIRBANKS
G. B. WEBER	WASILLA CHEVRON	1896	20,012.57	3,226.44			X		X			X	WASILLA
COPPER BASIN DISTRIBUTOR	TAZLINA RIVER TRADING POST	1949	4,630.14			X	X		X			X	GLENNALLEN
HORRELL INVESTMENT INC.	GLENNALLEN CHEVRON	2292	26,601.69			X	X		X			X	GLENNALLEN
DARREL LEFEVER	AUTO PARTS SERVICE	2747	7,807.83				X		X			X	ANCHORAGE
TOTAL TANK CLEANUP APPROPRIATION 49180-02			\$93,823.11	\$3,577.17	\$0.00	3	8	0	8	0	0	9	9 COMMITMENTS

FY01 GRANT ACTIVITIES - TANK CLEANUP APPROPRIATION 49020-03 (FY99)

PETRO STAR, INC.	BEAVERBROOK - SOURDOUGH	90	2,615.00	792.91					X			X	NORTH POLE
CARL & DOROTHY HEFLINGER	NORTHSIDE GROCERY & GAS	204	10,480.99	2,123.40					X			X	FAIRBANKS
CARL & DOROTHY HEFLINGER	NORTHSIDE GROCERY & GAS	204		30,082.00					X			X	FAIRBANKS
PHIL CARBOY	GOLD HILL	440	16,480.59						X			X	FAIRBANKS
PHIL CARBOY	GOLD HILL	440		54,688.00					X			X	FAIRBANKS
DENALI FUEL COMPANY	FORMER FUZZYS	542	205,470.53	19,489.37		X	X		X			X	ANCHORAGE
WRIGHT AIR SERVICE, INC.	WRIGHT AIR SERVICE, INC.	563	516.42	1,378.23			X					X	FAIRBANKS
ALASKA NEWS AGENCY, INC.	ALASKA NEWS AGENCY	831	14,358.46	22,526.65			X		X			X	ANCHORAGE
VICKI NICKERSON	GOLDSTREAM GENERAL STORE	1068	5,137.47				X		X			X	FAIRBANKS
ELLEN HANAUER	SOUTH CUSHMAN BOXBOY	1089	96.87						X			X	FAIRBANKS
ELLEN HANAUER	SOUTH CUSHMAN BOXBOY	1089	15,200.63	45,259.49					X			X	FAIRBANKS
GOLDPANNER SERVICE, INC.	GOLDPANNER SERVICE INC.	1339	20,496.78	10,911.58			X		X			X	FAIRBANKS
ANDREW R. KELLY	KELLY'S TIRE AND WHEEL	1460	13,871.90	705.53			X		X			X	FAIRBANKS
RON'S SERVICE	RON'S SERVICE	1478	5,309.24				X		X			X	FAIRBANKS
RICHARD LIGHTNER	LIGHTHOUSE CHEVRON	1650	15,351.99			X	X		X			X	KETCHIKAN
FOUR CORNERS COUNTRY STORE	4 CORNERS STORE INC.	1662	4,252.50				X		X			X	WASILLA
FOUR CORNERS COUNTRY STORE	4 CORNERS STORE INC.	1662	10,278.32				X		X			X	WASILLA
LAKE HOOD AIR HARBOR, INC.	LAKE HOOD AIR HARBOR	1728	8,465.97	2,979.52			X		X			X	ANCHORAGE
LAKE HOOD AIR HARBOR, INC.	LAKE HOOD AIR HARBOR	1728		12,928.00			X		X			X	ANCHORAGE
JACK ADAMS	JACK'S SERVICE	1776	8,765.26	21,193.94			X		X			X	DELTA JUNCTION
G. B. WEBER	WASILLA CHEVRON	1896	1,822.69				X		X			X	WASILLA
G. B. WEBER	WASILLA CHEVRON	1896	23,807.83				X		X			X	WASILLA
COPPER BASIN DISTRIBUTOR	TAZLINA RIVER TRADING POST	1949		4,275.00			X		X			X	GLENNALLEN
AL SAMUEL - MOOSE CREEK	MOOSE CREEK GENERAL STORE	2199	16,348.82	1,038.54					X			X	NORTH POLE

**APPENDIX A  
FY 01 GRANT ACTIVITIES  
TANK CLEANUP PROGRAM FINANCIAL ASSISTANCE**

OWNER NAME	FACILITY NAME	FAC ID#	GRANT	GRANT BAL.	LOAN	ACTIVITIES FUNDED							FACILITY LOCATION	
			EXPEND.	6/30/01		C	CA	CL	CU	RA	SA	T		
AL SAMUEL - MOOSE CREEK	MOOSE CREEK GENERAL STORE	2199	2,003.03						X				X	NORTH POLE
JOHN COOK	COOKS CORNER - STERLING T	2286	24,121.59	11,164.38					X				X	STERLING
KOROVIN CORPORATION	OLSONS GAS - #2	2287	9,618.47	12,302.94			X		X				X	ANCHORAGE
LOUIE GAVRILOVICH	LOUIE GAVRILOVICH	2450	8,521.40										X	ANCHORAGE
KINGSTON PETERS	TUDOR CAR WASH	2451	24,886.11	30,622.06		X	X		X				X	ANCHORAGE
DAVIDSON INC.	U. S. TRAVEL SYSTEMS, FORM	2742	24,457.51						X				X	FAIRBANKS
DARREL LEFEVER	AUTO PARTS SERVICE	2747	18,424.98			X	X		X				X	ANCHORAGE
BROOKS FUEL, INC.	BROOKS AIR FUEL	2937	34,402.80	49,522.05			X	X	X				X	FAIRBANKS
TOTAL TANK CLEANUP APPROPRIATION 49020-03			\$545,564.15	\$330,983.59	\$0.00	4	20	1	30	0	0		32	32 COMMITMENT

**FY01 GRANT ACTIVITIES - TANK CLEANUP APPROPRIATION 49120-04 (FY00)**

THE HANGAR GROUP	NORTHSHORE AVIATION	5		74,591.30			X		X		X	X	X	ANCHORAGE
WILLIAM T. HEISLER CORP.	SAND LAKE SERVICES	189	63,235.76	68,861.48			X		X		X	X	X	ANCHORAGE
PATRICK C. WEAVER	CURRY'S CORNER	210	18,198.56	56,379.60			X		X		X	X	X	FAIRBANKS
WENDELL NEFF	HEALY ROADHOUSE	404		35,425.57			X		X		X	X	X	NENANA
JOEL CARROLL	SUNNY CHEVRON SERVICE	413		141,718.05			X		X		X	X	X	HOMER
JEAN KNOWLTON	CHUGIAK TEXACO	723	1,076.40								X			CHUGIAK
OK Y. KIM - OCEANVIEW TEXA	OCEANVIEW TEXACO	762	6,185.18	23,744.09			X		X		X	X	X	ANCHORAGE
MIKE'S UNIVERSITY SERVICE	MIKE'S UNIVERSITY CHEVRON	956		39,029.86			X		X				X	FAIRBANKS
GOLDPANNER SERVICE, INC.	GOLDPANNER SERVICE INC.	1339	6,744.86	32,616.25			X		X				X	FAIRBANKS
ANDREW R. KELLY	KELLY'S TIRE AND WHEEL	1460	8,054.22	40,698.68			X		X				X	FAIRBANKS
RON'S SERVICE	RON'S SERVICE	1478	786.55				X						X	FAIRBANKS
RICHARD LIGHTNER	BADGER TESORO	1611	11,952.16	133,315.22		X	X		X				X	NORTH POLE
NENANA HEATING SERVICES	A-FRAME SERVICES	1623	21,542.07	21,651.01			X		X				X	NORTH POLE
FOUR CORNERS COUNTRY S	4 CORNERS STORE INC.	1662		49,125.84			X							WASILLA
JACK ADAMS	JACK'S SERVICE	1776		59,485.95			X		X				X	DELTA JUNCTION
G. B. WEBER	WASILLA CHEVRON	1896		2,323.90		X	X		X				X	WASILLA
STANLEY BROWN C/O PAXSC	PAXSON LODGE	1938	39,920.92	6,023.70		X	X		X				X	PAXSON
COPPER BASIN DISTRIBUTOR	TAZLINA RIVER TRADING POS	1949	1,911.52			X	X		X				X	GLENNALLEN
DENNIS ILLIES	VALLEY COUNTRY STORE #1	1988	31,244.56	13,394.15		X	X		X				X	WASILLA
GERIK, INC.	RIDE 'N SHINE	2186		22,993.04		X	X		X				X	ANCHORAGE
AL SAMUEL - MOOSE CREEK	MOOSE CREEK GENERAL STORE	2199	11,503.57	53,590.43			X		X				X	NORTH POLE
KOROVIN CORPORATION	ALPINA GAS SERVICE	2288		171,596.47		X	X		X				X	ANCHORAGE
MILCO INC.	FRONTIER SERVICE TEXACO	2483	86,156.22	37,549.94		X	X		X				X	EAGLE RIVER
ISAIAH E. LEWIS	GRATELAND AUTO	2560	1,695.60	57,456.90		X	X		X				X	ANCHORAGE
MARK R. & DOLORES A. WILS	DIAMILTON'S PLANCE	2561	30,199.94	1,229.00		X	X		X				X	COOPER LANDIN
MOUNTAIN CORPORATION	K & J AUTO	2616	61,406.72	8,158.50		X	X		X				X	HAINES

**Errata Sheet:**

Please insert this errata sheet in the Storage Tank Assistance Fund Annual Report – Fiscal Year 2001, between pages 2 and 3 of Appendix A.

Changes:

**Appendix A - Page 2**

Next to the last row, column 2 (Facility Name):

Replace *Hamilton's Plance* with *Hamilton's Place*

**Appendix A - Page 3**

Row two, columns 1 and 2 (Owner Name & Facility Name):

Replace *#REF!* with *Ken Murray (Name)* and *Lucky Sourdough (Facility)*

**APPENDIX A  
FY 01 GRANT ACTIVITIES  
TANK CLEANUP PROGRAM FINANCIAL ASSISTANCE**

OWNER NAME	FACILITY NAME	FAC ID#	GRANT	GRANT BAL.	LOAN	ACTIVITIES FUNDED							FACILITY LOCATION
			EXPEND.	6/30/01		C	CA	CL	CU	RA	SA	T	
DAVIDSON INC.	U. S. TRAVEL SYSTEMS, FORM	2742		77,528.34		X	X		X			X	FAIRBANKS
#REF!	#REF!	2784		59,827.10					X			X	FAIRBANKS
WHITTIER PROPERTIES, INC.	ZIPMART	2924		32,553.00		X	X		X			X	FAIRBANKS
THOMAS SNELLING	HANNA CAR CARE CENTER	2948	23,554.12	30,947.04		X	X		X			X	ANCHORAGE
TOTAL TANK CLEANUP APPROPRIATION 49120-04			\$425,368.93	\$1,351,814.41	\$0.00	14	28	0	27	0	7	28	30 COMMITMENT
GRAND TOTAL ALL APPROPRIATIONS:			\$1,064,756.19	\$1,686,375.17	\$0.00	7	28	1	38	0	0	41	

**ACTIVITIES FUNDED CODES:**

C- Containment; CA-Corrective Action; CL-Closure; CU-Cleanup Activities; RA-Risk Assessment; SA-Site Assessment; T- Testing.

**APPENDIX A**  
**FY 01 GRANT ACTIVITIES**  
**TANK UPGRADE AND CLOSURE PROGRAM FINANCIAL ASSISTANCE**

OWNER/OPERATOR NAME	FACILITY NAME	FAC ID#	EXPENDED		TOTAL EXPENDED	ENCUMBERED		ENCUMBRANCE June 30, 2001	FACILITY LOCATION
			UPGRADE	CLOSURE		UPGRADE	CLOSURE		
<b>FY00 GRANT ACTIVITIES - TANK UPGRADE AND CLOSURE GRANT PROGRAMS AR 49180-02 (FY98)</b>									
PATRICK DOYLE	BIG DIPPER CAR WASH	2387		\$2,966.15	\$2,966.15				KENAI
SAM GIBSON	SST TESORO	1435		\$10,847.04	\$10,847.04		\$3,261.96	\$3,261.96	SOLDOTNA
TOTAL TANK UPGRADE & CLOSURE APPROPRIATION 49180-02				\$0.00	\$13,813.19		\$0.00	\$3,261.96	\$3,261.96
<b>FY00 GRANT ACTIVITIES - TANK UPGRADE AND CLOSURE GRANT PROGRAMS AR 49020-03 (FY99)</b>									
JEFF PETROVICH, PETRO PR	FORMER RENNERS	129		\$4,308.38	\$4,308.38		\$279.67	\$279.67	ANCHORAGE
NORTHERN ENERGY CORP.	NORTHERN ENERGY COR	284			\$0.00				TOK
TOPE EQUIPMENT CO.	TOPE EQUIPMENT	445		\$4,935.90	\$4,935.90				ANCHORAGE
SAM GIBSON	K BEACH CHEVRON	2934		\$12,216.00	\$12,216.00		\$1,026.00	\$1,026.00	SOLDOTNA
COLLINS/BOYER ESTATE	OLD SUPER SUDS CARWA	2948	-\$9,184.70	\$13,386.00	\$4,201.30	\$12,646.19		\$12,646.19	ANCHORAGE
TOTAL TANK UPGRADE& CLOSURE APPROPRIATION 49020-03			-\$9,184.70	\$34,846.28	\$25,661.58	\$12,646.19	\$1,305.67	\$13,951.86	
<b>Grand Total All Appropriations</b>			-\$9,184.70	\$48,659.47	\$39,474.77	\$12,646.19	\$4,567.63	\$17,213.82	

**Appendix B**  
**Final FY 2002 Continuation Cleanup Grant Priority Ranking List**

*This list is prepared for ranking purposes only and does not reflect compliance with state or federal regulations.*

Facility ID	Applicant	Facility	AHRM Score	AHRM Rank	Threat	Access	Self Initiate	Score	Initial Rank	Final Rank
2784	Kenneth A. Murray	Lucky Sourdough	225.0	100.00	225.0	0	0	100.00	1	1
2199	Al Samuel - Moose Creek General	Moose Creek General Store	190.3	84.56	190.3	0	5	89.56	2	2
1662	M. D. Roofe Revocable Trust	4 Corners Store Inc.	149.4	66.40	149.4	0	5	71.40	3	3
1460	Andrew R. Kelly	Andrew R. Kelly	151.2	67.20	151.2	0	0	67.20	4	4
2288	Randy Hahn	Alpina Gas Service (Formerly Ols	88.0	39.11	88.0	0	10	49.11	5	5
2742	US Travel Systems - Davidson Ir	US Travel Systems	97.2	43.20	97.2	0	0	43.20	6	6
1776	Jack Adams	Jacks Service	66.0	29.33	66.0	0	10	39.33	7	7
1611	Richard Lightner	Badger Chevron	64.0	28.44	64.0	0	10	38.44	8	8
2451	Kingston Peters	Tudor Car Wash	63.0	28.00	63.0	0	10	38.00	9	9
0723	Jean Knowlton	Chugiak Texaco	74.0	32.89	74.0	0	5	37.89	10	10
1988	Dennis Illies	Valley Country Store I	61.0	27.11	61.0	0	10	37.11	11	11
1478	Bob's Service and Towing, Inc.	Ron's Service And Towing	81.9	36.40	81.9	0	0	36.40	12	NR*
1896	G. B. Weber	Wasilla Chevron	74.3	33.04	74.3	0	0	33.04	13	12
1089	Ellen Hanauer	Cushman Boxboy	63.0	28.00	63.0	0	5	33.00	14	13
0189	William T Heisler Corp.	Sand Lake Service	60.48	26.88	60.5	0	5	31.88	15	14
0005	The Hangar Group Inc.	Northshore Aviation - Site #1	52.0	23.11	52.0	0	5	28.11	16	15
2561	Mark R. & Dolores A. Wilson	Hamiltons Place	36.6	16.27	36.6	10	0	26.27	17	16
1938	Stanley Brown c/o Paxson Lodge	Paxson Inn & Lodge	20.0	8.89	20.0	10	5	23.89	18	17
2948	Thomas Snelling	Hanna Car Care Centers	41.0	18.22	41.0	0	5	23.22	19	18
1623	Nenana Heating Services Inc.	A-Frame Services	40.5	18.00	40.5	0	5	23.00	20	19
2616	Mountain Corporation	K & J Auto	36.0	16.00	36.0	0	5	21.00	21	20
2292	Horrell Investment Inc	Glennallen Chevron	12.0	5.33	12.0	0	15	20.33	22	21
0210	Patrick C. Weaver	Currys Corner	22.0	9.78	22.0	0	10	19.78	23	22
0762	Ok Y. Kim - Oceanview Texaco	Ok Y. Kim - Oceanview Texaco	21.6	9.60	21.6	0	10	19.60	24	23
2483	Milco Inc.	Frontier Service Texaco	32.0	14.22	32.0	0	5	19.22	25	24
2924	Whittier Properties, Inc.	Zipmart -Whittier Properties	8.1	3.60	8.1	15	0	18.60	26	25
2560	Isaiah E. Lewis	Grate Land Auto	41.0	18.22	41.0	0	0	18.22	NR	26
0413	Sunny Chevron Service, Inc.	Sunny Chevron Service	37.0	16.43	37.0	0	0	16.43	NR	27
0956	Mike's University Chevron Servic	Mike's University Service Inc.	14.0	6.22	14.0	0	10	16.22	27	28
1339	Vern Stoner	Goldpanner Service Inc.	34.8	15.47	34.8	0	0	15.47	28	29
0404	Wendell R. Neff, Jr.	Healy Roadhouse	1.0	0.44	1.0	10	0	10.44	29	30
2186	Gerik Inc DbA Ride N Shine	Ride N Shine	8.0	3.56	8.0	0	0	3.56	30	31

## APPENDIX C

### Final FY 2002 New Cleanup Grant Priority Ranking List

*This list is prepared for ranking purposes only and does not reflect compliance with state or federal regulations.*

Facility ID	Applicant	Facility	AHRM Score	AHRM Rank	Access	Self Initiate	Score	Initial Rank	Final Rank
440	Phil Carboy	Gold Hill	255.60	100.00	0	5	105.00	1	1
2286	John Cook	Cooks Corner - Sterling Tesoro	144.00	56.34	0	0	56.34	2	2
1728	Lake Hood Air Harbor	Lake Hood Air Harbor	86.94	34.01	0	10	44.01	3	3
2287	Randy Hahn	Olsons Gas - #2	95.40	37.32	0	0	37.32	4	4
1421	Jeff Petrovich, Petro Products C	Petro Gas Station Facility - Petro Pro	81.00	31.69	0	5	36.69	5	5
1432	C.R. Lewis Co. Inc	C.R. Lewis Co., Inc.	79.38	31.06	0	0	36.06	6	6
1039	Carl & Darlene Hoover	Corner Station	10.00	3.91	10	15	33.91	7	7
1121	William G Knight Estate	Burton Carver Bus Barn	67.00	26.71	0	5	31.21	NR	8
2379	Richard Knowles	North Pacific Fuel Gas N Go	61.20	23.94	0	5	28.94	8	9
1068	Vicki S. Nickerson	Goldstream General Store	60.48	23.66	0	5	28.66	9	10
2701	Ron & Ed Hull	H & H Tesoro	31.00	12.13	0	10	27.13	10	11
328	Corinne Y. Foster	Cache Creek Chevron	15.00	5.87	0	15	25.87	11	12
583	Robinson's Inc	Robinson's	9.30	3.64	0	15	23.64	12	13
18	William E Dam	Shori's Texaco	32.00	12.52	0	5	22.52	13	14
2587	Ada Stephans	Peters Creek Chevron	27.00	10.56	0	0	15.56	15	15

APPENDIX D



**Board of Storage Tank Assistance**

**Board of Storage Tank Assistance**

**Annual Report to the Legislature  
For  
FY 01 and Calendar Year 2001**

*Board of Storage Tank Assistance*

410 Willoughby Avenue  
Juneau, Alaska 99801  
(907) 364-2514 (Office Phone)  
(907) 364-2518 (Facsimile)  
[cresolve@gel.net](mailto:cresolve@gel.net)



## Board of Storage Tank Assistance

### About the Board

- The Board is a seven-member board comprised of one Commissioner's designee from the Department of Environmental Conservation and six citizens from the private sector.
- Board members serve without compensation and have one contracted employee.
- The Board is an appeal board that resolves disputes between the regulated community and the Department of Environmental Conservation thereby saving the state thousands of dollars in potential legal costs.
- The Board mediates disputes regarding eligibility for financial assistance, eligible costs, priority ranking positions and cleanup plans for sites with contamination resulting from leaking underground petroleum storage tanks.
- The Board provides technical and educational assistance to petroleum storage tank owners and operators throughout Alaska.
- Limited annual funding requires applications for financial assistance grants and loans to be priority ranked annually using a Board scoring system that emphasizes imminent threats to public health. Additional criteria include proximity to alternate fuel, rural or urban location and other factors determined relevant by the Board.
- The Board has been very successful ensuring that smaller businesses, those with the greatest need, have received a higher priority for financial assistance from the State. Although larger businesses have received financial assistance in the past, a change in the enabling statutes in 1989 allowed only those owners and operators that have relatively small operations to be eligible for future financial assistance grants. Loans are currently available to all size operations.

## 2001 Board Activities

The Board resolved numerous disputes and continued to mediate between regulated underground petroleum storage tank owners and the Department of Environmental Conservation during FY 01 and calendar year 2001 through December 2001.

The Board was audited by Legislative Audit at the start of FY 01 and a recommendation to extend the Board to June 2003 was submitted to the Legislative Budget and Audit Committee.

- The Board conducted 3 formal meetings and 1 teleconference meeting during FY 01 and calendar 2001 through December of 2001.
- Board staff responded to numerous technical and financial assistance questions received from regulators, the regulated community and legislative staff regarding all aspects of the underground storage tank program.
- The Board heard 1 formal appeal during FY 01 and received an intent to appeal to be heard in 2002:
  - Denali Fuel (cleanup grant eligible cost appeal)
  - Mikes Chevron (cleanup grant eligible cost – Intent to appeal received)
- The Board addressed several additional appeals that were settled prior to the scheduled formal hearing date and subsequently withdrawn.
- The Board currently has 1 dispute that has yet to be mediated.
- Regulation changes proposed by both the DEC and the Board were reviewed with adoption expected early in 2002.
- Loan application forms and information packets were distributed during FY 01.
- One Board seat became vacant due to the resignation of the Public Interest Representative with no financial interest in underground storage tanks. The Board member that had held that seat had recently taken a job with a state agency that did underground storage tank-related activities.

- In July of 2001, the Board contracted with the private sector to provide staff support services to the Board. The Board awarded a contract to Capitol Resolve of Douglas, Alaska to provide staff support to the Board of Storage Tank Assistance through FY 02.
- The loan program is in the process of issuing its first full cleanup loans with additional loans to be issued in FY 02. A number of new disputes are then expected to arise related to eligibility, eligible costs, phased loans, and other problems related to the implementation of a new program.
- The Board of Storage Tank Assistance is currently in its sunset year and will terminate on June 30, 2002.
- There is a bill currently before the Alaska State Legislature to extend the Board of Storage Tank Assistance to 2003. Senate Bill 115, sponsored by the Legislative Budget and Audit Committee, revises the sunset date of the Board to June 30, 2003. This provides for the Board's actual termination date to be 12 months following the sunset date, to June 30, 2004.
- There is a bill currently before the Alaska State Legislature to convert the existing Cleanup Loan Program to a Revolving Loan Program and to eliminate the Grant Program completely by 2004. Senate Bill 153, sponsored by Senator Loren Leman, could eventually make the Storage Tank Assistance Fund more self-sustaining and thereby become less reliant on other funding sources in the future.
- Legislative Audit audited the Board during the first half of FY 01. This exhaustive and comprehensive audit was necessary to determine whether the Board should continue beyond its statutorily required June 30, 2001 sunset date. Legislative Audit determined that the Board should be extended two more years to June 2003.
- Throughout FY 01 and calendar year 2001, the Board of Storage Tank Assistance has continued to provide technical and regulatory assistance to underground petroleum storage tank owners and operators. The Board's contracted support staff continues to be available to underground petroleum storage tank owners and operators for technical assistance 7 days per week, 24 hours per day via phone, fax or email.

*Board of Storage Tank Assistance*  
410 Willoughby Avenue  
Juneau, Alaska 99801  
(907) 364-2514 (Office Phone), (907) 364-2518 (Facsimile)  
[eresolve@gei.net](mailto:eresolve@gei.net)

## Board of Storage Tank Assistance

### Appeal Action

As of  
2-Jan-02

Meeting Date	Appeal Action	Appellant / Basis for Appeal	Board Findings
	Board Ruled In Favor of:		
7/21/92	DEC	Anchorage Clean Sweep/ENSR Anchorage, Alaska (Denied Markup Charges)	Markups were not previously allowed by financial assistance staff. Board had earlier ruled in January, 1992 that markups would be allowed after January, 1992. Work at this site was conducted prior to January, 1992.
7/21/92	DEC	Anchorage Clean Sweep/ENSR Anchorage, Alaska (Denied Customary Costs)	Customary charges invoiced by this firm were higher than listed on allowable customary cost sheets that had been published by financial assistance staff. Consultant was aware of allowable customary costs at time of work.
12/7/92	Appellant	ERA Aviation Juneau, Alaska (Unique Design Points)	Firm had installed a unique aircraft refueling system that exceeded normal standards and considered local climatic fluctuations to further protect public health and the environment. Unique design enabled firm to receive additional ranking points.
12/18/92	DEC	Campbell & Sons Texaco Wasilla, Alaska (Priority Ranking Position)	Firm conducted cleanup activities and prevented soil contamination from reaching groundwater. Due to groundwater not presently being threatened, facility was ranked as medium priority. Board commended action but did not rank site higher.
4/13/93	Appellant	Wasilla Chevron Wasilla, Alaska (Eligible Costs)	Facility's consultant collected monitoring well samples. DEC staff determined costs were not eligible due to unqualified sampler. Board determined that samples had been collected by a person who was supervised by a qualified person in accordance with existing regulations. Costs determined eligible.
12/9/93	Appellant	Alaska Chevron Fairbanks, Alaska (Priority Ranking Position)	Board directed DEC to re-rank Dale Millers Alaska Chevron site to reflect a corrected Alaska Hazard Ranking Model score resulting from 3000 cubic yards of contaminated soil at the site. Board found the original score to be inconsistent with submitted site data.

APPENDIX D

**Board of Storage Tank Assistance**

As of  
2-Jan-02

**Appeal Action**

Meeting Date	Appeal Action	Appellant / Basis for Appeal	Board Findings
	Board Ruled In Favor of:		
12/14/93	Appellant	Kelly's Tire and Wheel Fairbanks, Alaska (Priority Ranking Position)	Board directed DEC to re-rank Bud Kelly's Tire and Wheel site to reflect a corrected Alaska Hazard Ranking Model score resulting from 3000 cubic yards of contaminated soil at the site. Board found the original score to be inconsistent with submitted site data.
12/14/93	Appellant	Renner's Full Serve Anchorage, Alaska (Priority Ranking Position)	Board directed DEC to re-rank Darrel Renner's Full Serve site to reflect a corrected Alaska Hazard Ranking Model score resulting from private wells serving less than 25 people within one mile of the site.
12/14/93	Appellant	Renner's Gas & Save #3 Anchorage, Alaska (Priority Ranking Position)	Board directed DEC to re-rank Terry Renner's Gas & Save #3 site to reflect a corrected Alaska Hazard Ranking Model score resulting from private wells serving less than 25 people within one mile of the site.
2/24/94	DEC	Mountain Corporation Haines, Alaska (Insurability Points for Ranking)	Appellant failed to appear before the Board, therefore Appeal was dismissed. However, the Board did review the insurability points awarded and the basis for the criteria and determined that both the criteria and the ranking for Mountain Market would stand.
7/12/94	DEC	Alaska Children's Services Anchorage, Alaska (Work conducted through 9/5/90)	Board denied reimbursement of costs incurred prior to 9/5/90. Board ruled that "costs incurred" are defined as when activities occur. Appellant had questioned whether costs were incurred before a project was completed. Board referenced Sec. 7, Ch. 96, SLA 1990.
Pending		Mapco Express, Inc Anchorage, Alaska (Eligibility)	*** Pending outcome of related lawsuits *** in the Alaska Superior Court

## Board of Storage Tank Assistance

### Appeal Action

As of  
2-Jan-02

Meeting Date	Appeal Action		Appellant / Basis for Appeal	Board Findings
	Board Ruled In Favor of:			
5/24/95	Appellant		Summit Lake Facility (Late Submission)	Board moved to recommend funding a continuation grant for Summit Lake. Although final estimates were received after 2/2/95 deadline, it was determined that the late submission due to circumstances beyond the owners control.
5/8/96	Appellant		Grateland, Auto (Upgrade / Closure Eligibility)	Board moved to fund 60% of the additional costs for upgrade & closure from the remaining FY96 contingency funds.
5/8/96	Appellant		Cooks Tesoro Sterling, Alaska (Denied labor costs)	Board ruled in favor of Gilfilian Engineering's additional labor costs incurred in transporting and verifying soil stockpile volumes at Cooks Sterling Tesoro site. Tasks were not in filed workplan but were necessary.
5/8/96	Appellant		Robinsons Kenai, Alaska (Priority Ranking Dispute)	Board ruled to correct Robinsons Upgrade Priority Ranking score and to revise the the resulting ranking position from #29 to #4 for FY96
10/4/96	Appellant		Courtney's Tudor Service Anchorage, Alaska (Denied Testhole Costs)	Board ruled in favor of excessive costs of a test borehole completed on site less the cost of a comparable borehole. Eligible amount limited
10/30/96	Appellant		Cooks Tesoro Sterling, Alaska (Denied labor & 3rd party costs)	Board ruled that certain documented labor, engineering, legal and other 3rd party expenses were eligible costs. Costs were due to extenuating circumstances and were necessary in order to complete cleanup activities on site.

## Board of Storage Tank Assistance

### Appeal Action

As of  
2-Jan-02

Meeting Date	Appeal Action		Board Findings
	Board Ruled In Favor of:	Appellant / Basis for Appeal	
2/25/97	Appellant	Cooks Tesoro Sterling, Alaska (Denied labor costs)	Board ruled that certain documented labor and engineering expenses were eligible costs. Costs were due to extenuating circumstances and were necessary in order to complete cleanup activities on site.
5/29/97	Appellant	Cooks Tesoro Sterling, Alaska (Denied labor costs)	Board ruled that certain documented labor and engineering expenses were eligible costs. Costs were due to extenuating circumstances and were necessary in order to complete cleanup activities on site.
11/10/97	Appellant	Maritime Helicopters (Priority Ranking Dispute)	Board ruled to allow 20 additional points for self-initiated cleanup measures and for the facility to be re-ranked on the Priority Ranking List
5/27/98	Appellant	Cooks Tesoro Sterling, Alaska (Denied labor costs-Gilfilian)	Board ruled that certain documented labor and engineering expenses were eligible costs. Costs were not expected due to limitations in the submitted workplan but were necessary in order to complete cleanup activities on site.
5/27/98	- Settlement -	Moosehorn Property (Regulation Dispute, Cleanup & Closure Cost Eligibility)	Error in printed regulations caused a dispute regarding interpretation of expenditure caps during a closure. Board moved to accept the Moosehorn Property Settlement as tendered.
5/25/99	Appellant	Fishers Fuel Inc. Big Lake, Alaska (Ineligibility)	DEC had originally issued an upgrade grant but had asked for the grant to be returned because the new tanks were placed on a non-contiguous property. Board ruled in favor of the appellant.

APPENDIX D

# Board of Storage Tank Assistance

## Appeal Action

As of  
2-Jan-02

Meeting Date	Appeal Action		Appellant / Basis for Appeal	Board Findings
	Board Ruled In Favor of:			
5/25/99	Appellant		Northern Energy, Tok ,Alaska (Reconsideration for Ranking)	Applicant had applied and been ranked - changed plans to install aboveground tanks - changed plans again and asked to be re-ranked. DEC determined they could not be reinstated to the list. Board ruled in favor of apellant for the FY 00 List.
5/25/99	Appellant		Anvil City Station, Nome,Alaska (Reconsideration for Ranking)	Applicant had applied and been ranked - changed plans to install aboveground tanks - changed plans again and asked to be re-ranked. DEC determined they could not be reinstated to the list. Board ruled in favor of apellant for the FY 00 List.
8/5/99	WITHDRAWN		Tesoro Petroleum	Resolved Prior to Regular Meeting
3/8/00	Appellant		Northstar Truckstop, Tok, Alaska (Grant Termination)	Grant was terminated by DEC due to failure to meet requirements of COBC and to pay late registration fees. Board moved to reinstate the grant if certain criteria were met, including payment of fees, proof of work, compliance with COBC and completion of upgrade tasks
5/18/00	Appellant		Tope Equipment, Anchorage, Alaska (Ineligibility)	Applicant had used inappropriate form for application. DEC failed to note error and determined application was ineligible. Board ruled in favor of appellant due to applicants clerical error. Board further allowed applicant to amend application to reflect additional costs incurred after 9/5/90

## Board of Storage Tank Assistance

As of  
2-Jan-02

### Appeal Action

Meeting Date	Appeal Action	Appellant / Basis for Appeal	Board Findings
	Board Ruled In Favor of:		
10/30/01	Settled	Denali Fuel, Anchorage, Alaska (Cleanup Grant Eligible Cost)	Applicant had conducted certain cleanup activities that were not included in the original workplan. DEC determined costs could not be paid due to current grant cap and other task priorities. Board proposed reviewing grant cap language for clarification and that applicant should apply for cleanup loan for remaining tasks.
11/16/01	PENDING FORMAL APPEAL REQUEST - Intent received 11/16/2001	Mikes Chevron, Fairbanks, Alaska (Cleanup Grant Eligible Cost)	To be heard in early 2002

# Board of Storage Tank Assistance Meeting List

As of 1/2/02



## REGULAR MEETINGS

MEETING DATE	Tape Recordings	Full Transcription	Condensed Minutes	Appeal Hearing	Hearing Transcript
9/20/90	YES				
10/9/90	YES				
12/13/90	YES				
1/17/91	YES				
3/7/91	YES				
4/26/91	YES				
5/30/91	YES	YES			
7/25/91	YES		YES		
9/25/91	YES		YES		
1/23/92	YES		YES		
5/1/92	YES		YES		
7/21/92	YES		YES	YES	
12/7/92	YES		YES	YES	
3/30/93	YES		YES	YES	
7/7/93	YES		YES	YES	YES
9/22/93	YES		YES		
2/23/94	YES			YES	
7/12/94	YES		YES	YES	
10/20/94	YES				
2/2/95	YES				
7/20/95	YES		YES		
11/28/95	YES				
5/8/96	YES			YES	
10/4/96	YES			YES	
10/30/96	YES			YES	
12/19/96	YES				
2/25/97	YES			YES	
8/26/97	YES				
11/10/97	YES			YES	
3/24/98	YES				
5/25/99	YES			YES	
6/25/99	YES				
8/5/99	YES		YES		
3/8/00	YES		YES		
5/18/00	YES		YES	YES	
7/18/00	YES		YES		
6/25/01	YES		YES		
10/30/01	YES		YES	YES	

## TELECONFERENCE MEETINGS

MEETING DATE	(Recordings available for all teleconferences)				
2/20/91	9/18/92	5/27/93	1/6/94	9/20/95	12/15/98
3/15/91	9/30/92	6/30/93	1/25/94	8/20/96	5/5/99
3/28/91	12/18/92	8/18/93	5/12/94	5/29/97	8/17/99
7/12/91	1/5/93	11/2/93	5/20/94	10/14/97	12/17/99
10/14/91	3/16/93	11/19/93	5/24/94	5/27/98	5/28/00
3/20/91	4/13/93	12/9/93	3/22/95	5/30/98	8/24/01
7/31/92	4/27/93	12/14/93	5/24/95	8/7/98	

## Board of Storage Tank Assistance



### Attendance Statistics

#### Cumulative Attendance Record of Members for past 76 Board Meetings

*\*\*Attendance Records Unavailable Prior to January 1991 - 3 Organizational Meetings in 1990 are not included in this summary.*

#### MEMBER

**C = Current Member**

\*State Employees / Compensated Members

As of 2-Jan-02

J. Barnett (Exec. Director)	C	76 of 76	100%
L. Dietrick (DEC)*	C	12 of 12	100%
A. Walker (DEC)*		1 of 1	100%
R. Haines	C	40 of 41	98%
K. Fredriksson(DEC)*		21 of 22	95%
B. Gillilan		21 of 22	95%
E. Billingslea		15 of 16	94%
J. Chadwick	C	54 of 58	93%
R. Starr	C	16 of 18	89%
S. Johnson	C	43 of 49	88%
D. Young		22 of 26	85%
J. Ottesen (DOT)*		13 of 16	81%
N. Johnson (DOT)*		11 of 14	79%
W. Livingston		13 of 17	76%
J. Bertholl		24 of 32	75%
H. Hill		8 of 11	73%
H. Schliesing		19 of 26	73%
M. Conway(DEC)*		11 of 15	73%
K. Gerken (DOT) *		17 of 24	71%
E. Anders		11 of 16	69%
J. Weymiller	C	21 of 31	68%
J. Adair (DEC) *		16 of 26	62%

#### General Information

Board Inception Date = 9/5/90  
 Total Number of Meetings To-Date = 79  
 Total Number of Meetings w/Attendance Records = 76  
 Total Number of Teleconference Meetings = 41  
 Total Number of Formal / Regular Meetings = 38  
 Average Number of Meetings Per Year = 7  
 Number of Board Seats = 7  
 Total Number of Board Members Appointed Since 9/5/90 = 22  
 Longest Serving Board Member = Judy Chadwick (10/92 to Present)  
 Shortest Serving Board Member = Alan Walker  
 Number of DEC Designees Since 9/5/90 = 5  
*Average Attendance Record of All Members = 85%*  
*Average Attendance Record of CURRENT Members = 92%*  
 Number of Support Staff = 1 (Executive Director - private Sector Contract)  
 Number of Executive Directors Since 9/5/90 = 1





**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 3/21/01

FURTHER: Finance

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 4/23/01

Resources Committee considered SENATE BILL NO. 153

*UNDERGROUND STORAGE TANK LOAN FUND*

"An Act replacing the storage tank assistance fund with the underground storage tank revolving loan fund and relating to that revolving loan fund; repealing the tank cleanup program and the tank upgrading and closure program; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 153 ( RES )
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( \_\_\_\_\_ )
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

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

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
DEC	3/28/01		✓	1

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Alvin H. Taylor</i>		✓		
<i>Rick Helford</i>		✓		
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
CHAIR: <i>[Signature]</i>	✓			

2/6/02

SB 153-UNDERGROUND STORAGE TANK LOAN FUND  
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: MARY SIROKY Subject/Bill No: SB 153  
Co./Dept./Title: DEC Phone: 465-5355  
Address: 410 Willoughby Zip: 99801  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: JOHN BARNETT Subject/Bill No: 153  
Co./Dept./Title: BOARD OF STORAGE TANKS Phone: 367-2514  
Address: DOUGLAS Zip: 99824  
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

01/31/02

SB 153-UNDERGROUND STORAGE TANK LOAN FUND  
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: JOHN BARNETT Subject/Bill No: 153  
BOARD OF STORAGE TANKS  
Co./Dept./Title: \_\_\_\_\_ Phone: 364-2514  
Address: P.O. Box 240651 DOUGLAS AK Zip: 99824  
Do you wish to testify?  Yes  No  Respond To Questions

NAME: LARRY DIETRICK Subject/Bill No: 153  
ADEC - <sup>DIRECTOR</sup> Spill Prevention & Response Phone: 465 5255  
Address: 410 WILLOUGHBY Zip: 99801  
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

SENATE FINANCE COMMITTEE

SIGN-IN

SB 153-UNDERGROUND STORAGE TANK LOAN FUND

NAME: JOHN BARNETT Subject/Bill No: SB 153  
Co./Dept./Title: BOARD OF STORAGE TANKS Phone: 364-2514  
Address: DOUGLAS AK Zip: 99824

Do you wish to testify? ~~Yes~~  No ~~Respond To Questions~~

NAME: STEVEN DAUGHERTY Subject/Bill No: SB 153  
Co./Dept./Title: DEPT. OF LAW, AAG Phone: 465-6725  
Address: JUNEAU Zip: 99801

Do you wish to testify?  Yes  No  Respond To Questions

NAME: JAMES F. HAUDEN Subject/Bill No: SB 153  
Co./Dept./Title: DFC Phone: 465-5203  
Address: 410 Willoughby Ave Zip: 99801

Yes  No  Respond To Questions

**SB**

**154**

HFIN

FILE



# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 154  
 (S ) Publish Date: 3/29/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health & Social Services  
 Title: Sunset of Designated Evaluation and BRU: Community Mental Health Grants  
Treatment Program Component: Designated Eval & Treatment  
 Sponsor: Sen. Kelly  
 Requester: Senate (HES) Component Number: 1014

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

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>

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

1002 Federal Receipts	582.1					
1003 GF Match						
1004 GF						
1007 I/A Receipts	723.7	723.7	723.7	723.7	723.7	723.7
1037 GF/Mental Health	1,146.3	1,728.4	1,728.4	1,728.4	1,728.4	1,728.4
1092 MHTAAR	200.0	200.0	200.0	200.0	200.0	200.0
<b>TOTAL</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:  X

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*  
**ALL FUNDING FOR DET IS INCLUDED IN THE GOVERNOR'S BUDGET.** This bill allows for the continuation of Designated Evaluation and Treatment services covered in the FY02 Governor's Request. These statutes (sunset date July 1, 2001) establish consistent methods for the Department to pay for voluntary or involuntary inpatient psychiatric services for individuals who pose a danger to themselves or others because of mental illness, or who are gravely impaired by mental health systems, and who have no third party payor and cannot afford the high cost of hospitalization. The provision of these services in local communities fits with the objectives of serving consumers close to home. Federal laws have reduced the % of the \$10 million in Disproportionate Share Hospital funds that have been available to API on an annual basis since the 1980s. This "frees up" the balance of the DSH funds for other special needs populations served by qualifying hospitals. The DET assistance program is a logical, eligible recipient of these funds.

Prepared by: Sarah Brinkley, Admin Manager Phone 465-3167  
 Division: DMHDD Date/Time 1/0/00 12:00 AM  
 Approved by: Elmer A. Lindstrom, Special Assistant Date 3/22/01 10:12 AM  
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

## ANALYSIS: (continued)

Of the total \$2,652.1 DET budget for FY02, \$2,392.1 was in the FY02 Governor's Request and \$723.7 was added through the FY02 Governor's Amended Request.

## Breakdown of FY02 DET projections:

Grants - \$260.0

Fee for Service - \$2,392.1

Fairbanks \$1,262.1

Juneau \$ 641.6

Mat-Su \$ 237.1

Ketchikan \$ 99.9

Anchorage \$ 60.3

YKHC \$ 55.2

other \$ 35.9

\*Note: The DET component's FY02 budget contains, in addition to the above \$2,652.1 authority for projected needs, another \$142.8 in excess federal authority on the books for potential unanticipated future federal awards.

**SENATE BILL NO. 154**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SECOND LEGISLATURE - FIRST SESSION**

**BY SENATOR KELLY**

Introduced: 3/21/01

Referred: Health, Education and Social Services, Finance

**A BILL**  
**FOR AN ACT ENTITLED**

1 "An Act relating to mental health treatment facilities; repealing the termination date of  
2 the mental health treatment assistance program; and providing for an effective date."

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

4 \* Section 1. Sections 2, 4, 6, and 9, ch. 87, SLA 1999, are repealed.

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

# FISCAL NOTE

**STATE OF ALASKA  
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 154  
 (S ) Publish Date: 3/29/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health & Social Services  
 Title: Sunset of Designated Evaluation and Treatment Program BRU: Community Mental Health Grants  
 Component: Designated Eval & Treatment  
 Sponsor: Sen. Kelly  
 Requester: Senate (HES) Component Number: 1014

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

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>

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

<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

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Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

**ALL FUNDING FOR DET IS INCLUDED IN THE GOVERNOR'S BUDGET.** This bill allows for the continuation of Designated Evaluation and Treatment services covered in the FY02 Governor's Request. These statutes (sunset date July 1, 2001) establish consistent methods for the Department to pay for voluntary or involuntary inpatient psychiatric services for individuals who pose a danger to themselves or others because of mental illness, or who are gravely impaired by mental health systems, and who have no third party payor and cannot afford the high cost of hospitalization. The provision of these services in local communities fits with the objectives of serving consumers close to home. Federal laws have reduced the % of the \$10 million in Disproportionate Share Hospital funds that have been available to API on an annual basis since the 1980s. This "frees up" the balance of the DSH funds for other special needs populations served by qualifying hospitals. The DET assistance program is a logical, eligible recipient of these funds..

Prepared by: Sarah Brinkley, Admin Manager Phone 465-3167  
 Division: DMHDD Date/Time 1/0/00 12:00 AM  
 Approved by: Elmer A. Lindstrom, Special Assistant Date 3/27/01 10:12 AM  
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

## ANALYSIS: (continued)

Of the total \$2,652.1 DET budget for FY02, \$2,392.1 was in the FY02 Governor's Request and \$723.7 was added through the FY02 Governor's Amended Request.

## Breakdown of FY02 DET projections:

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other \$ 35.9

\*Note: The DET component's FY02 budget contains, in addition to the above \$2,652.1 authority for projected needs, another \$142.6 in excess federal authority on the books for potential unanticipated future federal awards.

# Alaska State Legislature

*Session:*  
State Capitol  
Juneau, AK 99801  
Phone: (907) 465-2327  
Fax: (907) 465-5241



*Interim:*  
119 N. Cushman  
Fairbanks, AK 99701  
Phone: (907) 456-8161

Senator Pete Kelly  
District P

## SB154

“An Act relating to mental health treatment facilities; repealing the termination date of the mental health treatment assistance program; and providing for an effective date.”

SB154 would repeal the sunset clause on a bill that passed in 1999 that created the Designated Evaluation Program. This program provides treatment through local hospitals for people who are in mental crisis. These individuals are working poor people who have no insurance or Medicaid coverage, who cannot afford hospitalization and who meet certain eligibility requirements.

If the sunset clause is not repealed, the following will be lost:

- Description of application, application review and appeal procedures
- Authorization of the department to establish eligible services and reimbursement rates
- Description of procedures for payment for the services provided
- Clarification of language and definitions to accurately reflect statutory intent
- Clarification of the responsibilities of the Department
- Language that establishes who is eligible for assistance for inpatient services:
  - ❑ Individuals who meet criteria for commitment under current statutes (i.e. danger of harming self or others or gravely disables as a result of mental illness, and is likely to improve with treatment)
  - ❑ Individuals whose household income is below 185% of federal poverty guidelines for Alaska and who have no other third party payer

SB 154 would remove the sunset clause and extend the program indefinitely. Without this change, individuals in need of treatment would have to be transported to Alaska Psychiatric Institute or held in correctional facilities.

All of this is due to sunset July 1, 2001, sending the program back to it's original vague and problematic state.

# Alaska State Legislature

*Session:*  
State Capitol  
Juneau, AK 99801  
Phone: (907) 465-2327  
Fax: (907) 465-5241



*Interim:*  
119 N. Cushman  
Fairbanks, AK 99701  
Phone: (907) 456-8161

Senator Pete Kelly  
District P

## Senate Bill 154 Sectional Analysis

"An Act relating to mental health treatment facilities; repealing the termination date of the mental health treatment assistance program; and providing for an effective date."

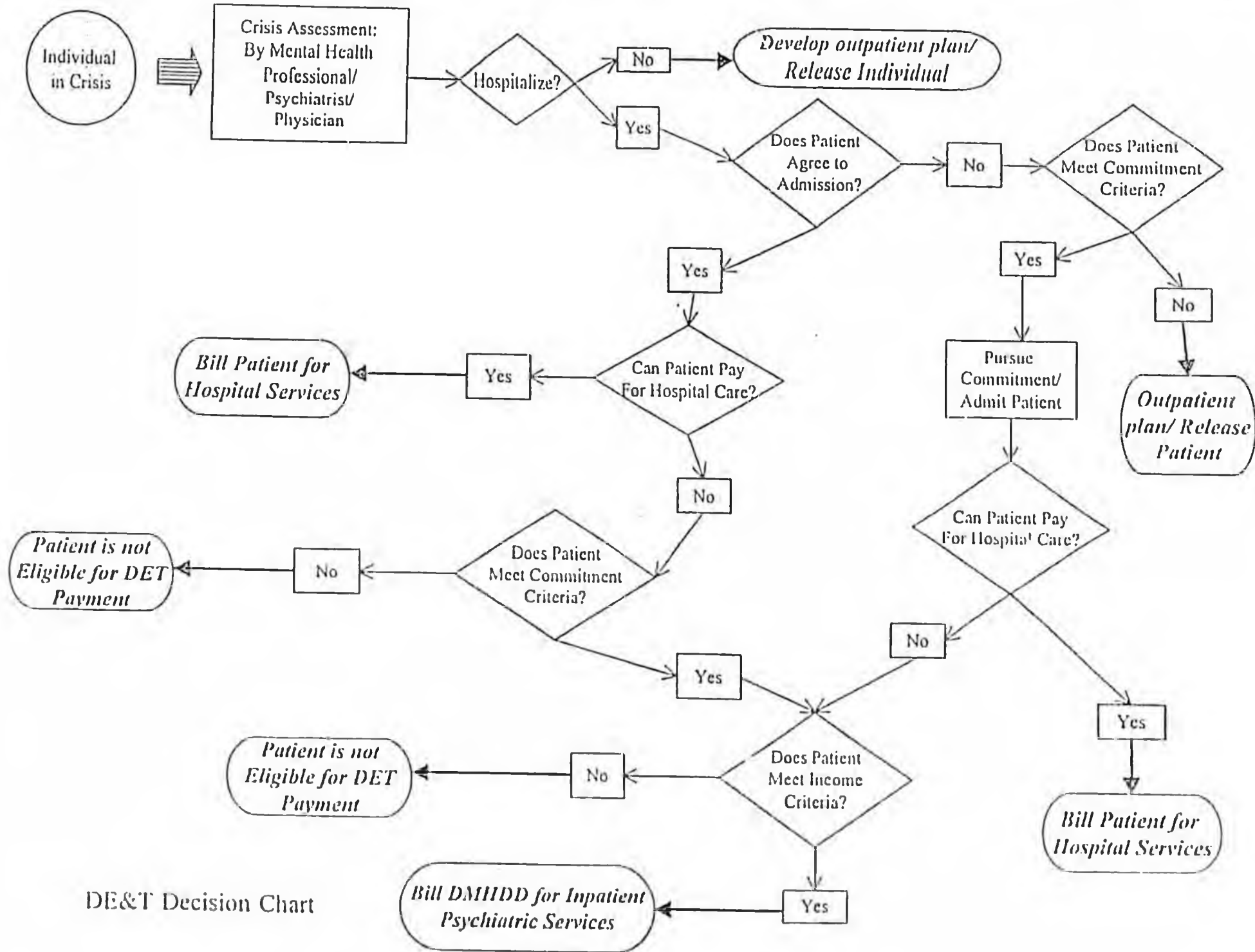
This bill repeals the sunset clause for the Designated Evaluation and Treatment program (DET).

Section 1. of the bill repeals the sunset provisions Sections 2, 4, 6, and 9 of ch. 87 SLA 1999. Those current sections that would be removed cover:

- the clarification of liability for expenses of placement in a treatment facility, (Section 2.)
- the clarification of the definition of "designated treatment facility", (Section 4.)
- clearly defines the eligibility and procedures of the DET program. (Section 6.):
  - Applicability
  - Eligibility for assistance
  - Application for assistance
  - Decision on eligibility
  - Eligible services rates
  - Payment
  - Appeal
  - Regulations
  - Definitions
- Established an effective date of sunset as July 1, 2001 (Section 9.)

Section 2 of this bill causes the repeal to take effect immediately.

If the sunset occurs, then it reinstates the vague language that led to confusion and inconsistencies in managing the program. These problems led to a lawsuit which prompted the statutory change.



DE&T Decision Chart

TONY KNOWLES, GOVERNOR

**DEPT. OF HEALTH AND SOCIAL SERVICES**

DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES  
CENTRAL OFFICE

P.O. BOX 110620  
JUNEAU, ALASKA 99811-0620  
PHONE: (907) 465-3370  
FAX: (907) 465-2668  
TDD: (907) 465-2225  
TOLL FREE: 1-800-465-4828

March 16, 2001

The Honorable Pete Kelly  
State Capital  
Juneau, Alaska 99801

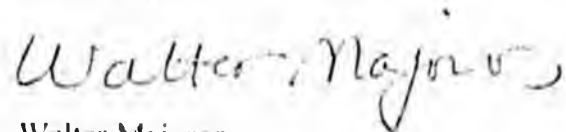
Dear Senator Kelly:

Thank you for your continuing support of the Designated Evaluation and Treatment (DET) program. The DET program is a critical component in the continuum of mental health services in Alaska, particularly for indigent persons with mental illnesses who are being civilly committed, or meet the criteria for civil commitment. Through this program, many poor people with mental illness who do not qualify for Medicaid are able to receive services in community hospitals across the state, closer to their families and local support systems. Without the DET program, it would be necessary to transport many consumers in crisis to Alaska Psychiatric Institute (API) to receive evaluation and treatment services.

Consumers have advocated aggressively for receiving community-based services in the least restrictive environments. The Division is responding by creating local and regional systems of care for persons experiencing mental illnesses. We would like to limit the use of API to those psychiatric crises that exceed the ability of local communities to address. The DET program provides a stable, predictable reimbursement structure for community hospitals to proactively address these crises for persons who lack other means to pay for services. This in turn allows many communities in Alaska to develop a more comprehensive and coordinated approach to addressing local mental health emergencies.

Without new legislation to extend its existence, the current clarifying statutory language of the DET program will expire as of July 1, 2001, plunging the program back into vagueness and confusion. We strongly encourage the passage of this legislation, and again thank you for your support.

Sincerely,



Walter Majoros  
Director

TONY KNOWLES, GOVERNOR

**DEPT. OF HEALTH AND SOCIAL SERVICES**

*DIVISION OF MENTAL HEALTH AND  
DEVELOPMENTAL DISABILITIES*

ALASKA PSYCHIATRIC INSTITUTE  
2900 PROVIDENCE DRIVE  
ANCHORAGE, ALASKA 99508-4677  
PHONE: (907) 269-7100  
FAX: (907) 269-7251

March 16, 2001

The Honorable Pete Kelly  
Alaska State Senate  
State Capitol – Room 518  
Juneau, AK 99801-1182

Dear Senator Kelly:

I am writing to express the support of the management of Alaska Psychiatric Institute (API) for continuation of the legislation authorizing payments to designated evaluation and treatment (DET) hospitals across the State of Alaska who provide inpatient psychiatric services to Alaskans who meet statutory criteria for inpatient treatment.

As you know, API is the State's only public hospital. Our mission is to provide an appropriate array of quality, inpatient psychiatric services for the treatment of Alaskans with psychiatric disorders who meet admission criteria. API's patients come from all around the State.

One of our major and ongoing concerns is the admission pressure on the facility. Between FY95 and FY00, API's admissions have increased 56%, while our bed capacity has actually decreased to our present capacity of 74 beds. The attached graph demonstrates the impact on treatment capacity (higher admissions, shorter lengths of stay). Because our bed capacity is limited and the admissions frequent, we are required to discharge patients quickly, leading to criticism from some community mental health service providers that the hospital stays of the persons admitted to API are too short and that patients are discharged before they are ready to return to their communities.

However, API treatment staff truly have no choice but to discharge the majority of our patients relatively quickly because otherwise our beds would quickly fill up with patients with longer hospital stays and our patient census would not only quickly reach our supposed maximum capacity of 74 but soon seriously exceed the beds available (we have been as high as 88 in the last year or so).

Therefore, the reason API fully supports DET legislation is that it encourages local community hospitals to admit and treat persons experiencing a mental health crisis in their community of residence rather than transporting these individuals to API.

Page Two – Senator Pete Kelly – March 16, 2001

When we look at the annual increase in the number of API admits, we consider ourselves fortunate indeed that the DET statute has actually reduced referrals to API from the communities of Juneau and Fairbanks, and more recently from Kodiak and Nome.

Without the willingness of these hospitals to provide DET services, many of the persons admitted in the last few years to Bartlett Memorial Hospital in Juneau or Fairbanks Memorial Hospital, for example, would have been transported from their community (often in handcuffs!) and admitted to API instead, only further substantially increasing admission pressure on API.

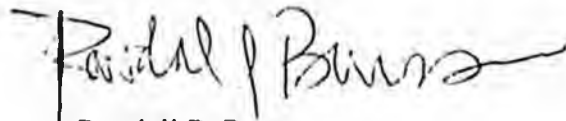
However, as a result of the provisions of the DET legislation, admissions from Juneau remain very low and, with the recent opening of the Fairbanks Memorial Hospital's expanded psychiatric unit, the admissions from Fairbanks to API have dropped substantially. This has been a real success story.

My concern would be, should the statutory authority to reimburse DET hospitals be allowed to sunset, that local hospitals would soon cease providing this service and the persons experiencing a mental health emergency requiring hospital-level care who now are able to be treated in their home community, near family and friends, would be transported to API for admission and treatment, neither a therapeutic or cost-effective solution.

I understand that you are supportive of continuing this important service to Alaskans with mental illnesses, and I provide this letter to you to demonstrate to you the present value of funded DET services to API. If these local services were not present, API would itself soon need additional budget funds to staff and operate the hospital to its increasing capacity.

If I can be of further assistance to you, or if you have any additional questions, please do not hesitate to contact me. And thank you for this opportunity to comment on the value of the DET legislation to API.

Respectfully yours,



Randall P. Burns  
Chief Executive Officer

cc: Anne Henry, DMHDD

**SEVEN (FISCAL) YEAR DATA COMPARISON**  
**Alaska Psychiatric Institute**

	<u>FY94</u> <u>(114 Beds)</u>	<u>FY95*</u> <u>(79 Beds)</u>	<u>FY96</u> <u>(79 Beds)</u>	<u>FY97</u> <u>(79 Beds)</u>	<u>FY98</u> <u>(79 Beds)</u>	<u>FY99</u> <u>(79 Beds)</u>	<u>FY00**</u> <u>(74 Beds)</u>	<u>Increase</u> <u>from FY95</u> <u>to FY00</u>
Admissions	1,052	946	1,164	1,258	1,352	1,350	1,480	56%
Discharges	1,043	984	1,161	1,266	1,333	1,361	1,487	51%
Inpatient Days	35,144	23,208	23,382	25,403	25,421	26,205	23,260	0%
Highest Daily Census	112	72	71	91	84	88	80	
Lowest Daily Census	82	56	56	51	51	55	49	
Average Daily Census	96	64	64	70	70	72	64	
ALOS ***	21 (28)	15 (35)	13 (18)	13 (21)	13 (18)	13 (21)	10 (22)	

\* Following a substantive budget cut, API down-sized from 114 beds to 79 beds in late 1994

\*\* As a part of the API 2000/Community Mental Health Project, following the placement of a number of long-term patients in a residential program operated through ASSETS in Anchorage, effective January 1, 2000, API reduced its bed capacity on its longer term patient unit (Katmai) by five beds, thus reducing API's total bed capacity to 74.

\*\*\* "ALOS" means the *average length of stay* for a patient at API; the top number provided in this row does not include any patient at API whose stay exceeded six months. Patients with lengths of stay in excess of six months are generally treated on API's Katmai Unit, where their complex treatment or placement needs, or their legal status, frequently require stays in excess of six months and often many years; it also will include any patient on API's Taku Unit whose treatment needs may require stays that extend beyond six months. The bottom number in parentheses in this row reflects a LOS that includes all patients, regardless of their length of stay at the hospital.



Denali Center  
Fairbanks Memorial Hospital  
Banner Health Systems

Denali Center 1510 19th Avenue Fairbanks, AK 99701 (907) 458-5100	Fairbanks Memorial Hospital 1650 Cowles Street Fairbanks, AK 99701-5903 (907) 452-8181 Fax (907) 458-5324
--	---

March 26, 2001

Senator Pete Kelly  
State Capitol, Room 518  
Juneau, AK 99801-1182

Dear Senator Kelly:

As you know, Fairbanks and other sole-hospital communities across Alaska have struggled with providing quality local hospitalization for mentally ill adults. With your help over the past several years, Fairbanks, Juneau and Bethel have made great strides in taking care of local residents, and have significantly reduced the burden we have placed on Anchorage in our ability to treat mental health patients in our local communities.

Last year Fairbanks' public health and safety agencies reduced the number of mental health patients transferred to Alaska Psychiatric Institute from 75 to 5, dramatically impacting the cost, inconvenience and level of care provided to these patients.

Thank you for championing SB-154. Repealing the sunset clause of the current Designated Evaluation and Treatment program profoundly and favorably impacts the care of and the cost to the mentally ill in Fairbanks, and across Alaska.

Thank you for your help.

Sincerely,

Mike Powers  
Administrator  
Fairbanks Memorial Hospital

F.M.H./D.C. MEDICAL STAFF  
 FAIRBANKS MEMORIAL HOSPITAL/DENALI CENTER  
 1650 COWLES STREET  
 FAIRBANKS, ALASKA 99701

---



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2001 OFFICERS:

RICHARD HATTAN, M.D.

PRESIDENT/CHIEF OF STAFF

TIMOTHY TESLOW, M.D.

VICE PRESIDENT

DAVID WRIGLEY, M.D.

SECRETARY/TREASURER

RICHARD HUTCHISON, M.D.

IMMEDIATE PAST PRESIDENT

RICHARD CORDEN, M.D.

CHAIR, BYLAWS COMMITTEE

DAVID FLORY, M.D.

CHAIR, ANESTHESIA

ART STRAUSS, M.D.

CHAIR, EMERGENCY MEDICINE

CORRINE LEISTIKOW, M.D.

CHAIR, FAMILY PRACTICE

KENNETH STARKS, M.D.

CHAIR, INTERNAL MEDICINE

DENNIS HARTUNG, M.D.

CHAIR, OB/GYN

JOHN JOOSSE, M.D.

CHAIR, ORTHOPEDIC SURGERY

MISHELLE NACE, M.D.

CHAIR, PEDIATRICS

TIM TESLOW, M.D.

CHAIR, SURGERY

MARK BUTCHER, M.D.

CHAIR, CLERK COMMITTEE

CAROL PHILLIPS, M.D.

JEFFREY ZUCKERMAN, M.D.

FOUNDATION REPRESENTATIVES

**R. Duane Hopson, M.D.**  
**Director of Mental Health**

March 26, 2001

Senator Pete Kelly  
 State Capitol, Room 518  
 Juneau, AK 99801-1182

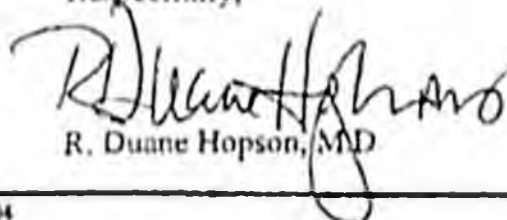
Dear Senator Kelly,

I am writing to you to request your support of SB-154, which I believe is vital to the continued growth of Mental Health not only in Fairbanks but also throughout the Interior. The funds made available through this Bill will continue to support the efforts begun two years ago and assure ongoing growth and development of a Mental Health system throughout the State.

A current area of growth has been in the expansion of an inpatient unit here at Fairbanks Memorial Hospital, which has allowed for the provision of psychiatric care locally rather than in distant communities. The number of transfers from Fairbanks to Alaska Psychiatric Institute has significantly dropped and the development of an acute care milieu and philosophy on the Mental Health Unit both attest to the changes that are being made. Future plans include growth in the areas of partial hospitalization and outpatient services to complete the network of services as we develop a comprehensive mental health system for the Interior.

I hope that you will continue to support the efforts of our community and the growth of Mental Health in Alaska with SB-154.

Respectfully,

  
 R. Duane Hopson, M.D.



Denali Center  
Fairbanks Memorial Hospital  
*Banner Health Systems*

Denali Center	Fairbanks Memorial Hospital
1510 19th Avenue	1650 Cowles Street
Fairbanks, AK 99701	Fairbanks, AK 99701-5098
(907) 458-5100	(907) 452-8181
	Fax (907) 458-5324

March 23, 2001

Honorable Pete Kelly  
State Senate

Dear Senator Kelly:

Regarding SB-154, I strongly encourage support of its passage this session, for the following reasons:

- The bill repeals the sunset clause of the mental health treatment assistance program, established two years ago as part of the reform of the state mental health program.
- The Designated Evaluation and Treatment Program (DET) promotes access to hospital care for mentally ill individuals as close to home as possible.
- This bill provides for the local hospitalization of mentally ill individuals who would otherwise be committed to API.
- Family members and local community providers would be involved in hospital care and discharge planning.
- This would result in shorter length of stays and more realistic follow-up care recommendations.
- Fairbanks Memorial Hospital recently expanded its psychiatric unit in order to meet the needs of individuals who formerly were sent to API.

As you can clearly see, the success of the efforts over the last two years would be lost if the program is sunsetted and Alaska returns to its former way of doing business. I ask that you voice my vote of strong support of the passage of SB-154.

Sincerely,

RICHARD HATTAN, M.D.  
Chief of Staff  
Medical/Dental Staff of  
Fairbanks Memorial Hospital/Denali Center

# *EMERGENCY MEDICINE ASSOCIATES, P.C.*

---

President, Carol J. Phillips, M.D., FACEP

P.O. Box 80848  
Fairbanks, Alaska 99708-0848  
Phone (907) 479-5117  
Fax (907) 479-5110

## *MEMORANDUM*

To: All Alaska Senators and Representatives  
From: Emergency Medicine Associates, PC  
Date: March 24, 2001  
Subject: Designated Evaluation and Treatment Program

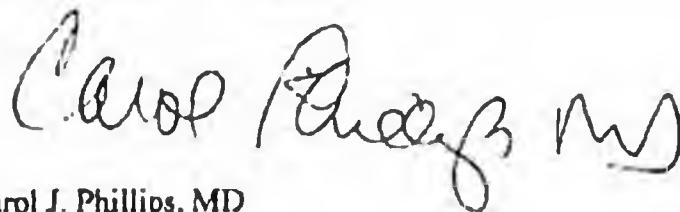
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The Designated Evaluation and Treatment program is vital to the treatment of our community's mentally ill patients.

As you are making your decision whether to pass SB-154, please keep in mind that patients need to be near family who know and care for them. Local doctors are familiar with our community's patients and can work in conjunction with patients' families to plan treatments accordingly.

Please-- I recommend strongly that you pass SB-154.

Thank you for your time.



Carol J. Phillips, MD



INTERIOR  
NEIGHBORHOOD  
HEALTH  
CLINIC

1949 Gillam Way, Suite D  
Fairbanks, Alaska 99701  
Phone: (907) 455-4567  
Fax: (907) 455-7675  
TTY: (907) 455-4507

March 25, 2001

Senator Pete Kelly  
117 North Cushman Suite 201  
Fairbanks, Alaska 99701

*Pete*  
Dear Senator Kelly:

One in 5 adults has a diagnosable mental disorder and one in four families will have a member with mental illness. Meeting the mental health needs of our communities remains one of the greatest challenges for healthcare providers. Many individuals needing treatment are unable to work because of their illness and will not seek needed inpatient treatment for fear of large medical bills, although they may be at risk of endangering themselves or others.

We urge you to support SB-154 introduced by Senator Kelly. The bill repeals the sunset clause of the mental health treatment assistance program. This program was established two years ago as part of the reform of the state mental health program. It provides for the local hospitalization of mentally ill individuals who would otherwise be committed to API. In many instances, this includes traveling from Fairbanks to Anchorage through the judicial system. This option can be frightening and detrimental to someone already suffering from mental illness. With the expansion of the mental health unit at Fairbanks Memorial Hospital from 9-20 beds, the need to transport patients' through the judicial system to API has drastically been reduced.

The Designated Evaluation and Treatment Program (DET) promotes access to hospital care for mentally ill individuals as close to home as possible. Involvement of family members and local community providers in hospital care and discharge planning results in shorter length of stays, more realistic follow-up care and local family support.

The 1998 statute clearly defines the boundaries of the program while encouraging local hospitals to take a greater role in providing care for the civilly committed patients. The success of the efforts over the last two years would be lost if the program is sunsetted and Alaska returns to its former way of doing business. By passing SB-154 before June 2001, access to local mental health care in Fairbanks and Alaska will continue the strengthening of local programs that began with the inception of the original bill.

Please contact me if I may provide further information.

Sincerely,

Cheryl Kilgore

**NAMI of Fairbanks****P.O. BOX 72543 FAIRBANKS, AK 99707 PH: 907-456-4704****FAX: 907-456-3593 e-mail: fami@mosquionet.com**

March 26, 2001

Senator Pete Kelly  
State Capitol, Room 518  
Juneau, AK 99801-1182

Dear Senator Kelly:

I strongly support the passage of SB-154 by the legislature this session.

The Designated Evaluation and Treatment Program (DET) encourages local treatment of the mentally ill by community hospitals. Prior to the state mental health reforms of 1998 mentally ill individuals were sent to API. The 1998 statute provides guidelines for extent of treatment to be given, as well as urging hospitals to offer expanded services for the mentally ill of their community. The sunset clause for the DET will go into effect at the end of June 2001.

As advocates of the mentally ill in the Fairbanks Community we supported the increased size and scope of Fairbanks Memorial Hospital's psychiatric unit in order to facilitate care of Fairbanks' mentally ill individuals. Family support of a mentally ill patient is important to their recovery and decreases the patient's length of stay. By allowing patients to remain in the care of their community provider, the patient will receive the optimum continuum of care during and following hospitalization.

The mental health assistance program is responsible for two years of progress in psychiatric treatment. However, these two years of effort and progress will count for little if the sunset clause is allowed to go into effect. Please join us in supporting the passage of SB-154.

I enjoyed meeting you this last week and am pleased at your sincere regards of mental health issues. Keep up the good work, and I feel I have a friend in Juneau. Thank-You.

Sincerely,

Jackie Pananen

President

NAMI of Fairbanks, Alaska, Inc



Denali Center  
Fairbanks Memorial Hospital  
*Banner Health Systems*

Denali Center  
1510 19th Avenue  
Fairbanks, AK 99701  
(907) 458-5100

Fairbanks Memorial Hospital  
1650 Cowles Street  
Fairbanks, AK 99701-5908  
(907) 452-8181  
Fax (907) 458-5324

March 26, 2001

Senator Pete Kelly  
State Capitol, Room 518  
Juneau, AK 99801-1182

Dear Senator Kelly:

This letter is written in support of SB-154. Before making any decisions in regard to this bill, I urge that the legislature review the following information.

- SB-154 concerns the sunset provision of the mental health treatment assistance program statute, which was instituted in 1998 as a part of the state mental health reform program.
- This statute and its' corresponding program, the Designated Evaluation and Treatment Program (DET), encourages hospitalization for the mentally ill in their home community. Under this statute mentally ill individuals are hospitalized locally, instead of being sent to API.
- Treating mentally ill individuals in or near their home communities allows for family participation in treatment, as well as access to providers familiar with resources available to the individual after discharge. This results in shorter lengths of stays and more practical post-hospitalization planning.
- In response to this statute and to the needs of the community, Fairbanks Memorial Hospital has upgraded its psychiatric unit to accommodate local hospitalization of mentally ill individuals and we plan for the future growth in meeting the needs of the mentally ill.

Supporting these efforts will continue to assure the ongoing growth and development of a strong mental health system throughout the state.

In conclusion, I hope you will recognize the importance of supporting this bill in order to provide quality patient care to the community we serve.

Sincerely,

Karl H. Sanford, RN  
Assistant Administrator  
Inpatient Services

# ACMHSA

**Alaska Community Mental Health  
Services Association  
3050 Fifth Avenue  
Ketchikan, Alaska 99901**

---

March 26, 2001

Senator Pete Kelly  
Capitol Room 518  
Juneau, Alaska 99811

Re: SB 154

Dear Senator Kelly,

The Alaska Community Mental Health Services Association (ACMHSA) supports your legislation SB 154 which repeals the sunset for the DET program.

ACMHSA is a statewide association representing all of the non-profit mental health providers in the state. We support this legislation and commend your leadership with this important mental health issue.

Sincerely,



Ron Adler  
President

---

Ron Adler, Chair  
Brenda Knapp, Treasurer

Pete Braveman, Vice Chair  
At-Large: Bill Hogan, Doug Veit

Diana Strzok, Secretary

---

Phone: (907) 225-4135

FAX: (907) 247-4135

e-mail: [rona@city.ketchikan.ak.us](mailto:rona@city.ketchikan.ak.us)

**SB**

**154**

SFIN

FILE

**SENATE FINANCE COMMITTEE REPORT**

REPORTED OUT
APR 05 2001
SENATE FINANCE COMMITTEE

DATE: 3/29/01

FURTHER:

DATE TURNED IN TO OFFICE: 5 April 2001

Finance Committee considered **SENATE BILL NO. 154**

*REPEAL SUNSET OF MENTAL HEALTH ASSISTANCE*

"An Act relating to mental health treatment facilities; repealing the termination date of the mental health treatment assistance program; and providing for an effective date."

and recommends:

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

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

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
H#55	7/22/01	2,652		#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Alan Custer</i>	✓			
<i> </i>	✓			
<i> </i>	✓			
<i> </i>	✓			
<i> </i>	✓			
<i> </i>	✓			
COCHAIR: <i> </i>	✓			
COCHAIR: <i> </i>	✓			

# FISCAL NOTE

REPORTED OUT  
APR 05 2001  
SENATE FINANCE  
COMMITTEE

STATE OF ALASKA  
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: SB 154  
( S ) Publish Date: 3/29/01

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Health & Social Services  
Title: Sunset of Designated Evaluation and Treatment Program BRU: Community Mental Health Grants  
Sponsor: Sen. Kelly Component: Designated Eval & Treatment  
Requester: Senate (HES) Component Number: 1014

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

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1	2,652.1
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>

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

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts	582.1					
1003 GF Match						
1004 GF						
1007 I/A Receipts	723.7	723.7	723.7	723.7	723.7	723.7
1037 GF/Mental Health	1,146.3	1,728.4	1,728.4	1,728.4	1,728.4	1,728.4
1092 MHTAAR	200.0	200.0	200.0	200.0	200.0	200.0
<b>TOTAL</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>	<b>2,652.1</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
**ALL FUNDING FOR DET IS INCLUDED IN THE GOVERNOR'S BUDGET.** This bill allows for the continuation of Designated Evaluation and Treatment services covered in the FY02 Governor's Request. These statutes (sunset date July 1, 2001) establish consistent methods for the Department to pay for voluntary or involuntary inpatient psychiatric services for individuals who pose a danger to themselves or others because of mental illness, or who are gravely impaired by mental health systems, and who have no third party payor and cannot afford the high cost of hospitalization. The provision of these services in local communities fits with the objectives of serving consumers close to home. Federal laws have reduced the % of the \$10 million in Disproportionate Share Hospital funds that have been available to API on an annual basis since the 1980s. This "frees up" the balance of the DSH funds for other special needs populations served by qualifying hospitals. The DET assistance program is a logical, eligible recipient of these funds.

Prepared by: Sarah Brinkley, Admin Manager Phone 465-3167  
 Division: DMHDD Date/Time 1/9/00 12:00 AM  
 Approved by: Elmer A Lindstrom, Special Assistant Date 3/22/01 10:12 AM  
 Agency: Department of Health & Social Services

For distribution information call the Governor's Legislative Office

## ANALYSIS: (continued)

Of the total \$2,652.1 DET budget for FY02, \$2,392.1 was in the FY02 Governor's Request and \$723.7 was added through the FY02 Governor's Amended Request.

## Breakdown of FY02 DET projections:

Grants - \$260.0

Fee for Service - \$2,392.1

Fairbanks \$1,262.1

Juneau \$ 641.6

Mat-Su \$ 237.1

Ketchikan \$ 99.9

Anchorage \$ 60.3

YKHC \$ 55.2

other \$ 35.9

\*Note: The DET component's FY02 budget contains, in addition to the above \$2,652.1 authority for projected needs, another \$142.8 in excess federal authority on the books for potential unanticipated future federal awards.

# Alaska State Legislature

*Session:*  
State Capitol  
Juneau, AK 99801  
Phone: (907) 465-2327  
Fax: (907) 465-5241



*Interim:*  
119 N. Cushman  
Fairbanks, AK 99701  
Phone: (907) 456-8161

Senator Pete Kelly  
District P

## SB154

“An Act relating to mental health treatment facilities; repealing the termination date of the mental health treatment assistance program; and providing for an effective date.”

SB154 would repeal the sunset clause on a bill that passed in 1999 that created the Designated Evaluation Program. This program provides treatment through local hospitals for people who are in mental crisis. These individuals are working poor people who have no insurance or Medicaid coverage, who cannot afford hospitalization and who meet certain eligibility requirements.

If the sunset clause is not repealed, the following will be lost:

- Description of application, application review and appeal procedures
- Authorization of the department to establish eligible services and reimbursement rates
- Description of procedures for payment for the services provided
- Clarification of language and definitions to accurately reflect statutory intent
- Clarification of the responsibilities of the Department
- Language that establishes who is eligible for assistance for inpatient services:
  - Individuals who meet criteria for commitment under current statutes (i.e. danger of harming self or others or gravely disables as a result of mental illness, and is likely to improve with treatment)
  - Individuals whose household income is below 185% of federal poverty guidelines for Alaska and who have no other third party payer

SB 154 would remove the sunset clause and extend the program indefinitely. Without this change, individuals in need of treatment would have to be transported to Alaska Psychiatric Institute or held in correctional facilities.

All of this is due to sunset July 1, 2001, sending the program back to it's original vague and problematic state.

# Alaska State Legislature

*Session:*  
State Capitol  
Juneau, AK 99801  
Phone: (907) 465-2327  
Fax: (907) 465-5241



*Interim:*  
119 N. Cushman  
Fairbanks, AK 99701  
Phone: (907) 456-8161

Senator Pete Kelly  
District P

## Senate Bill 154

### Sectional Analysis

“An Act relating to mental health treatment facilities; repealing the termination date of the mental health treatment assistance program; and providing for an effective date.”

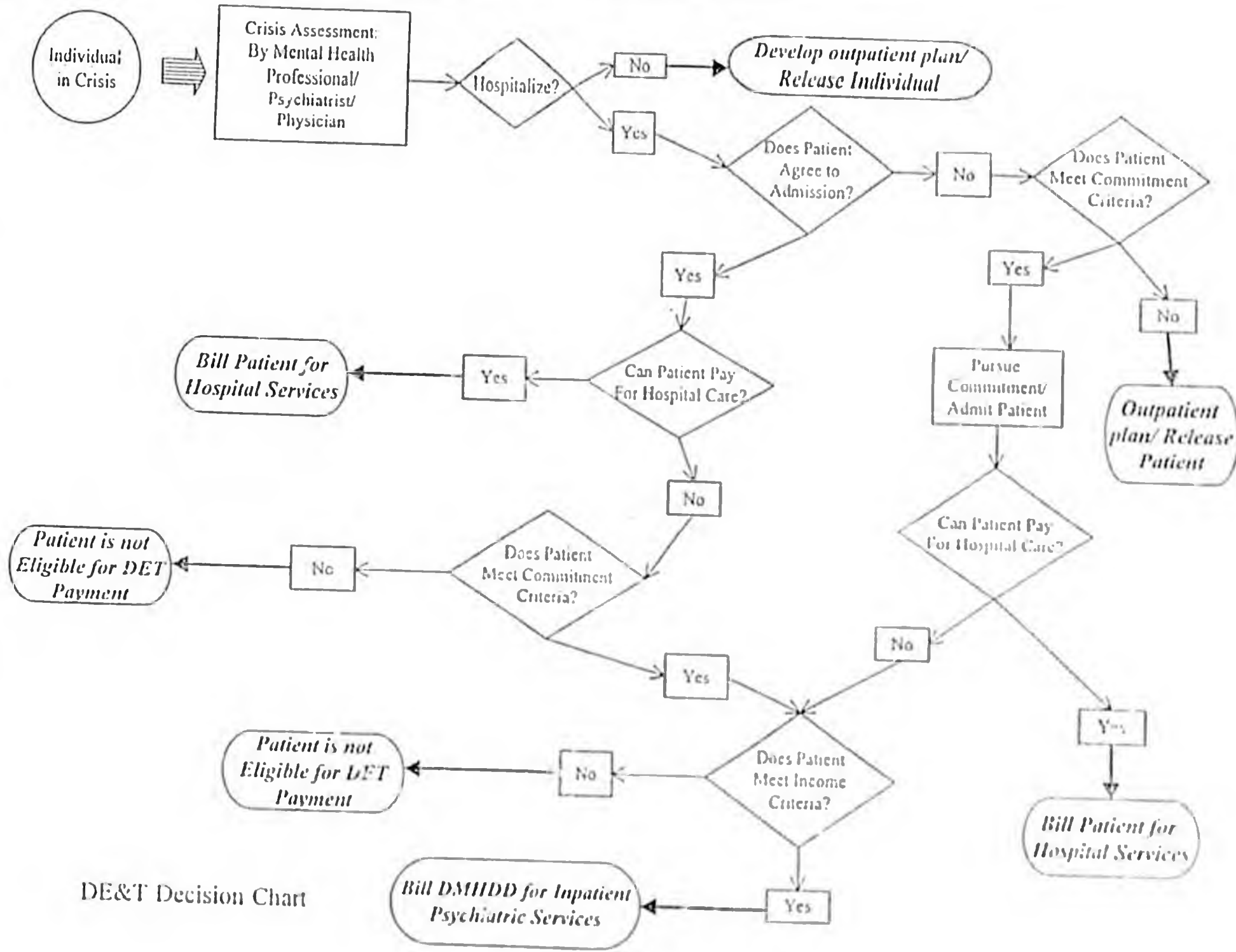
This bill repeals the sunset clause for the Designated Evaluation and Treatment program (DET).

Section 1. of the bill repeals the sunset provisions Sections 2, 4, 6, and 9 of ch. 87 SLA 1999. Those current sections that would be removed cover:

- the clarification of liability for expenses of placement in a treatment facility, (Section 2.)
- the clarification of the definition of “designated treatment facility”, (Section 4.)
- clearly defines the eligibility and procedures of the DET program. (Section 6.):
  - Applicability
  - Eligibility for assistance
  - Application for assistance
  - Decision on eligibility
  - Eligible services rates
  - Payment
  - Appeal
  - Regulations
  - Definitions
- Established an effective date of sunset as July 1, 2001 (Section 9.)

Section 2 of this bill causes the repeal to take effect immediately.

If the sunset occurs, then it reinstates the vague language that led to confusion and inconsistencies in managing the program. These problems led to a lawsuit which prompted the statutory change.



DE&T Decision Chart

TONY KNOWLES, GOVERNOR

**DEPT. OF HEALTH AND SOCIAL SERVICES**

DIVISION OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES  
CENTRAL OFFICE

PO BOX 110620  
JUNEAU, ALASKA 99811-0620  
PHONE (907) 465-3370  
FAX (907) 465-2668  
TDD (907) 465-2225  
TOLL FREE 1-800-465-4828

March 16, 2001

The Honorable Pete Kelly  
State Capital  
Juneau, Alaska 99801

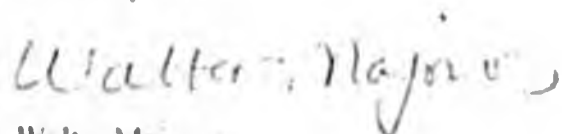
Dear Senator Kelly:

Thank you for your continuing support of the Designated Evaluation and Treatment (DET) program. The DET program is a critical component in the continuum of mental health services in Alaska, particularly for indigent persons with mental illnesses who are being civilly committed, or meet the criteria for civil commitment. Through this program, many poor people with mental illness who do not qualify for Medicaid are able to receive services in community hospitals across the state, closer to their families and local support systems. Without the DET program, it would be necessary to transport many consumers in crisis to Alaska Psychiatric Institute (API) to receive evaluation and treatment services.

Consumers have advocated aggressively for receiving community-based services in the least restrictive environments. The Division is responding by creating local and regional systems of care for persons experiencing mental illnesses. We would like to limit the use of API to those psychiatric crises that exceed the ability of local communities to address. The DET program provides a stable, predictable reimbursement structure for community hospitals to proactively address these crises for persons who lack other means to pay for services. This in turn allows many communities in Alaska to develop a more comprehensive and coordinated approach to addressing local mental health emergencies.

Without new legislation to extend its existence, the current clarifying statutory language of the DET program will expire as of July 1, 2001, plunging the program back into vagueness and confusion. We strongly encourage the passage of this legislation, and again thank you for your support.

Sincerely,



Walter Majoros  
Director

TONY KNOWLES, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF MENTAL HEALTH AND  
DEVELOPMENTAL DISABILITIES

ALASKA PSYCHIATRIC INSTITUTE  
2900 PROVIDENCE DRIVE  
ANCHORAGE, ALASKA 99508-4677  
PHONE (907) 269-7100  
FAX (907) 269-7251

March 16, 2001

The Honorable Pete Kelly  
Alaska State Senate  
State Capitol – Room 518  
Juneau, AK 99801-1182

Dear Senator Kelly:

I am writing to express the support of the management of Alaska Psychiatric Institute (API) for continuation of the legislation authorizing payments to designated evaluation and treatment (DET) hospitals across the State of Alaska who provide inpatient psychiatric services to Alaskans who meet statutory criteria for inpatient treatment.

As you know, API is the State's only public hospital. Our mission is to provide an appropriate array of quality, inpatient psychiatric services for the treatment of Alaskans with psychiatric disorders who meet admission criteria. API's patients come from all around the State.

One of our major and ongoing concerns is the admission pressure on the facility. Between FY95 and FY00, API's admissions have increased 56%, while our bed capacity has actually decreased to our present capacity of 74 beds. The attached graph demonstrates the impact on treatment capacity (higher admissions, shorter lengths of stay). Because our bed capacity is limited and the admissions frequent, we are required to discharge patients quickly, leading to criticism from some community mental health service providers that the hospital stays of the persons admitted to API are too short and that patients are discharged before they are ready to return to their communities.

However, API treatment staff truly have no choice but to discharge the majority of our patients relatively quickly because otherwise our beds would quickly fill up with patients with longer hospital stays and our patient census would not only quickly reach our supposed maximum capacity of 74 but soon seriously exceed the beds available (we have been as high as 88 in the last year or so).

Therefore, the reason API fully supports DET legislation is that it encourages local community hospitals to admit and treat persons experiencing a mental health crisis in their community of residence rather than transporting these individuals to API.

Page Two – Senator Pete Kelly – March 16, 2001

When we look at the annual increase in the number of API admits, we consider ourselves fortunate indeed that the DET statute has actually reduced referrals to API from the communities of Juneau and Fairbanks, and more recently from Kodiak and Nome.

Without the willingness of these hospitals to provide DET services, many of the persons admitted in the last few years to Bartlett Memorial Hospital in Juneau or Fairbanks Memorial Hospital, for example, would have been transported from their community (often in handcuffs!) and admitted to API instead, only further substantially increasing admission pressure on API.

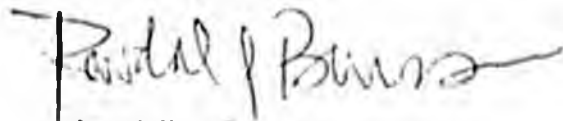
However, as a result of the provisions of the DET legislation, admissions from Juneau remain very low and, with the recent opening of the Fairbanks Memorial Hospital's expanded psychiatric unit, the admissions from Fairbanks to API have dropped substantially. This has been a real success story.

My concern would be, should the statutory authority to reimburse DET hospitals be allowed to sunset, that local hospitals would soon cease providing this service and the persons experiencing a mental health emergency requiring hospital-level care who now are able to be treated in their home community, near family and friends, would be transported to API for admission and treatment, neither a therapeutic or cost-effective solution.

I understand that you are supportive of continuing this important service to Alaskans with mental illnesses, and I provide this letter to you to demonstrate to you the present value of funded DET services to API. If these local services were not present, API would itself soon need additional budget funds to staff and operate the hospital to its increasing capacity.

If I can be of further assistance to you, or if you have any additional questions, please do not hesitate to contact me. And thank you for this opportunity to comment on the value of the DET legislation to API.

Respectfully yours,



Randall P. Burns  
Chief Executive Officer

cc: Anne Henry, DMHDD

**SEVEN (FISCAL) YEAR DATA COMPARISON**  
**Alaska Psychiatric Institute**

	<u>FY94</u> <u>(114 Beds)</u>	<u>FY95*</u> <u>(79 Beds)</u>	<u>FY96</u> <u>(79 Beds)</u>	<u>FY97</u> <u>(79 Beds)</u>	<u>FY98</u> <u>(79 Beds)</u>	<u>FY99</u> <u>(79 Beds)</u>	<u>FY00**</u> <u>(74 Beds)</u>	<u>Increase</u> <u>from FY95</u> <u>to FY00</u>
Admissions	1,052	946	1,164	1,258	1,352	1,350	1,480	56%
Discharges	1,043	984	1,161	1,266	1,333	1,361	1,487	51%
Inpatient Days	35,144	23,208	23,382	25,403	25,421	26,205	23,260	0%
Highest Daily Census	112	72	71	91	84	88	80	
Lowest Daily Census	82	56	56	51	51	55	49	
Average Daily Census	96	64	64	70	70	72	64	
ALOS ***	21 (28)	15 (35)	13 (18)	13 (21)	13 (18)	13 (21)	10 (22)	

\* Following a substantive budget cut, API down-sized from 114 beds to 79 beds in late 1994.

\*\* As a part of the API 2000/Community Mental Health Project, following the placement of a number of long-term patients in a residential program operated through ASSETS in Anchorage, effective January 1, 2000, API reduced its bed capacity on its longer term patient unit (Katmai) by five beds, thus reducing API's total bed capacity to 74.

\*\*\* "ALOS" means the *average length of stay* for a patient at API; the top number provided in this row *does not include* any patient at API whose stay exceeded six months. Patients with lengths of stay in excess of six months are generally treated on API's Katmai Unit, where their complex treatment or placement needs, or their legal status, frequently require stays in excess of six months and often many years; it also will include any patient on API's Taku Unit whose treatment needs may require stays that extend beyond six months. The bottom number in parentheses in this row reflects a LOS that includes all patients, regardless of their length of stay at the hospital.



Denali Center  
Fairbanks Memorial Hospital  
Banner Health Systems

Denali Center 1510 19th Avenue Fairbanks, AK 99701 (907) 458-5100	Fairbanks Memorial Hospital 1050 Cowles Street Fairbanks, AK 99701-5000 (907) 452-8181 Fax (907) 458-5324
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March 26, 2001

Senator Pete Kelly  
State Capitol, Room 518  
Juneau, AK 99801-1182

Dear Senator Kelly:

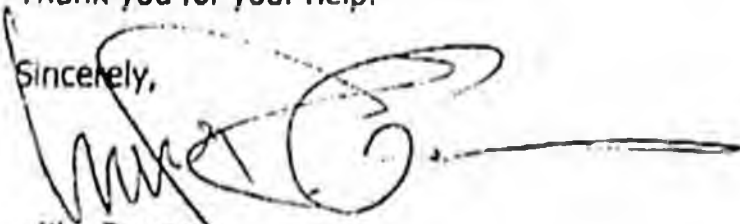
As you know, Fairbanks and other sole-hospital communities across Alaska have struggled with providing quality local hospitalization for mentally ill adults. With your help over the past several years, Fairbanks, Juneau and Bethel have made great strides in taking care of local residents, and have significantly reduced the burden we have placed on Anchorage in our ability to treat mental health patients in our local communities.

Last year Fairbanks' public health and safety agencies reduced the number of mental health patients transferred to Alaska Psychiatric Institute from 75 to 5, dramatically impacting the cost, inconvenience and level of care provided to these patients.

Thank you for championing SB-154. Repealing the sunset clause of the current Designated Evaluation and Treatment program profoundly and favorably impacts the care of and the cost to the mentally ill in Fairbanks, and across Alaska.

Thank you for your help.

Sincerely,



Mike Powers  
Administrator  
Fairbanks Memorial Hospital

F.M.H./D.C. MEDICAL STAFF  
 FAIRBANKS MEMORIAL HOSPITAL/DENALI CENTER  
 1650 COWLES STREET  
 FAIRBANKS, ALASKA 99701

2001 OFFICERS:

RICHARD HATTAN, M.D.  
 PRESIDENT/CHIEF OF STAFF  
 TIMOTHY TESLOW, M.D.  
 VICE PRESIDENT  
 DAVID WRIGLEY, M.D.  
 SECRETARY/TREASURER  
 RICHARD HUTCHISON, M.D.  
 IMMEDIATE PAST PRESIDENT  
 RICHARD CORDEN, M.D.  
 CHAIR, BYLAWS COMMITTEE

DAVID FLORY, M.D.  
 CHAIR, ANESTHESIA  
 ART STRAUSS, M.D.  
 CHAIR, EMERGENCY MEDICINE  
 CORRINE LEISTIKOW, M.D.  
 CHAIR, FAMILY PRACTICE  
 KENNETH STARKS, M.D.  
 CHAIR, INTERNAL MEDICINE  
 DENNIS HARTUNG, M.D.  
 CHAIR, OB/GYN  
 JOHN JOOSSE, M.D.  
 CHAIR, ORTHOPEDIC SURGERY  
 MISHELLE NACE, M.D.  
 CHAIR, PEDIATRICS  
 TIM TESLOW, M.D.  
 CHAIR, SURGERY  
 MARK BUTCHER, M.D.  
 CHAIR, CIVIL COMMITTEE

CAROL PHILLIPS, M.D.  
 JEFFREY ZUCKERMAN, M.D.  
 FOUNDATION REPRESENTATIVES

**R. Duane Hopson, M.D.**  
**Director of Mental Health**

March 26, 2001

Senator Pete Kelly  
 State Capitol, Room 518  
 Juneau, AK 99801-1182

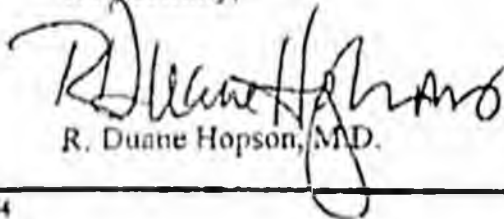
Dear Senator Kelly,

I am writing to you to request your support of SB-154, which I believe is vital to the continued growth of Mental Health not only in Fairbanks but also throughout the Interior. The funds made available through this Bill will continue to support the efforts begun two years ago and assure ongoing growth and development of a Mental Health system throughout the State.

A current area of growth has been in the expansion of an inpatient unit here at Fairbanks Memorial Hospital, which has allowed for the provision of psychiatric care locally rather than in distant communities. The number of transfers from Fairbanks to Alaska Psychiatric Institute has significantly dropped and the development of an acute care milieu and philosophy on the Mental Health Unit both attest to the changes that are being made. Future plans include growth in the areas of partial hospitalization and outpatient services to complete the network of services as we develop a comprehensive mental health system for the Interior.

I hope that you will continue to support the efforts of our community and the growth of Mental Health in Alaska with SB-154.

Respectfully,



R. Duane Hopson, M.D.



Denali Center  
Fairbanks Memorial Hospital  
*Banner Health Systems*

Denali Center 1510 19th Avenue Fairbanks, AK 99701 (907) 458-5100	Fairbanks Memorial Hospital 1650 Cowles Street Fairbanks, AK 99701-5038 (907) 452-8181 Fax (907) 458-5324
--	---

March 23, 2001

Honorable Pete Kelly  
State Senate

Dear Senator Kelly:

Regarding SB-154, I strongly encourage support of its passage this session, for the following reasons:

- The bill repeals the sunset clause of the mental health treatment assistance program, established two years ago as part of the reform of the state mental health program.
- The Designated Evaluation and Treatment Program (DET) promotes access to hospital care for mentally ill individuals as close to home as possible.
- This bill provides for the local hospitalization of mentally ill individuals who would otherwise be committed to API.
- Family members and local community providers would be involved in hospital care and discharge planning.
- This would result in shorter length of stays and more realistic follow-up care recommendations.
- Fairbanks Memorial Hospital recently expanded its psychiatric unit in order to meet the needs of individuals who formerly were sent to API

As you can clearly see, the success of the efforts over the last two years would be lost if the program is sunsetted and Alaska returns to its former way of doing business. I ask that you voice my vote of strong support of the passage of SB-154.

Sincerely,

RICHARD MATTAN, M.D.  
Chief of Staff  
Medical/Dental Staff of  
Fairbanks Memorial Hospital/Denali Center

# ***EMERGENCY MEDICINE ASSOCIATES, P.C.***

---

President, Carol J. Phillips, M.D., FACEP

P.O. Box 80848  
Fairbanks, Alaska 99708-0848  
Phone (907) 479-5117  
Fax (907) 479-5110

## ***MEMORANDUM***

**To: All Alaska Senators and Representatives**  
**From: Emergency Medicine Associates, PC**  
**Date: March 24, 2001**  
**Subject: Designated Evaluation and Treatment Program**

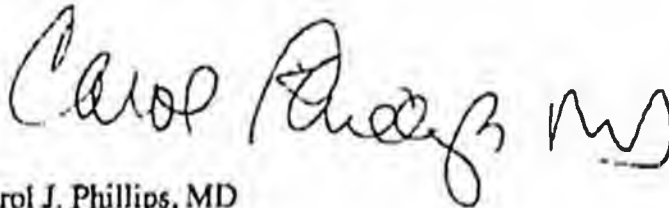
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The Designated Evaluation and Treatment program is vital to the treatment of our community's mentally ill patients.

As you are making your decision whether to pass SB-154, please keep in mind that patients need to be near family who know and care for them. Local doctors are familiar with our community's patients and can work in conjunction with patients' families to plan treatments accordingly.

Please-- I recommend strongly that you pass SB-154.

Thank you for your time.



Carol J. Phillips, MD



INTERIOR  
NEIGHBORHOOD  
HEALTH  
CLINIC

1949 Gillam Way, Suite D  
Fairbanks, Alaska 99701  
Phone: (907) 455-4567  
Fax: (907) 455-7675  
TTY: (907) 455-4507

March 25, 2001

Senator Pete Kelly  
119 North Cushman Suite 201  
Fairbanks, Alaska 99701

*Pete*  
Dear ~~Senator~~ Kelly:

One in 5 adults has a diagnosable mental disorder and one in four families will have a member with mental illness. Meeting the mental health needs of our communities remains one of the greatest challenges for healthcare providers. Many individuals needing treatment are unable to work because of their illness and will not seek needed inpatient treatment for fear of large medical bills, although they may be at risk of endangering themselves or others.

We urge you to support SB-154 introduced by Senator Kelly. The bill repeals the sunset clause of the mental health treatment assistance program. This program was established two years ago as part of the reform of the state mental health program. It provides for the local hospitalization of mentally ill individuals who would otherwise be committed to API. In many instances, this includes traveling from Fairbanks to Anchorage through the judicial system. This option can be frightening and detrimental to someone already suffering from mental illness. With the expansion of the mental health unit at Fairbanks Memorial Hospital from 9-20 beds, the need to transport patients' through the judicial system to API has drastically been reduced.

The Designated Evaluation and Treatment Program (DET) promotes access to hospital care for mentally ill individuals as close to home as possible. Involvement of family members and local community providers in hospital care and discharge planning results in shorter length of stays, more realistic follow-up care and local family support.

The 1998 statute clearly defines the boundaries of the program while encouraging local hospitals to take a greater role in providing care for the civilly committed patients. The success of the efforts over the last two years would be lost if the program is sunsetted and Alaska returns to its former way of doing business. By passing SB-154 before June 2001, access to local mental health care in Fairbanks and Alaska will continue the strengthening of local programs that began with the inception of the original bill.

Please contact me if I may provide further information.

Sincerely,

Cheryl Kilgore

**NAMI of Fairbanks****P.O. BOX 72543 FAIRDANKS, AK 99707 PH: 907-456-4704****FAX: 907-456-3593 e-mail: fami@mosquionet.com**

March 26, 2001

Senator Pete Kelly  
State Capitol, Room 518  
Juneau, AK 99801-1182

Dear Senator Kelly:

I strongly support the passage of SB-154 by the legislature this session.

The Designated Evaluation and Treatment Program (DET) encourages local treatment of the mentally ill by community hospitals. Prior to the state mental health reforms of 1998 mentally ill individuals were sent to API. The 1998 statute provides guidelines for extent of treatment to be given, as well as urging hospitals to offer expanded services for the mentally ill of their community. The sunset clause for the DET will go into effect at the end of June 2001.

As advocates of the mentally ill in the Fairbanks Community we supported the increased size and scope of Fairbanks Memorial Hospital's psychiatric unit in order to facilitate care of Fairbanks' mentally ill individuals. Family support of a mentally ill patient is important to their recovery and decreases the patient's length of stay. By allowing patients to remain in the care of their community provider, the patient will receive the optimum continuum of care during and following hospitalization.

The mental health assistance program is responsible for two years of progress in psychiatric treatment. However, these two years of effort and progress will count for little if the sunset clause is allowed to go into effect. Please join us in supporting the passage of SB-154.

I enjoyed meeting you this last week and am pleased at your sincere regards of mental health issues. Keep up the good work, and I feel I have a friend in Juneau. Thank-You.

Sincerely,

Jackie Pananen

President

NAMI of Fairbanks, Alaska, Inc



**Denali Center**  
**Fairbanks Memorial Hospital**  
*Banner Health Systems*

Denali Center  
1510 19th Avenue  
Fairbanks, AK 99701  
(907) 458-5100

Fairbanks Memorial Hospital  
1650 Cowles Street  
Fairbanks, AK 99701-5998  
(907) 452-8181  
Fax (907) 458-5324

March 26, 2001

Senator Pete Kelly  
State Capitol, Room 518  
Juneau, AK 99801-1182

Dear Senator Kelly:

This letter is written in support of SB-154. Before making any decisions in regard to this bill, I urge that the legislature review the following information.

- SB-154 concerns the sunset provision of the mental health treatment assistance program statute, which was instituted in 1998 as a part of the state mental health reform program.
- This statute and its' corresponding program, the Designated Evaluation and Treatment Program (DET), encourages hospitalization for the mentally ill in their home community. Under this statute mentally ill individuals are hospitalized locally, instead of being sent to API.
- Treating mentally ill individuals in or near their home communities allows for family participation in treatment, as well as access to providers familiar with resources available to the individual after discharge. This results in shorter length of stays and more practical post-hospitalization planning.
- In response to this statute and to the needs of the community, Fairbanks Memorial Hospital has upgraded its psychiatric unit to accommodate local hospitalization of mentally ill individuals and we plan for the future growth in meeting the needs of the mentally ill.

Supporting these efforts will continue to assure the ongoing growth and development of a strong mental health system throughout the state.

In conclusion, I hope you will recognize the importance of supporting this bill in order to provide quality patient care to the community we serve.

Sincerely,

Karl H. Sanford, RN  
Assistant Administrator  
Inpatient Services

# ACMHSA

**Alaska Community Mental Health  
Services Association  
3050 Fifth Avenue  
Ketchikan, Alaska 99901**

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March 26, 2001

Senator Pete Kelly  
Capitol Room 518  
Juneau, Alaska 99811

Re: SB 154

Dear Senator Kelly,

The Alaska Community Mental Health Services Association (ACMHSA) supports your legislation SB 154 which repeals the sunset for the DET program.

ACMHSA is a statewide association representing all of the non-profit mental health providers in the state. We support this legislation and commend your leadership with this important mental health issue.

Sincerely,



Ron Adler  
President

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Ron Adler, Chair  
Brenda Knapp, Treasurer

Pete Braveman, Vice Chair  
At-Large: Bill Hogan, Doug Vett

Diana Strzok, Secretary

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Phone: (907) 225-4135

FAX: (907) 247-4135

e-mail: [rona@city.ketchikan.ak.us](mailto:rona@city.ketchikan.ak.us)

**Subject: Kelly Bill Extends Program for Mentally Ill**

**Date:** Wed, 21 Mar 2001 11:37:37 -0900

**From:** Laura Achee <Laura\_Achee@legis.state.ak.us>

**Organization:** Alaska State Legislature

ALASKA SENATE  
Senator Pete Kelly  
District P

**For Immediate Release: March 21, 2000**

**Contact: Sen. Pete Kelly, 465-2327**

## **Kelly Bill Extends Program for Mentally Ill**

(JUNEAU) – Sen. Pete Kelly introduced legislation today to extend a program that provides treatment for mentally ill Alaskans.

The Designated Evaluation and Treatment Program was created in the Spring of 1999 to provide treatment through local hospitals for people who are in mental crisis and have nowhere else to go. These individuals are working poor people who have no insurance or Medicaid coverage, who cannot afford hospitalization and who meet certain eligibility requirements.

The Division of Mental Health and Developmental Disabilities has designated eight local community hospitals as evaluation facilities providing 72-hour psychiatric evaluations, and two as treatment facilities providing up to 30 days of treatment. The division pays for care provided by the hospitals on a payor of last resort basis. Up to 250 receive hospital services reimbursed through this program each year.

"This assistance has been available since 1978, but the eligibility criteria were vague and open to individual interpretation," said Sen. Pete Kelly (R-Fairbanks). "That's why I sponsored Senate Bill 97 two years ago, to clarify the criteria and create the program as it exists today. But the bill includes a sunset clause that will end the program on July 1, 2001 and return it to the state it was in before."

Senate Bill 154, also sponsored by Kelly, would remove the sunset clause and extend the program indefinitely. Without this change, individuals in need of treatment would have to be transported to Alaska Psychiatric Institute or held in correctional facilities.

"It is important that those who are in acute mental crisis receive help as quickly as possible, without having to spend time in a jail or leave the support of their home community to go to Anchorage," said Kelly. "This program has proven to be beneficial for the people who need it most. It would be a tragedy for these patients and their families if the program were to end."

# # #



# LAWS OF ALASKA

1999

Source  
CSSB 97(FIN) am

Chapter No.  
87

## AN ACT

Relating to mental health services and programs; relating to liability for payment for mental health evaluation and treatment services; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE I

Approved by the Governor: June 30, 1999

Actual Effective Date: Sections 2, 4, and 6 take effect July 1, 2001; remainder of Act takes effect July 1, 1999

AN ACT

1 Relating to mental health services and programs; relating to liability for payment for mental  
2 health evaluation and treatment services; and providing for an effective date.

3

4

5 \* Section 1. AS 47.30.910 is repealed and reenacted to read:

6           Sec. 47.30.910. Liability for expense of placement in a facility. (a) A  
7 patient, the patient's spouse, or the patient's parent if the patient is under 18 years of  
8 age shall pay the charges for the care, transportation, and treatment of the patient when  
9 the patient is hospitalized under AS 47.30.670 - 47.30.915 at a state-operated facility,  
10 an evaluation facility, or a designated treatment facility providing services under  
11 AS 47.30.670 - 47.30.915. The patient, the patient's spouse, or the patient's parent if  
12 the patient is under 18 years of age shall make arrangements with a state-operated  
13 facility, an evaluation facility, or a designated treatment facility for payment of  
14 charges, including providing income information necessary to determine eligibility for

Chapter 87

1 benefits under AS 47.31. Charges assessed for services provided under AS 47.30.670 -  
2 47.30.915 when a patient is hospitalized at a state-operated facility may not exceed the  
3 actual cost of care and treatment. The department may, when assessing charges for  
4 services provided at a state-operated facility, consider the ability to pay of a patient,  
5 a patient's spouse, or a patient's parent if the patient is under 18 years of age. In order  
6 to impose liability for a patient's cost of care at a state-operated facility, the department  
7 shall issue an order for payment within six months after the date on which the charge  
8 was incurred. The order remains in effect unless modified by subsequent court order  
9 or department order. The department may not impose liability for a patient's cost of  
10 care at a state-operated facility if the patient would otherwise meet the eligibility  
11 criteria, other than location of service, in AS 47.31.010.

12 (b) The department, the evaluation facility, or a designated treatment facility  
13 shall make reasonable efforts to determine whether the patient, the patient's spouse, or  
14 the patient's parent if the patient is under 18 years of age has a third-party payor or has  
15 the available means to substantially contribute to the payment of charges, or whether  
16 the patient is eligible for assistance under AS 47.31.

17 (c) If a patient is hospitalized at a state-operated facility and the patient, the  
18 patient's spouse, or the patient's parent if the patient is under 18 years of age fails to  
19 provide to the department information necessary to determine whether there is a third-  
20 party payor or available means to substantially contribute to the payment of charges,  
21 or whether the patient would, if not hospitalized at a state-operated facility, be eligible  
22 for assistance under AS 47.31, the department may issue an administrative order  
23 imposing full liability for the patient's actual cost of care on the patient, the patient's  
24 spouse, or the patient's parent if the patient is under 18 years of age. The order  
25 remains in effect unless modified by subsequent court order or department order.

26 (d) If a person who is hospitalized under AS 47.30.670 - 47.30.915 at an  
27 evaluation facility or a designated treatment facility cannot pay or substantially  
28 contribute to the payment of charges described under this section, the patient may  
29 apply for assistance under AS 47.31.

30 (e) The department may charge or accept money or property from a person for  
31 the care or treatment of a patient at a state-operated facility.

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