

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2809

HB

26

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
MAY 8 2005
SENATE FINANCE COMMITTEE

DATE: 5/7/05

FURTHER:

DATE TURNED IN TO OFFICE: 8 May 2005

Finance Committee considered CS FOR HOUSE BILL NO. 26(FIN)

HB 26 SHORT-TERM COM FISHING CREWMEMBER LICENSE

"An Act relating to short-term commercial fishing crewmember licenses; 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

CS Senate Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
SCS House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____


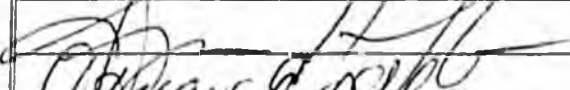

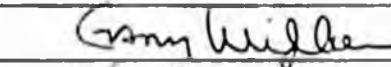

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
Fight Game	3/11/05	1.7			#1
Labor	3/5/05		*		#2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
	✓			
	✓			
			✓	
COCHAIR: 			✓	
COCHAIR: 			✓	

MAY 8 2005

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 26(FSH)
(H) Publish Date: 2/16/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
Title: Short-term Commercial Fishing RDU: Administration and Support
Crewmember Licenses Component: Administrative Services
Sponsor: Representative Moses
Requester: House Fisheries Committee Component No. 479

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual	1.7	0.0	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1.7	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1024)	1.5	1.5	1.5	1.5	1.5	1.5
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1.7	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
1024 Fish and Game Fund						
TOTAL	1.7	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Assumptions:

- 100 new short-term licenses will be purchased.
- Per AS 23.35.060(a) Fishermen's Fund will receive 39% of the gross revenue. Fish and Game Fund will receive 61%.
- Given the mid-year effective date, the department must print 5,000 new licenses for distribution statewide. We estimate the printing costs for these new licenses to be a one-time cost of roughly \$1,700. In the following years, this new license option will be incorporated into our standard license, so there will be no additional cost for offering this option.

(Continued on page 2)

Prepared by: Tom Lawson Phone: 465-5999
Division: Administrative Services Date/Time: 2/11/05 3:19 PM
Approved by: Acting Commissioner Wayne Regelin Date: 2/11/2005
Agency: Department of Fish and Game

COMMITTEE COPY

FISCAL NOTE NO. 1

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. CSHB 26(FSH)

ANALYSIS CONTINUATION

This bill gives the department the ability to charge a \$3 administrative fee per license that would be imposed through regulation. If such a fee were imposed, printing costs would decrease by \$300 (\$3 fee x 100 new licenses sold).

Type of License Sold	Number of Licenses Sold	Amount	Total Gross Revenue	Vendor Commission	Total Commission	Total Net Revenue
Seven-day	100	\$30	\$3,000.00	10%	\$300.00	\$2,700.00
			\$3,000.00		\$300.00	\$2,700.00
<u>Break-out of Funds:</u>						
			39%	\$1,170.00		
			61%	\$1,530.00		
			Total	\$2,700.00		

MAY 8 2005

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 26(FSH)
(H) Publish Date: 2/16/05

Revision Date/Time (Note if correction): _____ Department: Labor & Workforce Development
Title: Short-Term Com Fishing Crewmember License RDU: Workers' Compensation
Sponsor: Representative Moses Component: Fishermen's Fund
Requester: House FSH Component Number: 343

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	*	*	*	*	*	*
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1032)	1.1	1.1	1.1	1.1	1.1	1.1
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2005) cost: NONE

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

According to information provided by the Department of Fish and Game, it is anticipated 100 new licenses will be purchased. Under AS 23.35.060(a) the Fishermen's Fund will receive 39% of the revenue (\$1,053.00).

The revenues to the Fund generated by the new licenses (\$30 for a seven day license) compare favorably to those from annual licenses (\$21.06) that expose the Fund to much longer periods of potential liability. However, licensees who are tourists or otherwise inexperienced in fisheries may be more likely to sustain an injury. Consequently, the ultimate impact on the Fund's claim payment outlays is indeterminate.

Prepared by: Paul F. Lisankio, Director Phone: 465-6059
Division: Workers' Compensation Division Date/Time: 2/15/05 4:36 PM
Approved by: Greg O'Claray, Commissioner Date: 2/15/2005
Agency: Department of Labor and Workforce Development

Alaska State Legislature

Representative Carl E. Moses

House District 37



MEMORANDUM

DATE: May 6, 2005

TO: Sen. Lyda Green, Co-Chair,
Senate Finance Committee

FROM: Rep. Carl E. Moses *CEM*
House District 37

SUBJ: Request for Hearing - CSHB 26(FIN) - Short-Term Commercial Fishing
Crewmember License

I respectfully request a hearing for CSHB26 (FIN), the measure to establish a Short-Term Commercial Fishing Crewmember License. It is in the best interest of the State of Alaska to maximize options available to fishermen to help them earn a living. One option is to allow the purchase of short-term commercial fishing crewmember licenses.

CSHB26 (FIN) would allow visitors an affordable way to engage in the commercial fishing industry by actually participating in the fishery as a crewmember. In turn, it could help fishermen earn extra money by charging those visitors a fee for the experience, similar to what many "extreme adventure" tour operators already practice.

Tourists can currently go out on a commercial boat but cannot have any form of active participation without buying a full-year crewmember license.

CSHB26 (FIN) would give each permit holder the option of at least exploring whether they would want to try taking visitors out to supplement the income from their commercial fishing operation.

I am attaching a copy of the bill and the sponsor statement. Thank you for your consideration.

SESSION
State Capitol Building
Juneau, AK 99801-1182
Phone: (907) 465-4451
Toll-Free: (800) 898-4451
Fax: (907) 465-3445

Alaska Peninsula
Aleutians
Bristol Bay
Pribilofs

INTERIM
716 West 4th Avenue
Anchorage, AK 99501-2133
Phone: (907) 269-0275
Toll-Free: (800) 898-4451
Fax: (907) 269-0274

Representative Carl E. Moses, House District 37
(907) 465-4451 – Adam Berg, Staff

SPONSOR STATEMENT / SECTIONAL ANALYSIS

CSHB26 (FIN) – Short-Term Commercial Fishing Crewmember Licenses

The economic health of certain communities in Western Alaska has been jeopardized by unprecedented low salmon returns and / or prices. It is in the best interest of the State of Alaska and these communities to maximize options available for commercial fishermen to earn a living. One option available is to allow the purchase of short-term commercial fishing crewmember licenses. This would allow visitors an affordable way to engage in a sort of extreme tourism adventure by actually participating in the fishery as a crewmember.

Currently, tourists can go out with a commercial boat but cannot have any form of active participation without buying a full year crewmember license.

The House Fisheries Committee changed the bill as follows: The committee added a clause that prohibits fishing with rod and reel from a commercial fishing vessel and changed the length of the short-term license to seven days.

The House Resources Committee changed the bill as follows: The committee added a clause that prohibits short-term license holders from being compensated.

The House Finance Committee changed the bill as follows: The committee deleted the "no compensation" clause added in House Resources.

BILL SECTIONS 1-2: Changes the term from a "crewmember fishing license" to an "annual crewmember fishing license". (Note: The reason for the term change applies to Bill Section 4.)

BILL SECTION 3: Allows residents and non-residents to purchase a seven-day commercial fishing crewmember license for \$30. Assures that short-term license holders are prohibited from using rod and reel while on a commercial vessel.

BILL SECTION 4: Assures that a short-term license holder is not considered a fisherman eligible for the Commercial Fishing Revolving Loan Fund.

BILL SECTION 5: Allows the Department of Fish & Game to add and collect an additional administrative fee of \$3 on licenses issued in 2005.

BILL SECTION 6: Makes the effective date July 1, 2005.



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-lish.org
www.ufa-lish.org

March 7, 2005

Representative Kevin Meyer, Co-Chair
House Finance Committee
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau AK 99801-1182

Dear Representative Meyer,

United Fishermen of Alaska (UFA) represents thirty-one Alaska commercial fishing groups and hundreds of individual fishermen, crew members and related businesses. Our board of directors recently met and discussed HB 26 regarding short term commercial fishing crew license. UFA believes that a short term crew license will provide greater flexibility in fishing operations, such as in cases of emergencies, fisheries of short duration or to fill in for departing crew at the end of season. The recent amendment that prohibits the short term members from being paid is an obstacle to the practical use of the idea behind the bill.

In its present form CSHB 26 will allow short term visitors an opportunity to experience commercial fishing in Alaska without pay, which is also of some potential benefit to marketing and public relations through greater awareness of our wild fisheries and unsurpassed fisheries management.

UFA continues to support HB 26 for a short term commercial fishing crew license.

Respectfully,

Mark D. Vinsel
Executive Director

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Druggers Association • Alaska Longline Fishermen's Association • Armstrong Keta • At-sea Processors Association
Bristol Bay Reserve • Concerned Area "M" Fishermen • Cordova District Fishermen United • Douglas Island Pink and Chum
Fishing Vessel Owners Association • Groundfish Forum • Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association
North Pacific Fisheries Association • North Pacific Scallop Cooperative • Northern Southeast Regional Aquaculture Association
Old Harbor Fishermen's Association • Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation
Purse Seine Vessel Owner Association • Seafood Producers Cooperative • Southeast Alaska Herring Seiners Marketing Association
Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners Association • Southern Southeast Regional Aquaculture Association
United Catcher Boats • United Salmon Association • United Southeast Alaska Gillnetters • Valdez Fisheries Development Association
Western Gulf of Alaska Fishermen

Adam Berg

From: Rep. Carl Moses
Sent: Monday, March 14, 2005 6:23 AM
To: Adam Berg
Subject: FW: CLARIFICATION

-----Original Message-----

From: Jorgensen, Sue [mailto:SJorgensen@CGAlaska.USCG.mil]
Sent: Friday, March 11, 2005 2:19 PM
To: 'castlerock@gci.net'
Cc: Rep. Carl Moses
Subject: CLARIFICATION

Galen Brevik of the Juneau Charter Boat Operators Association asked for clarification of the Coast Guard rules governing carriage of individuals on board.

On a commercial fishing industry vessel:

if/when an individual is hired and receives wages for his work, that individual is a crewmember.

if/when an individual goes on board and pays for the opportunity to do so (being with fishing or just along for the ride), that individual is a passenger for hire.

If the vessel carries a paying passenger, even though the vessel continues commercial fish, the operator must comply with not only the commercial fishing industry safety requirements (i.e. immersion suits for every person on board, visual distress signals, survival craft, EPIRB, etc) but all the passenger vessel safety requirements (i.e. licensed operator, random drug testing program, vessel documented for "Coastwise" as well as "Fishery", Type I personal flotation devices for every person on board, etc.).

Sue Jorgensen
FV Safety Coordinator
907-463-2810
907-463-2820 (fax)
800-478-7369 (in Alaska)

SENATE COMMITTEE REPORT

DATE: 5/1/05

FURTHER: Finance

DATE TURNED
IN TO OFFICE: _____

Resources Committee considered CS FOR HOUSE BILL NO. 26(FIN)

HB 26 SHORT-TERM COM FISHING CREWMEMBER LICENSE

"An Act relating to short-term commercial fishing crewmember licenses; 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

CS Senate Bill:

- Same Title
- New Title

SCS House Bill:

- Same Title
- Technical Title Change
- New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DOL'WA	5/4	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DOL'WA	2/15	✓			
HAF'6	2/11	✓			

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:

SIGNATURES AND RECOMMENDATIONS:	DO	DO NOT	No REC	AMEND
	PASS	PASS		
RES				
CHAIR:				

FIN

RES w/ waived

HB

27

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 27(CRA)
(H) Publish Date: 3/22/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title: Municipal Property Tax Exemption RDU: Comm Assist & Ec Dev (405)
For Police Homes Component: Community Advocacy
Sponsor: Chenault, Gruenberg, Lynn
Requester: House Community & Regional Affairs Component No.: 2703

Expenditures/Revenues (Thousands of Dollars)

Note: _____ amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation permits a municipality by ordinance to offer an optional exemption, not to exceed \$10,000 of the assessed value of real property, from municipal property taxes on certain residences of law enforcement officers. This legislation has no impact on the operations of the division.

Prepared by: Athena Logan, Local Government Specialist
Division: Community Advocacy
Approved by: Edgar Blatchford, Commissioner
Agency: Commerce, Community & Economic Development

Phone: 907 269 4540
Date/Time: 2/14/05 11:40 AM
Date: 2/14/2005

CS FOR HOUSE BILL NO. 27(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/22/05

Referred: Finance

Sponsor(s): REPRESENTATIVES CHENAULT AND GRUENBERG, Lynn, Kertula

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to an optional exemption from municipal property taxes on certain
2 residences of law enforcement officers."

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

4 * Section 1. AS 29.45.050 is amended by adding a new subsection to read:

5 (s) A municipality may by ordinance designate an area within its boundaries
6 that is an eligible area and exempt from taxation an amount not to exceed \$150,000 of
7 the assessed value of real property within the area that is owned and occupied as the
8 primary permanent place of abode by a law enforcement officer. If two or more
9 individuals are eligible for an exemption for the same property under this subsection,
10 not more than two exemptions may be granted. A municipality that adopts an
11 ordinance under this subsection may not request state funds to cover any loss of
12 revenue to the municipality caused by the ordinance. The ordinance must include a
13 definition of "law enforcement officer." The ordinance must also define "eligible
14 area" to mean an area

Conceptual Amend. #1

*residential and
"if the property is primarily
"for the entire parcel"*

1 (1) that meets the eligibility requirements under a federal program of
2 special assistance for urban development, neighborhood revitalization, or law
3 enforcement, without regard to whether an application for the federal assistance on
4 behalf of the area has been made or whether the area has actually received or is
5 receiving the federal assistance;

6 (2) with a statistically higher occurrence of crime than the municipality
7 as a whole; or

8 (3) that meets the requirements of (1) and (2) of this subsection.

HB 27

*Conceptual Amend. 1
adopted*

Amendment 1

Subsection (s) on page 1, line 8 is amended to read:

(s) A municipality may by ordinance designate an area within its boundaries that is an eligible area and exempt from taxation an amount not to exceed \$150,000 of the assessed value of real property within the area [that is] if the property is primarily residential and owned and occupied as the primary permanent place of abode by a law enforcement officer for the entire parcel.

put in paragraph wherever

HB 27

Adopted

Amendment 1

Subsection (s) on page 1, line 8 is amended to read:

(s) A municipality may by ordinance designate an area within its boundaries that is an eligible area and exempt from taxation an amount not to exceed \$150,000 of the assessed value of real property within the area [that is] if the property is primarily residential and owned and occupied as the primary permanent place of abode by a law enforcement officer for the entire parcel.

conceptual -

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 27(CRA)
(H) Publish Date: 3/22/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title: Municipal Property Tax Exemption RDU: Comm Asst & Ec Dev (405)
For Police Homes Component: Community Advocacy
Sponsor: Chenault, Gruenberg, Lynn
Requester: House Community & Regional Affairs Component No.: 2703

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 00

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation permits a municipality by ordinance to offer an optional exemption, not to exceed \$10,000 of the assessed value of real property, from municipal property taxes on certain residences of law enforcement officers. This legislation has no impact on the operations of the division.

Prepared by: Athens Logan, Local Government Specialist Phone: 907 269 4540
Division: Community Advocacy Date/Time: 2/14/05 11:40 AM
Approved by: Edgar Blatchford, Commissioner Date: 2/14/2005
Agency: Commerce, Community & Economic Development

Sarah Hook

From: Steve VanSant [steve_vansant@commerce.state.ak.us]
Sent: Thursday, April 14, 2005 7:49 AM
To: Rep. Max Gruenberg
Cc: Sally A Saudler; Athena J Logan
Subject: Question on HB 27

Rep. Gruenberg,

After our short discussion yesterday regarding HB 27, I realized I do have a couple questions that I hope you can discuss in committee today. Unfortunately, I will be unable to be on line, or I would ask at the hearing.

First, the exemption does not refer to "residential" property being exempt, but simply states "real property." Is this intended to extend to commercial property that may also have a residence on it, and if so, does the exemption extend to the commercial property?

Second, the exemption extends to no more than 2 eligible individuals. I know I will be asked later on by municipalities wishing to implement this, does this extend to two different police officers who purchase a duplex, triplex or condominium units and live there? I understand that it certainly would apply to a home in which a husband and wife both qualify, and would be eligible for an exemption of up to \$300,000. However, if my assumption is correct that if two eligible individuals purchase a duplex and can obtain the exemption, is the intent to allow only the maximum of a \$300,000 exemption for the entire property or is it intended to apply to each residential unit?

I appreciate a response on this, but we have these issues arise with the senior citizen/disabled veteran exemption and addressing it now will make it easier for municipalities and us down the line when these questions do come up.

Thank you for your response,
Steve Van Sant
State Assessor

CS FOR HOUSE BILL NO. 27(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/22/05

Referred: Finance

Sponsor(s): REPRESENTATIVES CHENAULT AND GRUENBERG, Lynn, Kerttula

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to an optional exemption from municipal property taxes on certain
2 residences of law enforcement officers."

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

4 * Section 1. AS 29.45.050 is amended by adding a new subsection to read:

5 (s) A municipality may by ordinance designate an area within its boundaries
6 that is an eligible area and exempt from taxation an amount not to exceed \$150,000 of
7 the assessed value of real property within the area that is owned and occupied as the
8 primary permanent place of abode by a law enforcement officer. If two or more
9 individuals are eligible for an exemption for the same property under this subsection,
10 not more than two exemptions may be granted. A municipality that adopts an
11 ordinance under this subsection may not request state funds to cover any loss of
12 revenue to the municipality caused by the ordinance. The ordinance must include a
13 definition of "law enforcement officer." The ordinance must also define "eligible
14 area" to mean an area

- 1 (1) that meets the eligibility requirements under a federal program of
2 special assistance for urban development, neighborhood revitalization, or law
3 enforcement, without regard to whether an application for the federal assistance on
4 behalf of the area has been made or whether the area has actually received or is
5 receiving the federal assistance;
- 6 (2) with a statistically higher occurrence of crime than the municipality
7 as a whole; or
- 8 (3) that meets the requirements of (1) and (2) of this subsection.



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Official Business

State Capitol
Juneau, AK 99801-1182

Representative Mike Chenault

Representative Max Gruenberg

Sponsor Statement and Sectional Analysis

HB 27(CRA)- Municipal Property Tax Exemption

Sponsor Statement

The purpose of the bill is to encourage law enforcement officers to purchase homes and live in high crime areas. It allows municipalities to pass an ordinance giving an exemption up to \$150,000 of assessed valuation for a permanent residence of a law enforcement officer who lives in a high crime area.

Sectional Analysis

A municipality is a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough or as a unified municipality. The municipality may, by ordinance, designate certain areas in which permanent residences owned and occupied by law enforcement officers are exempted from taxation up to \$150,000 of assessed value.

The areas so designated must be areas prescribed under a federal program in need of special assistance for urban development, neighborhood revitalization or law enforcement. There is no requirement that such a program actually be utilized in order to meet this requirement. In the alternative, the areas may be delineated on the basis of crime statistics maintained by the municipality.

The municipality may not request state funds to cover any shortfall created by this ordinance.

The municipality is given the latitude to define the term "law enforcement officer" by ordinance.



Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6650 • Telephone: (907) 343-4481 • Fax: (907) 343-4499 <http://www.muni.org>

Mayor Mark Begich

Office of the Mayor

March 22, 2005

The Honorable Max Gruenberg
Alaska State House
State Capitol, Room 112
Juneau, AK 99801-1182
VIA fax: 465-3766

Dear Max,

Thank you for your introduction of House Bill 27, which seeks to improve public safety in Alaska communities where high rates of crime may occur. My administration and the Municipality applaud the intent behind this legislation and will continue to work with you and your colleagues in the Legislature to make Anchorage and other communities safer. As you know, Anchorage already encourages police officers to drive their police cruisers home to increase the physical presence of police officers on our neighborhood streets.

We were pleased the bill was amended by the House Community and Regional Affairs Committee to expand the potential tax credit to \$150,000 and make the exemption subject to local approval. We also are pleased by the strong support the bill has received by the Mountain View Community Council, potentially one of the parts of our city which may benefit most from it.

Again, thank you for working to make our neighborhoods safer.

Sincerely,

Mark Begich
Mayor

Community, Security, Prosperity

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Mountain View Community Council
Resolution _____

A RESOLUTION SUPPORTING THE PASSAGE OF HB 27

- WHEREAS, neighborhoods are safer when law enforcement officers live, as well as work, within them, because crime rates decrease,
- WHEREAS, for these reasons, Mountain View would benefit if more law enforcement officers lived in Mountain View,
- WHEREAS, HB 27 would encourage law enforcement officers to live in Mountain View by changing state law to allow municipalities to adopt ordinances giving law enforcement officers a tax exemption on part of the property value of their primary permanent residence, if their residence is in a designated area in need of special assistance for urban development, neighborhood revitalization or law enforcement,
- WHEREAS, HB 27 currently would exempt \$10,000 in assessed valuation, a tax savings of only about \$150 annually per residence, hardly enough to attract law enforcement officers to move into designated neighborhoods, but the Community Council understands an amendment will be offered to increase the exemption to \$150,000 annually, a tax savings of about \$2250 per residence, which will provide much more encouragement for police officers to live in such neighborhoods,
- WHEREAS, the Community Council believes a few police officers may well take advantage of such a program, particularly in conjunction with federal programs that provide low cost loans to law enforcement officers who live in areas that need additional protection,
- WHEREAS, the annual cost to the Anchorage Municipality should be no more than \$22,500, if ten officers take advantage of the program, but the cost savings to Anchorage residents will far outweigh that, if even a few major crimes are deterred and lives and property are saved,
- WHEREAS, the presence of law enforcement officers' homes will also increase property values in such neighborhoods and encourage economic and residential growth, both of which will increase the municipal tax base,
- WHEREAS, the Community Council understands that the mayor, the chief of police, and the Anchorage Police Department Employees Association support this legislation, but that the Anchorage Municipal Assembly has not yet taken a position on it.

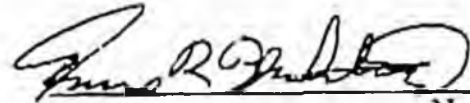
NOW THEREFORE BE IT RESOLVED by the Mountain View Community Council:

That the Council supports the passage of HB 27 and any similar legislation that would encourage law enforcement officers to live in areas needing additional police protection,

That the Council supports an amendment increasing the tax exemption in the bill from \$10,000 to \$150,000 of assessed valuation per residence, and

That the Council urges the Anchorage Municipality to pass an ordinance implementing HB 27 as soon as possible after the bill has passed.

Passed at Anchorage, Alaska this 14th day of March 2005 by the Mountain View Community Council.



Name



Title

Sponsor Statement and Sectional Analysis HB 27 – Municipal Property Tax Exemption

Sponsor Statement

The purpose of the bill is to encourage law enforcement officers to purchase homes and live in high crime areas. It allows municipalities to pass an ordinance giving an exemption up to \$10,000 of assessed valuation for a permanent residence of a law enforcement officer who lives in a high crime area.

Sectional Analysis

A municipality is a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough or as a unified municipality. The municipality may, by ordinance, designate certain areas in which permanent residences owned and occupied by law enforcement officers are exempted from taxation up to \$10,000 of assessed value.

The areas so designated must be areas prescribed under a federal program in need of special assistance for urban development, neighborhood revitalization or law enforcement. There is no requirement that such a program actually be utilized in order to meet this requirement. In the alternative, the areas may be delineated on the basis of crime statistics maintained by the municipality.

The municipality may not request state funds to cover any shortfall created by this ordinance.

The municipality is given the latitude to define the term "law enforcement officer" by ordinance.

HB

29

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 29(L&C)
(H) Publish Date: 4/3/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title: Health Care Insur /Comp Health Ins. Assn. RDU: Insurance (116)
Sponsor: Rokeberg Component: Insurance Operations
Requester: House Labor & Commerce Component No.: 354

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
CHANGE IN REVENUES (1004)	0.0	(1,750.0)	(1,925.0)	(2,120.0)	(2,330.0)	(2,560.0)

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

POSITIONS	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary.)

This legislation would result in a reduction to the general fund of the amount of premium tax that would no longer be collected from insurers who pay ACHIA assessments. To the extent that these insurers have a reduced cost of premium taxes, the cost to the insureds may be reduced. This would go into effect in FY 2008 because the offset "shall apply to the tax levied for the calendar year following an annual determination of each member's liability". This legislation does not impact the operations of the division.

Prepared by: Linda S. Hall, Director Phone: 907 269 7900
Division: Insurance Date/Time: 3/29/06 3:21 PM
Approved by: William Noll, Commissioner Date: 3/29/06
Agency: Commerce, Community, and Economic Development

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 29(L&C)
(H) Publish Date: 4/3/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title: Health Care Insur./Comp Health Ins. Assn. RDU: Insurance (116)
Sponsor: Rokeberg Component: Insurance Operations
Requestor: House Labor & Commerce Component No.: 354

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1004)	0.0	(1,750.0)	(1,925.0)	(2,120.0)	(2,330.0)	(2,560.0)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would result in a reduction to the general fund of the amount of premium tax that would no longer be collected from insurers who pay ACHIA assessments. To the extent that those insurers have a reduced cost of premium taxes, the cost to the insureds may be reduced. This would go into effect in FY 2008 because the offset "shall apply to the tax levied for the calendar year following an annual determination of each member's liability". This legislation does not impact the operations of the division.

Prepared by: Linda S. Hall, Director
Division: Insurance
Approved by: William Noll, Commissioner
Agency: Commerce, Community, and Economic Development

Phone: 907 269 7000
Date/Time: 3/29/06 3:21 PM
Date: 3/29/2006

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

RULES COMMITTEE CHAIRMAN
LABOR & COMMERCE COMMITTEE MEMBER
LEGISLATIVE COUNCIL MEMBER
SPECIAL COMMITTEE ON OIL & GAS MEMBER
SPECIAL COMMITTEE ON WAYS & MEANS MEMBER

Website: <http://www.aklegis.gov/legis/index.cfm>



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FAX (907) 465-2940

Representative Norman Rokeberg

e-mail: Representative_Norman_Rokeberg@legis.state.ak.us

SPONSOR STATEMENT FOR CSIB 29(L&C)

By: Representative Norman Rokeberg

Title: An Act relating to health care insurance and to the Comprehensive Health Insurance Association.

The Alaska Comprehensive Health Insurance Association (ACHIA) was established to provide access to health insurance to all residents of the state who are unable to find or are denied health insurance or who are considered uninsurable. It is also required coverage for those federally eligible individuals under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The plan was first implemented in 1993 and is funded through premiums collected from insureds and assessments received from health insurers transacting business in Alaska. Prior to the time the State of Alaska became self-insured, the State was also a participant in providing funds to ACHIA (through assessments received from its health insurer). The effect of the Knowles' Administration's decision not to stay in ACHIA was to reduce ACHIA's funding by approximately \$400,000 per year.

At the end of December 2003, there were 484 insured individuals participating in ACHIA. As the insurer of last resort, it is necessary that we make sure that ACHIA remains viable and in place. During 2003, over \$4 million was collected in assessments from ACHIA members (those companies or entities who do business in Alaska and pay into ACHIA) and over \$2.6 million was collected in premiums from insured individuals. ACHIA paid out over \$6.6 million in claims expenses in that same year.

The majority of Alaskans that receive health care benefits do not contribute to our high-risk pool, thereby shifting the cost to only those individuals and small groups that purchase health insurance. This is poor public policy, particularly on an unfunded Federal mandate.

Many of the self-insured companies objected to the original version of the bill. Therefore, in order to accommodate the needs of ACHIA, this bill has been modified to grant a tax credit to the insurance companies who are currently assessed for the entire ACHIA shortfall by using a small portion of the premium taxes paid into the state. A premium tax credit is justifiable given the importance of maintaining the viability of the Association and its requirement under HIPAA.

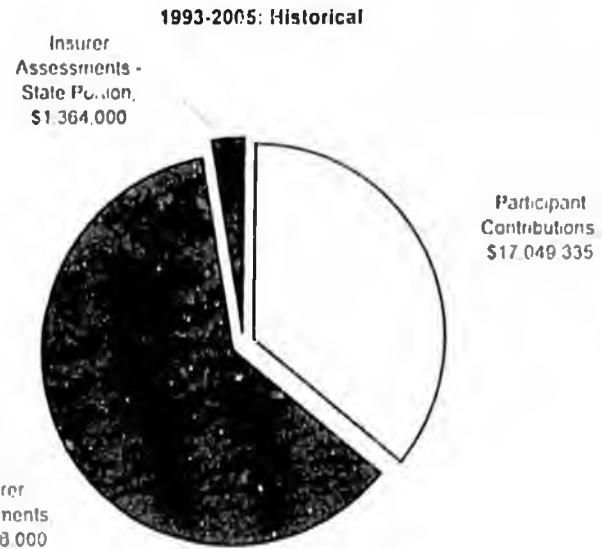
When viewed against the demands of the general fund, the viability of this organization far exceeds those of most other legislation before the legislature. I urge your support of this legislation.

HD 2 3/23/06

4-20-06

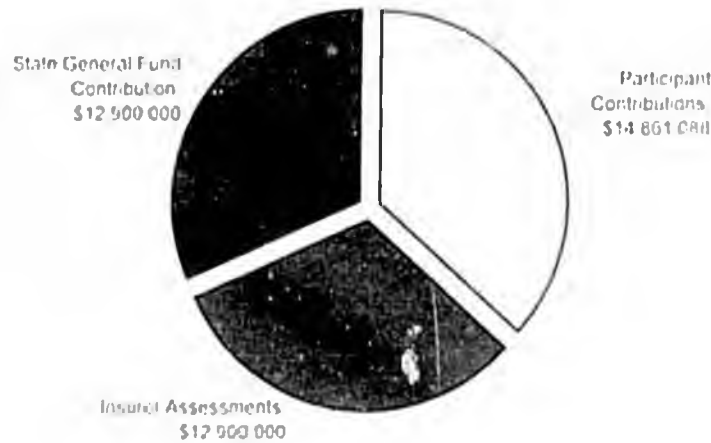
ACHIA
1993 through 2005

Year	Participant Contributions	Claims Paid & Incurred	Assessments Collected	Federal Grant Money
1993	\$ 88,375	\$ 244,758	\$ 250,000	
1994	\$ 348,744	\$ 805,642	\$ -	
1995	\$ 479,001	\$ 2,157,549	\$ 1,800,000	
1996	\$ 588,862	\$ 1,323,651	\$ 1,500,000	
1997	\$ 683,265	\$ 1,843,919	\$ 1,200,000	
1998	\$ 759,686	\$ 1,934,665	\$ 1,500,000	
1999	\$ 863,966	\$ 2,943,692	\$ 2,500,000	
2000	\$ 1,223,291	\$ 3,963,682	\$ 3,300,000	
2001	\$ 1,720,248	\$ 4,503,747	\$ 3,500,000	
2002	\$ 2,072,420	\$ 4,800,821	\$ 2,500,000	
2003	\$ 2,640,325	\$ 7,757,608	\$ 4,500,000	
2004	\$ 2,650,880	\$ 5,813,543	\$ 5,000,000	\$ 969,110
2005*	\$ 2,930,272	\$ 6,846,410	\$ 3,000,000	
1993-2005 Total	\$ 17,019,335	\$ 44,939,687	\$ 30,550,000	\$ 969,110
1998-2005 Total	\$ 14,861,088	\$ 38,564,168	\$ 25,800,000	\$ 969,110

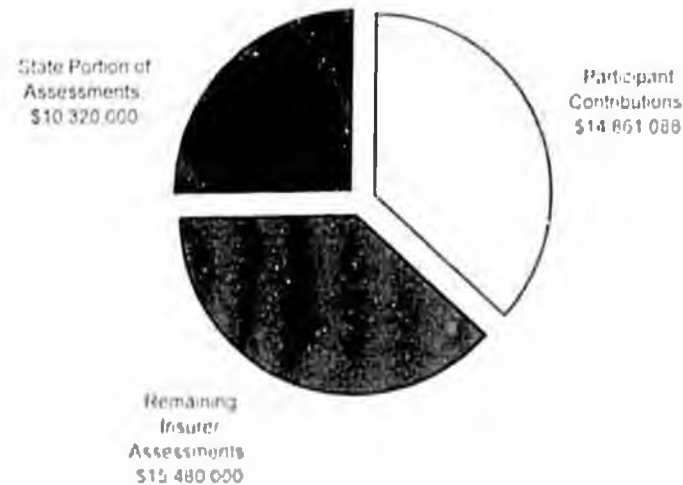


*Not final yet

1998-2005: Proforma With HB29



1998-2005: Proforma Assuming State Had Remained Insured



ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

RULES COMMITTEE CHAIRMAN
LABOR & COMMERCE COMMITTEE MEMBER
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Representative Norman Rokeberg

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SECTIONAL ANALYSIS FOR CSHB 29(L&C)

By: Representative Norman Rokeberg

Title: An Act relating to health care insurance and to the Comprehensive Health Insurance Association.

- Section 1:** Insurers who contribute to ACHIA are entitled to a premium tax credit.
- Section 2:** Insurers who contribute to ACHIA shall submit reports and provide information required by the board or director.
- Section 3:** Amends the voting rights section of ACHIA.
- Section 4:** Clarifies that insurers' contributions to ACHIA are based on the "major medical" premiums they write in Alaska.
- Section 5:** Amends the way ACHIA determines liability for unpaid assessments for those insurers who cease to do business in the state.
- Section 6:** An insurer who is required to contribute to ACHIA, may offset 50% of its ACHIA assessment as a tax credit on their premium taxes. The tax credit is applied in the following year based on the previous year's ACHIA assessment.
- Section 7:** Redefines "major medical."
- Section 8:** Premium tax credit applied starting January 1, 2007.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number 1
Bill Version: CSHB 29(L&C)
(H) Publish Date 4/3/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title: Health Care Insur./Comp Health Ins. Assn RDU: Insurance (116)
Sponsor: Rokeberg Component: Insurance Operations
Requester: House Labor & Commerce Component No: 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1004)	0.0	(1,750.0)	(1,925.0)	(2,120.0)	(2,330.0)	(2,560.0)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL *	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would result in a reduction to the general fund of the amount of premium tax that would no longer be collected from insurers who pay ACHIA assessments. To the extent that these insurers have a reduced cost of premium taxes, the cost to the insureds may be reduced. This would go into effect in FY 2008 because the offset "shall apply to the tax levied for the calendar year following an annual determination of each member's liability". This legislation does not impact the operations of the division.

Prepared by: Linda S. Hall, Director Phone: 907 269 7900
Division: Insurance Date/Time: 3/29/06 3:21 PM
Approved by: William Noll, Commissioner Date: 3/29/2006
Agency: Commerce, Community, and Economic Development

Insurers Writing Comprehensive Health Insurance in Alaska

The Alaska Division of Insurance surveys insurers each year to gather health insurance market share information. For calendar year 2003 the following companies indicated on the survey that they were actively marketing comprehensive health insurance (i.e. writing new business) in Alaska. Note that the following chart does not include insurers that indicated on the survey that they did not actively market comprehensive health insurance in Alaska in 2003. *For information regarding coverage and premiums contact one or more agents or brokers licensed to sell health insurance in Alaska. You can search for agents or brokers in your area on the Division's website at <http://www.commerce.state.ak.us/insurance/producerinfo.htm>. Also, if you click on company name in the following chart you will see a list of agents or brokers that are authorized to sell insurance for that company in Alaska.*

Company Name	Type	Premium	Share of Active Market
Premera Blue Cross Blue Shield of Alaska	<ul style="list-style-type: none"> • Individual • Small Employer • Large Employer 	\$256,727,435	79.27%
Principal Life Insurance Company	<ul style="list-style-type: none"> • Small Employer • Large Employer 	\$23,932,613	7.39%
Aetna Life Insurance Company	<ul style="list-style-type: none"> • Small Employer • Large Employer 	\$16,793,513	5.19%
Golden Rule Insurance Company	<ul style="list-style-type: none"> • Individual 	\$7,362,503	2.27%
Mega Life and Health Insurance Company	<ul style="list-style-type: none"> • Individual • Small Employer 	\$6,145,604	1.90%
United HealthCare Insurance Company	<ul style="list-style-type: none"> • Small Employer • Large Employer 	\$5,578,953	1.72%
Trustmark Insurance Company	<ul style="list-style-type: none"> • Small Employer 	\$3,913,270	1.21%
United of Omaha Life Insurance Company	<ul style="list-style-type: none"> • Large Employer 	\$2,348,204	0.73%
New York Life Insurance Company	<ul style="list-style-type: none"> • Large Employer 	\$585,858	0.18%
John Alden Life Insurance Company	<ul style="list-style-type: none"> • Individual 	\$145,733	0.04%
Celtic Insurance Company	<ul style="list-style-type: none"> • Individual 	\$143,416	0.04%
Connecticut General Life Insurance Company	<ul style="list-style-type: none"> • Large Employer 	\$68,518	0.02%
Continental Assurance Co.	<ul style="list-style-type: none"> • Small Employer 	\$61,820	0.02%
Fortis Insurance Company	<ul style="list-style-type: none"> • Individual 	\$55,784	0.02%
American Heritage Life Insurance Company	<ul style="list-style-type: none"> • Large Employer 	\$8,671	0.00%

Assessments provided by ACHIA Board
March 16, 2005

NAIC	CARRIER	WRITTEN PREMIUM	% OF MARKET	ASSESSMENT
77879	5 Star Life Ins Co	23,539	0.0055565819%	\$139
22667	Ace American Ins Co	44,246	0.0104446460%	\$261
60054	Aetna Life Ins Co	19,342,481	4.5659577638%	\$114,149
60186	Allstate Life Ins Co	257,111	0.0606932465%	\$1,517
67369	Alfa Health & Life Ins Co	401,834	0.0948563461%	\$2,371
60380	American Family Life Ass Co Columbus	7,472,429	1.7639306564%	\$44,098
60410	American Fidelity Assur Co	1,030,244	0.2431978912%	\$6,080
60534	American Heritage Life Ins Co	407,010	0.0960781851%	\$2,402
27928	Amex Assur Co	416,318	0.0982754179%	\$2,457
10367	Avemco Ins Co	3,700,977	0.8736472155%	\$21,841
61212	Baltimore Life Ins Co	27,867	0.0065782432%	\$164
61263	Bankers Life & Cas Co	148,796	0.0351245660%	\$878
38245	BCS Ins Co	76,729	0.0181125355%	\$453
90638	Best Life And Health Ins Co	18,640	0.0044001311%	\$110
80799	Celtic Ins Co	167,748	0.0395983474%	\$990
80896	Centre Life Ins Co	62,499	0.0147534225%	\$369
62049	Colonial Life & Accident Ins Co	411,142	0.0970535790%	\$2,426
62146	Combined Ins Co Of Amer	73,194	0.0172780685%	\$432
62308	Connecticut General Life Ins Co	87,347	0.0206190050%	\$515
78174	Conseco Health Ins Co	138,002	0.0325765502%	\$814
76325	Conseco Senior Health Ins Co	256,647	0.0605837153%	\$1,515
62413	Continental Assur Co	60,982	0.0143953217%	\$360
26443	Continental Cas Co	2,212,362	0.5222469367%	\$13,056
71404	Continental General Ins Co	106,704	0.0251883901%	\$630
62553	Country Life Ins Co	49,738	0.0117410795%	\$294
62944	Equitable Life Assr Soc Of The US	253,031	0.0597301276%	\$1,493
71870	Fidelity Security Life Ins Co	33,815	0.0079823194%	\$200
38830	Fort Wayne Hlth & Cas Ins Co	1,623,881	0.3833309729%	\$9,583
70408	Fortis Benefits Ins Co	1,810,356	0.4273499885%	\$10,684
80926	GE Grp Life Assur Co	127,958	0.0302055783%	\$755
70025	General Electric Capital Assur Co	1,528,653	0.3608515905%	\$9,021
91472	Globe Life & Accident Ins Co	65,874	0.0155501201%	\$389
62286	Golden Rule Ins Co	7,502,818	1.7711042393%	\$44,278
63312	Great American Life Ins Co	93,205	0.0220018359%	\$550
68322	Great West Life & Annuity Ins Co	7,882,617	1.807590355%	\$46,519
64211	Guarantee Trust Life Ins Co	19,712	0.0046531859%	\$116
64246	Guardian Life Ins Co Of Amer	2,239,544	0.5286634798%	\$13,217
22217	Gulf Ins Co	19,737	0.0046590873%	\$116
70815	Hartford Life & Accident Ins Co	3,629,278	0.8567220545%	\$21,418
88072	Hartford Life Ins Co	124,582	0.0294086446%	\$735
73288	Humana Ins Co	146,473	0.0345762021%	\$864
70580	Humanadental Ins Co	677,342	0.1598323615%	\$3,997
65005	IDF Life Ins Co	99,643	0.0235215808%	\$588
70254	Jefferson Pilot Financial Ins Co	1,249,917	0.2950535782%	\$7,376
65080	John Aiden Life Ins Co	172,468	0.0407125437%	\$1,018
65099	John Hancock Life Ins Co	756,106	0.1764852761%	\$4,462
65315	Liberty Life Assur Co Of Boston	84,330	0.0193068164%	\$498
65323	Liberty Life Ins Co	43,327	0.0102277082%	\$256
65498	Life Ins Co Of North Amer	1,750,924	0.4133205576%	\$10,333
64130	Life Investors Ins Co Of Amer	784,573	0.1852051544%	\$4,630
65676	Lincoln Natl Life Ins Co	74,120	0.0174966588%	\$437
71471	Medico Life Ins Co	136,587	0.0322425274%	\$806
97055	Mega Life & Health Ins Co The	7,475,106	1.7645625851%	\$44,114
65978	Metropolitan Life Ins Co	2,423,139	0.5720026469%	\$14,300
66087	Mid West Natl Life Ins Co Of TN	23,017	0.0054333593%	\$136
66281	Monumental Life Ins Co	432,164	0.1020207227%	\$2,551
66370	Mony Life Ins Co	247,661	0.0584624933%	\$1,462
71412	Mutual Of Omaha Ins Co	1,194,383	0.2819443034%	\$7,049
86015	New York Life Ins Co	2,105,432	0.4970051973%	\$12,425
24147	Old Republic Ins Co	41,643	0.0098773974%	\$247
97268	Pacific Life & Annuity Co	369,378	0.0871848392%	\$2,180
67598	Paul Revere Life Ins Co	468,271	0.1105393671%	\$2,763
63282	Penn Treaty Network Amer Ins Co	111,350	0.0262851181%	\$657
67660	Pennsylvania Life Ins Co	57,891	0.0136654648%	\$342
66005	Peoples Benefit Life Ins Co	58,591	0.0138300957%	\$346
80578	Physicians Mut Ins Co	717,049	0.1694770905%	\$4,237
47570	Primerica Blue Cross	21,270,411	62.0140999997%	\$1,550,352
61271	Principal Life Ins Co	7,520,815	0.4965233216%	\$16,413
68130	Protective Life Ins Co	45,905	0.0108362671%	\$271
68195	Provident Life & Accident Ins Co	940,313	0.2210689110%	\$5,549
68209	Provident Life & Cas Ins Co	20,837	0.0063351030%	\$128
68241	Prudential Ins Co Of Amer	327,727	0.0773627561%	\$1,934

Assessments provided by ACHIA Board
 March 16, 2005

NAIC	CARRIER	WRITTEN PREMIUM	% OF MARKET	ASSESSMENT
65765	Reassure America Life Ins Co	301,689	0.0712162639%	\$1,780
67105	Reliastar Life Ins Co	2,709,522	0.6396057989%	\$15,990
61360	Reliastar Life Ins Co Of NY	88,444	0.0208779612%	\$522
68508	Safeco Life Ins Co	8,785,075	2.0737919505%	\$51,845
69914	Sears Life Ins Co	144,779	0.0341763189%	\$854
68721	Security Life Ins Co Of Amer	61,632	0.0145487597%	\$364
86355	Standard Life & Accident Ins Co	25,380	0.0059911657%	\$150
25178	State Farm Mut Auto Ins Co	3,793,898	0.8955820108%	\$22,390
77399	Sterling Life Ins Co	271,901	0.0641845522%	\$1,605
65021	Stonebridge Life Ins Co	2,046,169	0.4830156603%	\$12,075
87726	The Travelers Ins Co	86,246	0.0203591046%	\$509
60142	TIAA Cref Life Ins Co	22,093	0.0052152413%	\$130
86231	Transamerica Life Ins Co	25,010	0.0059038240%	\$148
67121	Transamerica Occidental Life Ins Co	45,262	0.0106844815%	\$267
61425	Trustmark Ins Co	83,865	0.0197970492%	\$495
37893	Ullico Cas Co	139,395	0.0329053797%	\$823
80314	Unicare Life & Health Ins Co	331,754	0.0783133638%	\$1,958
62596	Union Fidelity Life Ins Co	153,880	0.0363246876%	\$908
69744	Union Labor Life Ins Co	1,535,028	0.3623564637%	\$9,059
92916	United American Ins Co	88,186	0.0208170581%	\$520
79413	United Healthcare Ins Co	12,796,116	3.0206324202%	\$75,516
69868	United Of Omaha Life Ins Co	4,660,575	1.1001685153%	\$27,504
70106	United States Life Ins Co In NYC	1,054,504	0.2489246713%	\$6,223
62235	Unum Life Ins Co Of Amer	6,148,871	1.4514934915%	\$36,287
80659	US Bus of the Canada Life Assur Co	62,022	0.0146408226%	\$368
69663	USAA Life Ins Co	165,269	0.0390131583%	\$975
81027	Veterans Life Ins Co	20,424	0.0048212596%	\$121
70319	Washington Natl Ins Co	67,255	0.0158761169%	\$397
16535	Zurich American Ins Co	689,835	0.1628414408%	\$4,071
		423,623,739	100.0000000000%	\$2,500,000

HB 29
Analysis of Change in Assessment Formula

Current Assessment Formula (AS 21.55)

An insurer is a member of Alaska Comprehensive Health Insurance Association (ACHIA) if it offers major medical insurance on an expense-incurred basis in Alaska. Major medical is defined as a health insurance contract or subscriber contract that provides benefits for hospital and medical care with potential lifetime maximum benefits of at least \$10,000. Major medical does not include a stop loss insurance policy, a fixed indemnity health insurance product, or a product with lifetime maximum benefits of less than \$10,000.

If an insurer offers major medical insurance on an expense-incurred basis in Alaska, then all health insurance premiums offered by that insurer, including stop loss insurance, fixed indemnity and other non-major medical health insurance (such as long term care, disability income, specified disease) premiums would be assessed. However, if an insurer only wrote stop loss insurance, fixed indemnity or other non-major medical health insurance, then the insurer would not be assessed.

A member's share of ACHIA assessments is the insurer's health insurance premiums written in Alaska in the base year divided by the total health insurance premiums written in Alaska by all ACHIA members in the base year.

For example, assume that only the following 7 insurers write the health insurance in Alaska as shown.

	<u>Major Medical Premiums</u>	<u>Stop Loss Premiums</u>	<u>Other Non-Major Medical Premiums</u>
Insurer1	5,000	0	1,500,000
Insurer2	0	0	5,000,000
Insurer3	150,000,000	0	70,000
Insurer4	15,000,000	0	0
Insurer5	0	3,000,000	0
Insurer6	400,000	300,000	0
Insurer7	0	100,000	300,000

In this example Insurer2, Insurer5, and Insurer7 would not be members of ACHIA and subject to assessment, since they have not written any major medical insurance.

Assessment shares would be determined as follows:

	<u>Major Medical Premiums</u>	<u>Stop Loss Premiums</u>	<u>Other Non-Major Medical Premiums</u>	<u>Total Premiums</u>	<u>Assessment Share* %</u>
Insurer1	5,000	0	1,500,000	1,505,000	.90
Insurer3	150,000,000	0	70,000	150,070,000	89.72
Insurer4	15,000,000	0	0	15,000,000	8.96
Insurer6	400,000	300,000	0	700,000	.42
				167,275,000	100.00

* Assessment share = Each member's total premium / total premium for all members

If the total ACHIA assessment required is \$5,000,000:

Insurer1 would pay	45,000	(.0090*5,000,000)
Insurer3 would pay	4,486,000	(.8972*5,000,000)
Insurer4 would pay	448,000	(.0896*5,000,000)
Insurer6 would pay	<u>21,000</u>	(.0042*5,000,000)
	5,000,000	

Proposed Assessment Formula (HB 29)

An insurer is a member of ACHIA if it offers major medical insurance on an expense-incurred basis in Alaska. In addition a self-insured entity for which the State is not preempted from regulating under federal law that provides major medical benefits is also a member. Major medical benefits are defined to include stop loss insurance and to exclude benefits such as dental, vision, accident, disability income and other benefits that are not major medical benefits. Under HB 29 ACHIA membership would be expanded to include stop loss insurers and self-insured entities for which the state is not preempted from regulating under federal law which includes self-funded governmental plans, church plans, and multiple employer welfare arrangements. Also, the change in the definition of major medical in HB 29 would result in some insurers no longer being members.

ACHIA members would be assessed on the number of lives covered under their major medical health plans in Alaska instead of all health insurance premiums written in Alaska. Since the number of lives covered under major medical plans is not currently reported to the Division, each member would be required to report such data to the director for purposes of determining the ACHIA assessment.

Each member's share of the ACHIA assessment is the member's reported number of lives with major medical coverage in the base year divided by the total number of lives with major medical reported by all ACHIA members in the base year.

For example, assume that only the following 7 insurers write the health insurance in Alaska as shown:

	<u>Stop Loss Number of Lives</u>	<u>Major Medical Number of Lives</u>	<u>Non-Major Medical Number of Lives</u>
Insurer1	0	3	1,000
Insurer2*	0	0	20,000
Insurer3	0	65,000	0
Insurer4	0	6,500	500
Insurer5	11,000	0	0
Insurer6	200	150	2,000
Insurer7	350	0	5,000

*Insurer2 is not a member of ACHIA and therefore would not be assessed, since none of the coverage that Insurer2 wrote meets the definition of major medical.

Assessment shares would be determined as follows:

	<u>Stop Loss Number of Lives</u>	<u>Major Medical Number of Lives</u>	<u>Total Number of Lives</u>	<u>Share %*</u>
Insurer1	0	3	3	0.00
Insurer3	0	65,000	65,000	78.12
Insurer4	0	6,500	6,500	7.82
Insurer5	11,000	0	11,000	13.22
Insurer6	200	150	350	.42
Insurer7	350	0	350	.42

*Share % = Each insurer's total number of lives / total number of lives for all insurers

If the total assessment required is \$5,000,000:

Insurer1 would pay	0	(.0000*5,000,000)
Insurer3 would pay	3,906,000	(.7812*5,000,000)
Insurer4 would pay	391,000	(.0782*5,000,000)
Insurer5 would pay	661,000	(.1322*5,000,000)
Insurer6 would pay	21,000	(.0042*5,000,000)
Insurer7 would pay	21,000	(.0042*5,000,000)
	<u>5,000,000</u>	

Illustration of impact of HB29 on ACHIA assessments:

- This analysis uses the 2003 Health Insurance Survey and State of Alaska data
- *The assessment formula in HB 29 requires that to the extent practicable, each covered life should be count only once. The Division does not have the necessary data to adjust the number of covered lives to remove duplicates. Therefore, the below impact should be considered illustrative only.*
- The below analysis assumes that the state employee union health trusts and other self-funded governmental plans and self-funded church plans purchase stop-loss insurance and therefore the covered lives are already included the stop loss insurance data
- The 2003 premium assessment base was approximately \$423,625,000
- The 2003 estimated total covered lives base under HB 29 is 303,800.

Assuming a \$5 million ACHIA assessment:

<u>Member</u>	<u>Premium Covered</u> <u>(000s)</u>	<u>Covered</u> <u>Lives</u>	<u>Current</u> <u>Share</u>	<u>Current Amt</u> <u>Assessed</u>	<u>HB29</u> <u>Share</u>	<u>HB29 Amt</u> <u>Assessed</u>
Premiera Blue Cross	263,000	83,400	62.01%	\$3,100,000	27.4%	\$1,372,000
State of Alaska*	160,000	63,600	0%	\$0	20.9%	\$1,047,000
Principal	27,500	7,000	6.50%	\$325,000	2.3%	\$114,000
Aetna	19,300	5,700	4.57%	\$228,000	1.9%	\$94,000
United HealthCare	12,800	11,000	3.02%	\$151,000	3.6%	\$180,000
Great-West	7,880	13,000	1.86%	\$93,000	4.3%	\$216,000
Golden Rule	7,500	3,800	1.77%	\$88,000	1.3%	\$63,000
Mega L&H	7,500	3,000	1.77%	\$88,000	1.0%	\$49,000
AFLAC	7,500	0	1.77%	\$88,000	0%	\$0
Avemco	3,700	6,700	0.87%	\$44,000	2.2%	\$110,000
Companion	1,900	2,200	0%	\$0	.7%	\$36,000
All Stop Loss Insurers	42,000	96,000	10%	\$465,000	32%	\$1,580,000

*Only includes employees and dependents covered under Select Benefits (i.e. plans administered by the State, with no stop loss insurance coverage), and Retirees

Notes:

AFLAC writes low premium limited benefit health insurance products that are not included in the HB 29 definition of major medical.

Companion is not assessed under the current formula because Companion only wrote stop loss insurance, which is not considered major medical insurance under the current assessment formula

Great-West and Avemco primarily write stop loss insurance, the premium per covered life is smaller for stop loss coverage compared with major medical coverage. This means that assessments on stop loss insurance will be higher under the HB 29 covered lives based formula compared with the current premium based formula.

Illustration of impact of HB29 on ACHIA assessments (Without State Retirees):

- This analysis uses the 2003 Health Insurance Survey and State of Alaska data
- *The assessment formula in HB 29 requires that to the extent practicable, each covered life should be count only once. The Division does not have the necessary data to adjust the number of covered lives to remove duplicates. Therefore, the below impact should be considered illustrative only.*
- The below analysis assumes that the state employee union health trusts and other self-funded governmental plans and self-funded church plans purchase stop-loss insurance and therefore the covered lives are already included the stop loss insurance data
- The 2003 premium assessment base was approximately \$423,625,000
- The 2003 estimated total covered lives base under HB 29 is 254,000.

Assuming a \$5 million ACHIA assessment:

<u>Member</u>	<u>Premium Covered (000s)</u>	<u>Lives</u>	<u>Current Current Amt Share</u>	<u>Assessed</u>	<u>HB29 Share</u>	<u>HB29 Amt Assessed</u>
Premera Blue Cross	263,000	83,400	62.01%	\$3,100,000	32.3%	\$1,639,000
State of Alaska*	160,000	63,600	0%	\$0	5.5%	\$277,000
Principal	27,500	7,000	6.50%	\$325,000	2.7%	\$136,000
Aetna	19,300	5,700	4.57%	\$228,000	2.2%	\$112,000
United HealthCare	12,800	11,000	3.02%	\$151,000	4.3%	\$215,000
Great-West	7,880	13,000	1.86%	\$93,000	5.2%	\$259,000
Golden Rule	7,500	3,800	1.77%	\$88,000	1.5%	\$75,000
Mega L&H	7,500	3,000	1.77%	\$88,000	1.2%	\$58,000
AFLAC	7,500	0	1.77%	\$88,000	0%	\$0
Avemco	3,700	6,700	0.87%	\$44,000	2.6%	\$131,000
Companion	1,900	2,200	0%	\$0	.9%	\$43,000
All Stop Loss Insurers	42,000	96,000	10%	\$465,000	38%	\$1,887,000

*Only includes employees and dependents covered under Select Benefits (i.e. plans administered by the State, with no stop loss insurance coverage). DOES NOT INCLUDE STATE RETIREES.

Notes:

AFLAC writes low premium limited benefit health insurance products that are not included in the HB 29 definition of major medical.

Companion is not assessed under the current formula because Companion only wrote stop loss insurance, which is not considered major medical insurance under the current assessment formula

Great-West and Avemco primarily write stop loss insurance, the premium per covered life is smaller for stop loss coverage compared with major medical coverage. This means that assessments on stop loss insurance will be higher under the HB 29 covered lives based formula compared with the current premium based formula.



Comprehensive
Health
Insurance
Association
P.O. Box 1090
2015 16th Street
Great Bend, KS 67530

Directors:
Jeffrey W. Davis (Chairperson)
J. Brian Angel
Marilyn Walsh Kasmar
Chester Lozowski
Mona McAleese
Shawn Pollock
Chris Palme-Krizak
Katherine Campbell (Ex-Officio)
Cecil D. Bykerk, Executive Director

March 31, 2006

The Honorable Norman Rokeberg
State Capitol Room 214
Juneau, AK
99801-1182

Dear Chairman Rokeberg:

Thank you for your continued interest and assistance with the risk pool legislation. Heather has provided us the March 23 draft committee substitute for HB 29. We are pleased that the Labor & Commerce Committee will be holding a hearing on the bill today. Unfortunately, Jeff Davis, Chair of ACHIA, Brian Angel, Vice-Chair of ACHIA, and I are unavailable to participate by telephone due to previous commitments.

As you know, the Board believes strongly that ACHIA benefits Alaskans by providing affordable access to health insurance for those individuals that, due to health conditions, cannot obtain coverage in the private market. Consumers in the private market benefit from more stable and otherwise lower premiums. Moreover, by providing coverage for otherwise uncovered catastrophic health conditions, ACHIA ultimately reduces the uncompensated care rolls, thereby benefiting all Alaskans.

Because ACHIA benefits all Alaskans, the most equitable funding approaches are those that are broad-based. To this end, ACHIA supports the inclusion of a premium tax offset for fifty-percent of member assessments. This mechanism not only achieves broad-based funding, but also ensures ACHIA has a stable source of operating funds. The board believes that this bill will provide some relief to those insured Alaskans who currently carry the burden of the assessments through increased premiums for major medical insurance.

Additionally, the board supports the clean-up provisions in Sections 2-5 and 7 of the bill. We believe these provisions are both important and non-controversial and, therefore, respectfully urge your support for these provisions as well.

Thank you and your staff again for supporting ACHIA. We stand ready to meet with you as well as other members of the legislature in Juneau to discuss the bill as time permits.

Sincerely,



Cecil D. Bykerk, FSA, MAAA
Executive Director

cc: Director Linda Hall
Board of Directors

America's Health
Insurance Plans

601 Pennsylvania Avenue, NW
South Building
Suite Five Hundred
Washington, DC 20004

202 778 3200
www.ahip.org



April 11, 2006

Dear Representative Wilson:

America's Health Insurance Plans (AHIP) would like to support HB 29, which provides a partial offset against premium taxes for contributors to Alaska's Comprehensive High Risk Pool (CHIA).

The Comprehensive High Risk Pool provides insurance for Alaskans with known illnesses which may otherwise prevent them from obtaining health insurance coverage. Since the costs of the pool will always exceed the payments required by statute from the participants, health insurers doing business in the State pay for the losses on an annual basis. Those losses are growing larger each year.

Alaska's health care market is divided into self insured, federally insured and privately insured components. Self insured and federally insured segments are exempt from payment to the pool, leaving only the privately insured. That segment, which only represents about 100,000 Alaskans bears the entire cost of the losses.

As a matter of public policy, it makes sense to either broaden the base which pays for the losses. By allowing a 50% premium tax credit, the base is broadened by half, which is an important step in the right direction.

If you would like any further information or analysis, please let us know

Thank you

Sincerely,

A handwritten signature in cursive script that reads "Christian Jones".

Christian Jones
AHIP

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

RULES COMMITTEE CHAIRMAN
LABOR & COMMERCE COMMITTEE MEMBER
LEGISLATIVE COUNCIL MEMBER
SPECIAL COMMITTEE ON OIL & GAS MEMBER
SPECIAL COMMITTEE ON WAYS & MEANS MEMBER

WEBSITE: www.alaska.gov/legis/house/committees/



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LEGISLATION
ALASKA STATE CAPITOL
JUNEAU, AK 99901-1180
PHONE (907) 465-4968
FAX (907) 465-2040

Representative Norman Rokeberg

e-mail: Representative.Norman.Rokeberg@legis.state.ak.us

SECTIONAL ANALYSIS FOR HB 29

By: Representative Norman Rokeberg

Title: An Act relating to health care insurance and to the Comprehensive Health Insurance Association; and providing for an effective date.

- Section 1:** Amends the definition of "stop-loss insurance" to more clearly define the term.
- Section 2:** Repeals and reenacts the membership provision of the Alaska Comprehensive Health Insurance Association (ACHIA) to include self-insureds.
- Section 3:** Amends the voting rights section of ACHIA.
- Section 4:** Changes the way ACHIA assesses its members to reflect the addition of self-insureds.
- Section 5:** Establishes that each ACHIA member must provide the Director of Insurance with certain information by April 1st of each year. Further provides how ACHIA's board is to establish a member's assessment share based on the date field.
- Section 6:** Redefines "major medical benefits."
- Section 7:** Defines "self-insured entity."
- Section 8:** Conforms AS 39.30.095(b) by adding a reference to new section contained in Section 9 of the bill.
- Section 9:** Establishes that the membership assessment the State of Alaska is to pay as a member of ACHIA will be paid by the State and not added to an employee's contribution towards that employee's health benefits costs.
- Section 10:** Establishes a transition procedure that provides:
- The current ACHIA assessment plan and membership will remain in place until January 1, 2006.
 - Information needed by the Division of Insurance to establish the new share and membership assessment plan must be provided to the Division by September 30, 2005.
- Section 11:** Permits the Division of Insurance to immediately start work on necessary regulations to implement the provisions of this legislation.
- Section 12:** Provides for an immediate effective date.

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 29
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Statewide
Title An Act relating to health care insurance (CHIA) RDU Statewide
Component Statewide
Sponsor Representative Rokeberg
Requester Labor and Commerce, Health, Educati Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services	1,047.0	1,047.0	1,047.0	1,047.0	1,047.0	1,047.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1,047.0	1,047.0	1,047.0	1,047.0	1,047.0	1,047.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	.	.	.	.	.	.
1003 GF Match	.	.	.	.	.	.
1004 GF	ALL FUNDING SOURCES					
1005 GF/Program Receipts	.	.	.	.	.	.
1037 GF/Mental Health	.	.	.	.	.	.
Other (Specify Type-Do not abbreviate)	.	.	.	.	.	.
TOTAL	1,047.0	1,047.0	1,047.0	1,047.0	1,047.0	1,047.0

Estimate of any current year (FY2005) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would add self-insured plans (to the extent permitted under federal law) to the membership of the Comprehensive Health Insurance Association (CHIA).

Based on the anticipated CHIA assessment for 2005, this bill would assess the Select Benefits Plan (5,300 employees) an annual estimated amount of \$232,000 and the Retiree Health Plan an estimated annual amount of \$815,000 for a total of \$1,047,000 per year.

Prepared by: Melanie Milhorn, Director Phone 465-4408
Division: Retirement and Benefits Date/Time 4/7/05 2:37 PM
Approved by: Mike Tibbles, Deputy Commissioner Date 4/7/2005
Agency: Department of Administration

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. HB 29

This estimate is being provided and would need to be followed-up by an actuarial analysis, which is estimated to take approximately two weeks from the date of the request.

AS 24.08.036 FISCAL NOTES ON BILLS AFFECTING STATE RETIREMENT SYSTEMS, requires an additional analysis of the long term and short term costs to the state if a bill is adopted, as well as the impact of the bill on the actuarial soundness of the funds. This bill would increase the average PERS contribution rate by _____% (to be determined) of PERS payroll. For FY 06 this would be an added cost to the state of approximately \$1,047,000. In addition, the funding ratio of the PERS as of June 30, 2004 was 70.2%. Passage of this bill would decrease the funding ratio to % _____(to be determined).

This bill would also increase the TRS contribution rate by _____(to be determined) % of TRS payroll. The funding ratio of the TRS as of June 30, 2004 was 62.8%. The passage of this bill would decrease the funding ratio by _____% (to be determined) .

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 29
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title Health Care Insurance-ACHIA RDU Insurance (116)
Component Insurance
Sponsor Rokeberg
Requester House Labor & Commerce Component No. 354

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	0	FY 2009	FY 2010	FY 2011
Personal Services	0.0	0.0		0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 29 would expand membership of ACHIA to include stop loss insurers and self-insured entities for which the state is not preempted from regulating under federal law which includes self-funded governmental plans, church plans, and multiple employer welfare arrangements. The bill would change the definition of major medical which would result in some insurers no longer being members. It would modify the assessment formula from a premium based formula to formula based on the number of lives covered under their major medical health plans in Alaska. Since the number of lives covered under major medical plans is not currently reported to the Division, each member would be required to report such data to the director for purposes of determining the ACHIA assessment. The director reports this information to the board and the board is responsible for determining the assessments. This bill would have no fiscal impact on the Division.

Prepared by: Linda S. Hall, Director Phone 907-269-7900
Division Insurance Date/Time 4/7/05 3:15 PM
Approved by: Edgar Blatchford, Commissioner Date 4/7/2005
Agency Commerce, Community, and Economic Development

Are you **uninsured** due to a
medical condition?

ACHIA will offer you
health insurance



ACHIA

Alaska Comprehensive Health Insurance Association

ALASKA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION - ACHIA

ACHIA is a program created by the state legislature for residents of the state of Alaska. It is designed to provide health insurance for those individuals who are denied health insurance in the private market because of a medical condition. For example, a resident of Alaska who is diabetic and who is rejected by an insurance company will be accepted by ACHIA.

ACHIA is also available to those individuals who lose their employer group health insurance coverage and who meet certain federal rules for eligibility. Under these rules, an individual who applies for ACHIA coverage within 90 days of the loss of employer coverage is eligible for ACHIA insurance. The individual must have exhausted all available extended employer insurance coverage (COBRA). ACHIA is also available to those individuals who qualify under the federal Health Coverage Tax Credit program.

ACHIA offers several comprehensive \$1,000,000 lifetime maximum plans. The primary difference between the plans is the annual deductible and the associated out-of-pocket limits which an individual must pay in any calendar year. All ACHIA plans allow you to see the physician of your choice.

Most ACHIA plans do have a preferred hospital provider (PPO) clause. The remaining plans, the "Traditional" plan and the Medicare plans, do not have a PPO clause.

For those who are covered under Medicare, ACHIA offers two Medicare Supplement plans and a Medicare Caveout plan. The Medicare Caveout is for individuals under the age of sixty-five. It coordinates the benefits of Medicare with the benefits of the ACHIA "Traditional Plan" including the prescription drug benefits.

ACHIA does have a pre-existing condition exclusion provision. This provision looks back at health problems which existed within the three months before the policy date. ACHIA then limits benefits for these pre-existing problems during the six months following the onset of the policy. The pre-existing condition exclusion does not apply if the individual is eligible under the Federal rules.

For further information and for applications, please see our website at www.achia.com or contact an insurance agent. You may contact our administrator, BMI, by calling toll free 1-888-290-0616 or by writing them at BMI, P.O. Box 1090, Great Bend, KS 67530.

Are you **uninsured** due to a
medical condition?

ACHIA will offer you
health insurance,



ACHIA

Alaska Comprehensive Health Insurance Association

ALASKA COMPREHENSIVE HEALTH INSURANCE
ASSOCIATION (ACHIA)

ACHIA is a program created by the state legislature for residents of the state of Alaska. It is designed to provide health insurance for those individuals who are denied health insurance in the private market because of a medical condition. For example, a resident of Alaska who is diabetic and who is rejected by an insurance company will be accepted by ACHIA.

ACHIA is also available to those individuals who lose their employer group health insurance coverage and who meet certain federal rules for eligibility. Under these rules an individual who applies for ACHIA coverage within 90 days of their loss of employer coverage is eligible for ACHIA insurance. The individual must have exhausted any available extended employer insurance coverage (COBRA). ACHIA is also available to those individuals who qualify under the federal Health Coverage Tax Credit program.

ACHIA offers several comprehensive \$1,000,000 lifetime maximum plans. The primary difference between the plans is the annual deductible and the associated out-of-pocket limits which an individual must pay in any calendar year. All ACHIA plans allow you to see the physician of your choice.

Most ACHIA plans do have a preferred hospital provider (PPO) clause. The remaining plans, the "Traditional" plan and the Medicare plan, do not have a PPO clause.

For those who are covered under Medicare, ACHIA offers two Medicare Supplement plans and a Medicare Care-out plan. The Medicare Care-out is for individuals under the age of sixty-five. It coordinates the benefits of Medicare with the benefits of the ACHIA "Traditional Plan", including the prescription drug benefits.

ACHIA does have a pre-existing condition exclusion provision. This provision looks back at health problems which existed within the three months before the policy date. ACHIA then limits benefits for these pre-existing problems during the six months following the onset of the policy. The pre-existing condition exclusion does not apply if the individual is eligible under the Federal rules.

For further information and for applications, please see our website at www.achia.com or contact an insurance agent. You may contact our administrator, BMI, by calling toll free 1-888-290-0616 or by writing them at BMI, P.O. Box 1090, Great Bend, KS 67530.

HB

29

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
 MAY 04 2006
 SENATE FINANCE COMMITTEE

DATE: 5/1/06

FURTHER:

DATE TURNED
 IN TO OFFICE: 5/4/06

Finance Committee considered CS FOR HOUSE BILL NO. 29(L&C)(title am)

HB 29 HEALTH CARE INSUR./COMP HEALTH INS. ASSN

"An Act relating to the Comprehensive Health Insurance Association; granting a 50 percent premium tax credit for assessments against members of the Comprehensive Health Insurance Association; requiring members to provide information to the association's board of directors or the director of the division of insurance; modifying voting rights for the association members by basing their exercise on a member's share of assessments; basing assessments on major medical premiums; modifying the manner of determining members' liabilities for losses; and changing the definition of "major medical" coverage for purpose of state health insurance and providing for exclusions to major medical coverage."

and recommends:

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

CS Senate Bill:
 Same Title
 New Title

SCS House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
DCEB	3/29/06			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			✓	
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

ALASKA STATE LEGISLATURE

House of Representatives

COMMITTEE ASSIGNMENTS

RULES COMMITTEE, CHAIRMAN
LABOR & COMMERCE COMMITTEE, MEMBER
LEGISLATIVE COUNCIL, MEMBER
SPECIAL COMMITTEE ON OIL & GAS, MEMBER
SPECIAL COMMITTEE ON WAYS & MEANS, MEMBER

website: <http://www.akrepublicans.org/rokeberg/index.php>



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FAX (907) 269-0119

SESSION
ALASKA STATE CAPITOL
JUNEAU AK 99801-1182
PHONE (907) 465-4968
FAX (907) 465-2940

Representative Norman Rokeberg

e-mail: Representative_Norman_Rokeberg@legis.state.ak.us

SPONSOR STATEMENT FOR CSHB 29(L&C)(title am), By: Representative Norman Rokeberg

Title: An Act relating to the Comprehensive Health Insurance Association; granting a 50 percent premium tax credit for assessments against members of the Comprehensive Health Insurance Association; requiring members to provide information to the association's board of directors or the director of the division of insurance; modifying voting rights for the association members by basing their exercise on a member's share of assessments; basing assessments on major medical premiums; modifying the manner of determining members' liabilities for losses; and changing the definition of "major medical" coverage for purpose of state health insurance and providing for exclusions to major medical coverage.

The Alaska Comprehensive Health Insurance Association (ACHIA) was established to provide access to health insurance to all residents of the state who are unable to find or are denied health insurance or who are considered uninsurable. It is also required coverage for those federally eligible individuals under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The plan was first implemented in 1993 and is funded through premiums collected from insureds and assessments received from health insurers transacting business in Alaska. Prior to the time the State of Alaska became self-insured, the State was also a participant in providing funds to ACHIA (through assessments received from its health insurer). The effect of the Knowles' Administration's decision not to stay in ACHIA was to reduce ACHIA's funding by approximately \$400,000 per year.

At the end of December 2003, there were 484 insured individuals participating in ACHIA. As the insurer of last resort, it is necessary that we make sure that ACHIA remains viable and in place. During 2003, over \$4 million was collected in assessments from ACHIA members (those companies or entities who do business in Alaska and pay into ACHIA) and over \$2.6 million was collected in premiums from insured individuals. ACHIA paid out over \$6.6 million in claims expenses in that same year.

The majority of Alaskans that receive health care benefits do not contribute to our high-risk pool, thereby shifting the cost to only those individuals and small groups that purchase health insurance. This is poor public policy, particularly on an unfunded Federal mandate.

Many of the self-insured companies objected to the original version of the bill. Therefore, in order to accommodate the needs of ACHIA, this bill has been modified to grant a tax credit to the insurance companies who are currently assessed for the entire ACHIA shortfall by using a small portion of the premium taxes paid into the state. A premium tax credit is justifiable given the importance of maintaining the viability of the Association and its requirement under HIPAA.

When viewed against the demands of the general fund, the viability of this organization far exceeds those of most other legislation before the legislature. I urge your support of this legislation.

ED 2: 3/23/06

ALASKA STATE LEGISLATURE

House of Representatives

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LEGISLATIVE COUNCIL, MEMBER
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website: <http://www.aknpublicans.org/rokeberg/index.php>



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Representative Norman Rokeberg

e-mail: Representative.Norman.Rokeberg@legis.state.ak.us

SECTIONAL ANALYSIS FOR CSHB 29(L&C)(title am)

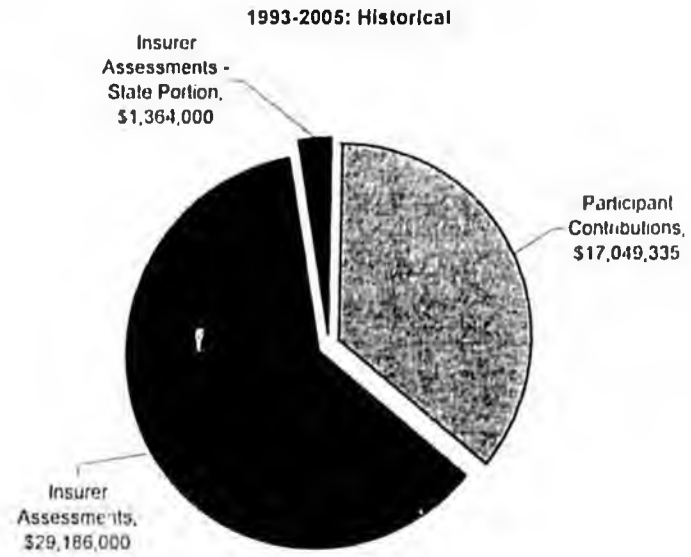
By: Representative Norman Rokeberg

Title: An Act relating to the Comprehensive Health Insurance Association; granting a 50 percent premium tax credit for assessments against members of the Comprehensive Health Insurance Association; requiring members to provide information to the association's board of directors or the director of the division of insurance; modifying voting rights for the association members by basing their exercise on a member's share of assessments; basing assessments on major medical premiums; modifying the manner of determining members' liabilities for losses; and changing the definition of "major medical" coverage for purpose of state health insurance and providing for exclusions to major medical coverage.

- Section 1:** Insurers who contribute to ACHIA are entitled to a premium tax credit.
- Section 2:** Insurers who contribute to ACHIA shall submit reports and provide information required by the board or director.
- Section 3:** Amends the voting rights section of ACHIA.
- Section 4:** Clarifies that insurers' contributions to ACHIA are based on the "major medical" premiums they write in Alaska.
- Section 5:** Amends the way ACHIA determines liability for unpaid assessments for those insurers who cease to do business in the state.
- Section 6:** An insurer who is required to contribute to ACHIA, may offset 50% of its ACHIA assessment as a tax credit on their premium taxes. The tax credit is applied in the following year based on the previous year's ACHIA assessment.
- Section 7:** Redefines "major medical."
- Section 8:** Premium tax credit applied starting January 1, 2007.

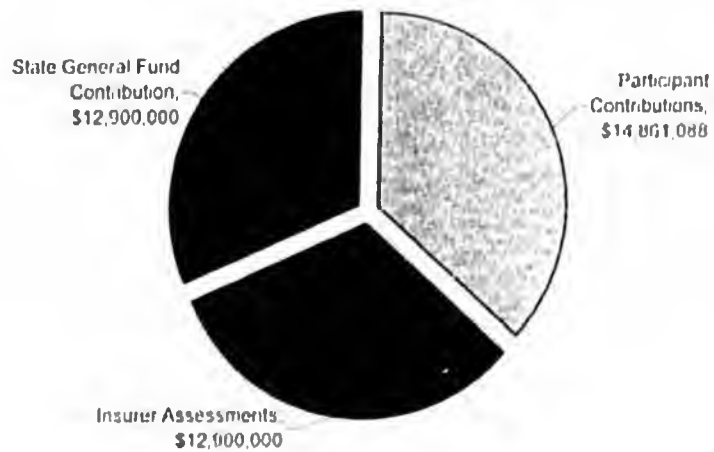
ACHIA 1993 through 2005

Year	Participant Contributions	Claims Paid & Incurred	Assessments Collected	Federal Grant Money
1993	\$ 88,375	\$ 244,758	\$ 250,000	
1994	\$ 348,744	\$ 805,642	\$ -	
1995	\$ 479,001	\$ 2,157,549	\$ 1,800,000	
1996	\$ 588,862	\$ 1,323,651	\$ 1,500,000	
1997	\$ 683,265	\$ 1,843,919	\$ 1,200,000	
1998	\$ 759,686	\$ 1,934,665	\$ 1,500,000	
1999	\$ 863,966	\$ 2,943,692	\$ 2,500,000	
2000	\$ 1,223,291	\$ 3,963,682	\$ 3,300,000	
2001	\$ 1,720,248	\$ 4,503,747	\$ 3,500,000	
2002	\$ 2,072,420	\$ 4,800,821	\$ 2,500,000	
2003	\$ 2,640,325	\$ 7,757,608	\$ 4,500,000	
2004	\$ 2,650,880	\$ 5,813,543	\$ 5,000,000	\$ 969,110
2005*	\$ 2,930,272	\$ 6,846,410	\$ 3,000,000	
1993-2005 Total	\$ 17,049,335	\$ 44,939,687	\$ 30,550,000	\$ 969,110
1998-2005 Total	\$ 14,861,088	\$ 38,564,168	\$ 25,800,000	\$ 969,110

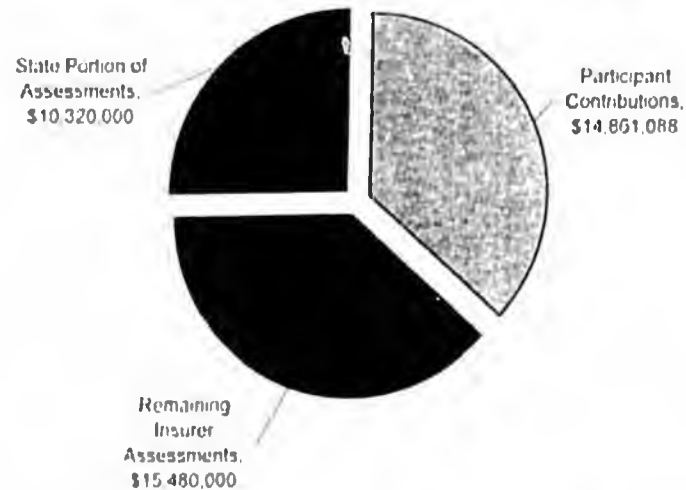


*Not final yet

1998-2005: Proforma With HB29



1998-2005: Proforma Assuming State Had Remained Insured



Prepared by Cecil Bykerk, Executive Director of ACHIA 4/20/2006

5/4/06 9:19 am



ALASKA

Comprehensive Health Insurance Association

Read Your Policy Carefully — This outline of coverage provides a very brief description of the important features of your policy. This is not the insurance contract and only the actual policy provisions will control. The policy itself sets forth in detail the rights and obligations of both you and the Association. It is, therefore, important that you **READ YOUR POLICY CAREFULLY!**

P.O. Box 1090
Great Bend, KS 67530

www.achia.com

3120655 02/06

Alaska Comprehensive Health Insurance Association

The Legislature of the State of Alaska has created a Comprehensive Health Insurance Association (ACHIA) to offer residents of the State, through participation of health insurance companies, a program of health insurance. The program is designed to provide health insurance to high risk individuals who are unable to find or who are denied health insurance due to medical condition in the private market and to those individuals who have had prior health insurance coverage and meet the federal rules for eligibility described below.

This brochure describes the benefits, exclusions, eligibility and application procedures under the ACHIA program.

Eligibility Requirements

Coverage is available to persons under any one of three separate sets of rules:

Under the *high risk rules* a person is eligible for coverage if:
a) one of the following apply:

- 1) the person is physically present in Alaska, has lived in Alaska for at least the 12 consecutive months immediately before applying for coverage under this plan, and intends to remain permanently in Alaska; or
 - 2) the person is not physically present in Alaska, but has lived in Alaska for at least 9 of the 12 months immediately before applying for coverage under this plan and the person's absence from Alaska is for medical treatment or education;
- b) the person is not eligible to be covered under a small employer (2-50 employees) health insurance plan,
- c) the person is not eligible for medical coverage under a federal or state program including Veteran Health Benefits, Indian Health Services or Medicaid or a group health plan,
- d) the person does not have other health insurance coverage, and
- e) at least one of the following apply:
- 1) the person has received from at least one health insurer notice of rejection for health insurance dated within the last six months,
 - 2) the person has one of the listed conditions in this brochure,
 - 3) the person has received restrictive riders that substantially reduce coverage.

Even though you may be covered by Medicare, you may still be eligible for coverage under this plan.

Under the *federal rules* a person is eligible for coverage if:

- a) the person must be domiciled in the state of Alaska,
- b) the person has at least 18 months of prior health insurance coverage without a 90 day or more break in such coverage,
- c) the person's most recent health insurance coverage was under a group plan,
- d) the person is not eligible for other group health insurance

- coverage, Medicare, Medicaid or Indian Health Services;
- e) the person's most recent health insurance coverage was not terminated due to nonpayment of premium or fraud;
 - f) the person has elected and exhausted any COBRA or similar coverage; and
 - g) the person does not have other health insurance coverage.

Under the Health Coverage Tax Credit federal program a person is eligible for ACHIA coverage if:

- a) they are a displaced worker under the Trade Adjustment Assistance Act; or
- b) they receive a pension managed by the Pension Benefit Guaranty; and
- c) eligibility for HCTC has been determined by the federal HCTC program

If you have any of the specific conditions listed below and meet the Eligibility Requirements listed in this brochure, you have the right to obtain coverage under the plan without having to submit the rejection notice otherwise required.

Acquired Immune Deficiency Syndrome (AIDS)	Mental Retardation
Alzheimers	Metastatic Cancer
Angina Pectoris	Motor or Sensory Aphasia
Anorexia Nervosa	Multiple or Disseminated Sclerosis
Arteriosclerosis Obliterans	Muscular Atrophy or Dystrophy
Artificial Heart Valve	Myasthenia Gravis
Ascites	Myotonia
Brain Tumors	Obesity - Morbid
Cardiomyopathy	Open Heart Surgery
Cerebral Palsy	Paraplegia or Quadriplegia
Chronic Pancreatitis	Parkinson's Disease
Cirrhosis of the Liver	Peripheral Arteriosclerosis (if treatment within last three years)
Coronary Insufficiency	Poliomyelitis
Coronary Occlusion	Polycystic Kidney
Crohn's Disease	Polyarteritis (perarteritis nodosa)
Cystic Fibrosis	Postero-lateral Sclerosis
Dermatomyositis	Psychotic Disorders
Diabetes	Rheumatoid Arthritis
Epilepsy	Sickle Cell Anemia
Friedreich's Disease	Silicosis
Heart Disorders	Splenic Anemia (True Banti's Syndrome)
Hemophilia	Still's Disease
Hepatitis C (Active)	Stroke (CVA)
HIV+	Syngonychia
Hodgkin's Disease	Tales Dorsalis (hocomotor ataria)
Huntington's Chorea	Thalassemia (Cooley's or Mediterranean Anemia)
Hydrocephalus	Tepsectomy and Lobotomy
Intermittent Claudication	Ulcerative Colitis
Kidney Failure	Wilson's Disease
Lead Poisoning with Cerebral Involvement	
Leukemia	
Lupus Erythematosus Disseminate	
Malignant Tumor (if treated or has occurred within last four years)	

Preexisting Condition Exclusion

A preexisting condition is a sickness or condition:

- a) which manifested itself within the three-month period immediately before the policy date in such a way as would cause an ordinarily prudent person to seek diagnosis, care or treatment from a practitioner; or
- b) for which medical advice, care or treatment was recommended by or received from a physician within the three-month period immediately before the policy date.

Expenses incurred for a preexisting condition during the first six months after the policy date will not be covered if you are eligible for coverage only under the *high risk rules*. However, if you had coverage under a health insurance policy (prior plan) which was involuntarily terminated and you apply for coverage under this plan within 31 days after such termination, the six month waiting period will be reduced by the amount of time you were covered under the prior plan.

If you are eligible preexisting condition exclusion will be applied for coverage under the *federal rules*, no

Description of Benefits

There are several different comprehensive plans offered by ACHIA. The primary differences between the plans are the annual deductible and the associated out-of-pocket limits. The annual deductible is the amount that you must pay each calendar year for eligible expenses before the plan pays benefits. The out-of-pocket expense limit is the maximum amount, including the annual deductible, that you must pay in any calendar year.

With the exception of the \$1,000 deductible indemnity plan, the Medicare carveout and the two Medicare supplement plans, all ACHIA plans pay 80% of the billed charges once you have satisfied the annual deductible, as long as you receive treatment either from a preferred hospital or from a hospital that is not preferred when you do not have reasonable access to a preferred hospital. If you have reasonable access to a preferred hospital and choose to receive treatment from a hospital that is not preferred, ACHIA will pay only 60% of the usual and customary charges. After you have paid charges equal to the out-of-pocket expense limit, ACHIA will pay 100% instead of 80% or 60%.

For those covered under Medicare, ACHIA offers two Medicare supplement plans. The two Medicare supplement plans are standardized Plan A and Plan F. If you are not enrolled in Part B of Medicare, benefits under these plans will not include benefits normally paid by Medicare. In any case, these plans do not cover basic drugs whether you have Medicare Part D or not. However, drugs covered under Medicare Part B are covered under these plans.

For those under 65 and covered under Medicare, ACHIA offers a Medicare carveout plan. The plan coordinates the

benefits of the ACHIA \$1,000 deductible non-PPO plan with Medicare. This plan differs from the non-PPO plan in that it does not cover drugs whether you have Medicare Part D or not. However, drugs covered under Medicare Part B are covered under this plan. The Medicare carveout plan pays 80% of the charges not covered by Medicare (but covered under the ACHIA plan) once the \$1,000 deductible has been satisfied, and pays 100% of the charges not covered by Medicare (but covered under the ACHIA plan) after you and Medicare have paid charges equal to the out-of-pocket expense limit including the deductible.

In no case will ACHIA pay more than the balance due to the provider.

Mental or Nervous Disorder Limits

For eligible expenses incurred for treatment of mental or nervous disorder, 50% is covered after the deductible. The maximum benefit payable in a calendar year for outpatient treatment is \$4,000. Mental or nervous disorders do not include treatment related to or that results from a person's alcoholism or drug abuse.

Alcoholism or Drug Abuse Outpatient Maximums

The maximum benefit payable for treatment of alcoholism or drug abuse under this plan is \$12,715 in any two consecutive calendar year periods and \$25,425 during your lifetime. These maximums will be adjusted every three years.

Treatment includes, but is not limited to (a) detoxification, (b) medical or psychiatric evaluation, (c) activity or family therapy, (d) counseling, or (e) prescription drugs and supplies.

Case Management

Your benefits include the services of a nurse case manager. You are encouraged to call the case manager with any health-related questions. The case manager will troubleshoot and problem solve to customize a care plan for your unique situation. 1-888-290-0616

Lifetime Maximum

The maximum benefit you will be eligible to receive under this plan for all sickness and injuries combined is \$1,000,000.

Covered Services and Supplies

- a) Daily temporary room and board and other hospital services and supplies
- b) Professional services that are rendered by a physician or by a registered nurse at the physician's direction
- c) Prescription drugs and medicines requiring a physician's prescription. (Not covered for Medicare carveout or Plan A or Plan F unless covered by Medicare Part B)
- d) Services of a skilled nursing facility for not more than 120 days in a policy year
- e) Home health agency services up to a maximum of 270 visits in a calendar year. Limitations are provided in the policy
- f) Hospice services for up to six months in a calendar year
- g) Use of radium or other radioactive materials
- h) Outpatient chemotherapy
- i) Oxygen
- j) Anesthetics and its administration
- k) Nondental prosthesis and maxillofacial prosthesis used to replace any anatomic structure lost during treatment for head and neck tumors or additional appliances essential for the support of the prosthesis
- l) Rental, or purchase if purchase is more cost effective than rental, of durable medical equipment that has no personal use in the absence of the condition for which it was prescribed
- m) Diagnostic X-rays and laboratory tests
- n) Oral surgery for excision of partially or completely unerupted impacted teeth or excision of a tooth root without the extraction of the entire tooth
- o) Services of a licensed physical therapist rendered under the direction of a physician
- p) Transportation by a local ambulance operated by licensed or certified personnel to the nearest health care institution for treatment of the illness or injury and round trip transportation by air to the nearest health care institution for treatment of the illness or injury if the treatment is not available locally; if the patient is a child under 12 years of age, the transportation charges of a parent or legal guardian accompanying the child may be paid if the attending physician certifies the need for the accompaniment
- q) Confinement in a licensed or certified facility established primarily for the treatment of alcohol or drug abuse or in a part of a hospital used primarily for this treatment, for a period of at least 45 days within any calendar year
- r) Diagnosis or treatment of a mental or nervous disorder rendered during the year subject to the Mental or Nervous Disorder Limits
- s) Second surgical opinions
- t) One routine mammography each calendar year to insured persons age 35 or over, except benefits will be paid without regard to age or any calendar year limit if the insured person or the insured person's mother or sister have a history of breast cancer
- u) Treatment of alcoholism or drug abuse, subject to the Alcoholism or Drug Abuse Outpatient Maximums
- v) Formulas necessary for the treatment of phenylketonuria (PKU)
- w) Treatment for complications of pregnancy to the same extent as for disease surgical operations for extrauterine pregnancy or for other complications requiring intra

abdominal surgery after termination of pregnancy; pernicious vomiting of pregnancy (hyperemesis gravidarum), and toxemia with convulsions (eclampsia of pregnancy)

- x) One Pap smear including attendant physician's office visit per calendar year for covered females age 18 or older and one prostate screening test per year for covered males age 35 or older as provided by state law.

Exclusions & Limitations

The following is a brief listing of expenses not covered under this plan and may not reflect the full extent of the policy limitations:

- a) Confinement or expenses incurred while your policy is not in force,
- b) Injuries or disease caused at place of employment subject to workers' compensation benefits,
- c) Injuries or disease caused in a motor vehicle accident subject to auto insurance coverage or other liability,
- d) Reconstructive or cosmetic surgery,
- e) Services that exceed the reasonable to customary charges,
- f) Services that are deemed not to be medically necessary,
- g) Services that are not within the scope of the provider's license or certificate,
- h) Eyeglasses, contact lenses, or hearing aids or the fitting of them,
- i) Dental care not specially covered,
- j) Services of a registered nurse or physician that resides in the covered person's home,
- k) Experimental procedure, service, drugs and other supplies,
- l) Services for which the patient was not charged,
- m) Self-inflicted injury or sickness, suicide or attempted suicide,
- n) Treatment of obesity,
- o) Treatment for craniomandibular or temporomandibular joint (TMJ) disorders,
- p) Promotion of fertility,
- q) Vocational training,
- r) Expenses associated with normal pregnancy and childbirth
- s) Services of a resident physician or intern,
- t) Charges for or related to sex change surgery or gender identity disorders,
- u) Routine physical, vision, dental, hearing or preventive exams,
- v) Acupuncture therapy
- w) For Medicare care-out and Medicare Supplement Plan A and Plan F, basic prescription drugs unless covered under Medicare Part B

Certification of Hospital Admissions

Inpatient hospital confinement should be precertified by calling (800) 318-6776.

Renewal and Termination Agreement

Your policy will be renewed each time you pay the required premium by the due date or within the 31-day grace period. Premiums may be paid monthly or quarterly.

Applications and Inquiries

Alaska Comprehensive Health Insurance Association
Benefit Management, Inc.

2015-16th Street
P.O. Box 1090
Great Bend, KS 67530
(888) 290-0616

E-mail: Inquiries: dmccormick@benefitmanagementks.com

Enrollment: jkauffman@benefitmanagementks.com

Applications may be downloaded at www.achia.com

Complaints

The ACHIA has established a grievance committee to review and resolve any complaints you may have regarding your coverage under the ACHIA. If you have contacted the administrator and have not received satisfactory resolution, please write a detailed description of your complaint and send to:

Grievance Committee

Alaska Comprehensive Health Insurance Association
P.O. Box 1090
Great Bend, KS 67530

Cecil D. Bykerk
Executive Director - ACHIA
9643 Oak Circle
Omaha, NE 68124-2767
(402) 591-8701

If, after the grievance committee has reviewed your complaint, you still have not received a satisfactory resolution, you may wish to contact the Division of Insurance at:

Alaska Division of Insurance
550 West 7th Avenue, Suite 1560
Anchorage, AK 99501-3567
Phone (907) 269-7900
Fax (907) 269-7910
TDD (907) 465-5437

Insurers Writing Comprehensive Health Insurance in Alaska

The Alaska Division of Insurance surveys insurers each year to gather health insurance market share information. For calendar year 2003 the following companies indicated on the survey that they were actively marketing comprehensive health insurance (i.e. writing new business) in Alaska. Note that the following chart does not include insurers that indicated on the survey that they did not actively market comprehensive health insurance in Alaska in 2003. *For information regarding coverage and premiums contact one or more agents or brokers licensed to sell health insurance in Alaska. You can search for agents or brokers in your area on the Division's website at <http://www.commerce.state.ak.us/insurance/producerinfo.htm>. Also, if you click on company name in the following chart you will see a list of agents or brokers that are authorized to sell insurance for that company in Alaska.*

Company Name	Type	Premium	Share of Active Market
Premera Blue Cross Blue Shield of Alaska	<ul style="list-style-type: none"> • Individual • Small Employer • Large Employer 	\$256,727,435	79.27%
Principal Life Insurance Company	<ul style="list-style-type: none"> • Small Employer • Large Employer 	\$23,932,613	7.39%
Aetna Life Insurance Company	<ul style="list-style-type: none"> • Small Employer • Large Employer 	\$16,793,513	5.19%
Golden Rule Insurance Company	<ul style="list-style-type: none"> • Individual 	\$7,362,503	2.27%
Mega Life and Health Insurance Company	<ul style="list-style-type: none"> • Individual • Small Employer 	\$6,145,604	1.90%
United HealthCare Insurance Company	<ul style="list-style-type: none"> • Small Employer • Large Employer 	\$5,578,953	1.72%
Trustmark Insurance Company	<ul style="list-style-type: none"> • Small Employer 	\$3,913,270	1.21%
United of Omaha Life Insurance Company	<ul style="list-style-type: none"> • Large Employer 	\$2,348,204	0.73%
New York Life Insurance Company	<ul style="list-style-type: none"> • Large Employer 	\$585,858	0.18%
John Alden Life Insurance Company	<ul style="list-style-type: none"> • Individual 	\$145,733	0.04%
Celtic Insurance Company	<ul style="list-style-type: none"> • Individual 	\$143,416	0.04%
Connecticut General Life Insurance Company	<ul style="list-style-type: none"> • Large Employer 	\$68,518	0.02%
Continental Assurance Co.	<ul style="list-style-type: none"> • Small Employer 	\$61,820	0.02%
Fortis Insurance Company	<ul style="list-style-type: none"> • Individual 	\$55,784	0.02%
American Heritage Life Insurance Company	<ul style="list-style-type: none"> • Large Employer 	\$8,671	0.00%

5/4/06 9:18am

Assessments provided by ACHIA Board
March 16, 2005

NAIC	CARRIER	WRITTEN PREMIUM	% OF MARKET	ASSESSMENT
77879	5 Star Life Ins Co	23,539	0.0055585819%	\$130
22667	Ace American Ins Co	44,246	0.0104446460%	\$261
60054	Aetna Life Ins Co	19,342,481	4.5659577636%	\$114,149
60186	Allstate Life Ins Co	257,111	0.0606932465%	\$1,517
67369	Alta Health & Life Ins Co	401,834	0.0948563461%	\$2,371
60380	American Family Life Asr Co Columbus	7,472,429	1.7639306564%	\$44,098
60410	American Fidelity Assur Co	1,030,244	0.2431978912%	\$8,080
60534	American Heritage Life Ins Co	407,010	0.0960781851%	\$2,402
27928	Amex Assur Co	416,318	0.0982754179%	\$2,457
10367	Avemco Ins Co	3,700,977	0.8736472155%	\$21,841
61212	Ballmore Life Ins Co	27,867	0.0065782432%	\$164
61263	Bankers Life & Cas Co	148,796	0.0351245660%	\$878
38245	BCS Ins Co	76,729	0.0181125355%	\$453
90638	Best Life And Health Ins Co	18,640	0.0044001311%	\$110
80799	Celtic Ins Co	167,748	0.0395983474%	\$990
80896	Centre Life Ins Co	62,499	0.0147534225%	\$369
62049	Colonial Life & Accident Ins Co	411,142	0.0970535790%	\$2,426
62146	Combined Ins Co Of Amer	73,194	0.0172780685%	\$432
62308	Connecticut General Life Ins Co	87,347	0.0206190050%	\$515
78174	Conseco Health Ins Co	138,002	0.0325765502%	\$814
76325	Conseco Senior Health Ins Co	256,647	0.0605837153%	\$1,515
62413	Continental Assur Co	60,982	0.0143953217%	\$360
20443	Continental Cas Co	2,212,352	0.5222469367%	\$13,056
71404	Continental General Ins Co	106,704	0.0251883901%	\$630
62553	Country Life Ins Co	49,738	0.0117410795%	\$294
62944	Equitable Life Assr Soc Of The US	253,031	0.0597301276%	\$1,493
71870	Fidelity Security Life Ins Co	33,815	0.0079823194%	\$200
38830	Fort Wayne Hlth & Cas Ins Co	1,623,881	0.3833309729%	\$9,583
70408	Fortis Benefits Ins Co	1,810,356	0.4273499885%	\$10,684
80926	GE Gr Life Assur Co	127,958	0.0302055783%	\$755
70025	General Electric Capital Assur Co	1,528,653	0.3608515905%	\$9,021
91472	Globe Life & Accident Ins Co	65,974	0.0155501201%	\$389
62286	Golden Rule Ins Co	7,502,818	1.7711042393%	\$44,278
63312	Great American Life Ins Co	93,205	0.0220018359%	\$550
68322	Great West Life & Annuity Ins Co	7,882,617	1.8607590355%	\$46,519
64211	Guarantee Trust Life Ins Co	19,712	0.0046531859%	\$116
64246	Guardian Life Ins Co Of Amer	2,239,544	0.5286634798%	\$13,217
22217	Gulf Ins Co	19,737	0.0046590873%	\$116
70815	Hartford Life & Accident Ins Co	3,629,278	0.8567220545%	\$21,418
88072	Hartford Life Ins Co	124,582	0.0294086446%	\$735
73288	Humana Ins Co	146,473	0.0345762021%	\$864
70580	Humanadental Ins Co	677,342	0.1598923615%	\$3,997
65005	IDS Life Ins Co	99,643	0.0235215808%	\$588
70254	Jefferson Pilot Financial Ins Co	1,249,917	0.2950535782%	\$7,376
65087	John Aiden Life Ins Co	172,468	0.0407125437%	\$1,018
650	John Hancock Life Ins Co	756,100	0.1784852761%	\$4,462
65315	Liberty Life Assur Co Of Boston	84,330	0.0199068164%	\$498
65323	Liberty Life Ins Co	43,327	0.0102277082%	\$256
65498	Life Ins Co Of North Amer	1,750,924	0.4133205576%	\$10,333
64130	Life Investors Ins Co Of Amer	784,573	0.1852051544%	\$4,630
65876	Lincoln Natl Life Ins Co	74,120	0.0174966588%	\$437
71471	Medico Life Ins Co	136,587	0.0322425274%	\$806
97355	Mega Life & Health Ins Co The	7,475,106	1.7645625851%	\$44,114
65978	Metropolitan Life Ins Co	2,423,139	0.5720026469%	\$14,300
66087	Mid West Natl Life Ins Co Of TN	23,017	0.0054333593%	\$130
66281	Monumental Life Ins Co	432,184	0.1020207227%	\$2,551
66370	Money Life Ins Co	247,661	0.0584624933%	\$1,462
71412	Mutual Of Omaha Ins Co	1,194,383	0.2819443074%	\$7,049
66915	New York Life Ins Co	2,105,432	0.4970051973%	\$12,425
24147	Old Republic Ins Co	41,843	0.0098773974%	\$247
97	Pacific Life & Annuity Co	369,378	0.0871948302%	\$2,180
6759	Pal Revere Life Ins Co	488,271	0.1105393671%	\$2,783
63282	Penn Treaty Network Amer Ins Co	111,350	0.0202851181%	\$657
67660	Pennsylvania Life Ins Co	57,891	0.0136656648%	\$342
66605	Peoples Benefit Life Ins Co	58,591	0.0138309057%	\$346
80578	Physicians Mut Ins Co	717,949	0.1694779905%	\$4,237
47570	Premier Blue Cross	202,700,411	0.2140909997%	\$1,550,352
61271	Principal Life Ins Co	27,520,815	0.4965233210%	\$102,413
68136	Protective Life Ins Co	45,905	0.0108302671%	\$271
68195	Provident Life & Accident Ins Co	940,313	0.2210609110%	\$5,649
68209	Provident Life & Cas Ins Co	26,807	0.0061351030%	\$158
61241	Prudential Ins Co Of Amer	327,727	0.0773027561%	\$1,934

Assessments provided by ACHIA Board
 March 16, 2005

NAIC	CARRIER	WRITTEN PREMIUM	% OF MARKET	ASSESSMENT
65765	Reassure America Life Ins Co	301,689	0.0712162639%	\$1,780
67105	Reliastar Life Ins Co	2,709,522	0.6396057989%	\$15,990
61360	Reliastar Life Ins Co Of NY	88,444	0.0208773612%	\$522
68608	Safeco Life Ins Co	8,785,075	2.0737919505%	\$51,845
69914	Sears Life Ins Co	144,779	0.0341763189%	\$854
68721	Security Life Ins Co Of Amer	61,632	0.0145487597%	\$364
86355	Standard Life & Accident Ins Co	25,380	0.0059911657%	\$150
25178	State Farm Mut Auto Ins Co	3,793,898	0.8955820108%	\$22,390
77399	Sterling Life Ins Co	271,901	0.0641845522%	\$1,605
65021	Stonebridge Life Ins Co	2,046,169	0.4830156603%	\$12,075
87726	The Travelers Ins Co	86,246	0.0203591046%	\$509
60142	TIAA Cref Life Ins Co	22,093	0.0052152413%	\$130
86231	Transamerica Life Ins Co	25,010	0.0059038240%	\$148
67121	Transamerica Occidental Life Ins Co	45,262	0.0106844815%	\$267
61425	Trustmark Ins Co	83,865	0.0197970492%	\$495
37893	Ulico Cas Co	139,395	0.0329053797%	\$823
80314	Unicare Life & Health Ins Co	331,754	0.0783133638%	\$1,958
62596	Union Fidelity Life Ins Co	153,880	0.0363246876%	\$908
69744	Union Labor Life Ins Co	1,535,028	0.3623564637%	\$9,059
92916	United American Ins Co	88,186	0.0208170581%	\$520
79413	United Healthcare Ins Co	12,796,116	3.0206324202%	\$75,516
69868	United Of Omaha Life Ins Co	4,660,575	1.1001685153%	\$27,504
70106	United States Life Ins Co In NYC	1,054,504	0.2489246713%	\$6,223
82235	Unum Life Ins Co Of Amer	6,148,871	1.4514934915%	\$36,287
80659	US Bus of the Canada Life Assur Co	62,022	0.0146408226%	\$368
69663	USAA Life Ins Co	185,269	0.0390131583%	\$975
81027	Veterans Life Ins Co	20,424	0.0048212596%	\$121
70319	Washington Natl Ins Co	67,255	0.0158761169%	\$397
16535	Zurich American Ins Co	689,835	0.1628414408%	\$4,071
		423,623,739	100.0000000000%	\$2,500,000



Comprehensive
Health
Insurance
Association
P.O. Box 1090
2015 16th Street
Great Bend, KS 67530

Directors:
Jeffrey W. Davis (Chairperson)
J. Brian Angel
Marilyn Walsh Kasmar
Chester Lozowski
Mona McAleese
Shawn Pollock
Chris Palme-Krizak
Katherine Campbell (Ex-Officio)
Cecil D. Bykerk, Executive Director

March 31, 2006

The Honorable Norman Rokeberg
State Capitol Room 214
Juneau, AK
99801-1182

Dear Chairman Rokeberg:

Thank you for your continued interest and assistance with the risk pool legislation. Heather has provided us the March 23 draft committee substitute for HB 29. We are pleased that the Labor & Commerce Committee will be holding a hearing on the bill today. Unfortunately, Jeff Davis, Chair of ACHIA, Brian Angel, Vice-Chair of ACHIA, and I are unavailable to participate by telephone due to previous commitments.

As you know, the Board believes strongly that ACHIA benefits Alaskans by providing affordable access to health insurance for those individuals that, due to health conditions, cannot obtain coverage in the private market. Consumers in the private market benefit from more stable and otherwise lower premiums. Moreover, by providing coverage for otherwise uncovered catastrophic health conditions, ACHIA ultimately reduces the uncompensated care rolls, thereby benefiting all Alaskans.

Because ACHIA benefits all Alaskans, the most equitable funding approaches are those that are broad-based. To this end, ACHIA supports the inclusion of a premium tax offset for fifty-percent of member assessments. This mechanism not only achieves broad-based funding, but also ensures ACHIA has a stable source of operating funds. The board believes that this bill will provide some relief to those insured Alaskans who currently carry the burden of the assessments through increased premiums for major medical insurance.

Additionally, the board supports the clean-up provisions in Sections 2-5 and 7 of the bill. We believe these provisions are both important and non-controversial and, therefore, respectfully urge your support for these provisions as well.

Thank you and your staff again for supporting ACHIA. We stand ready to meet with you as well as other members of the legislature in Juneau to discuss the bill as time permits.

Sincerely,



Cecil D. Bykerk, FSA, MAAA
Executive Director

cc: Director Linda Hall
Board of Directors

HB

30

HFIN

FILE

HOUSE COMMITTEE REPC T

(11)

Date Referred to Committee: February 16, 2005

FURTHER REFERRALS:

Date of Committee Action: 2/25/05

The FINANCE Committee considered:

HB 30

HOUSE BILL NO. 30

APPROP: K-12 EDU OPERATING/DEBT EXPENSES

"An Act making appropriations for K-12 education operating and school debt expenses; and providing for an effective date."

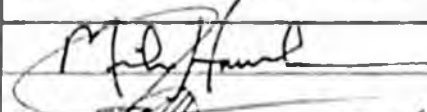
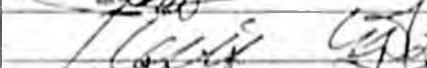

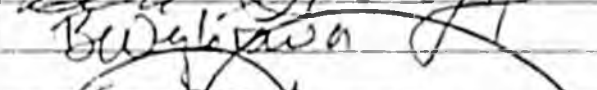
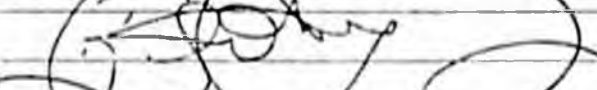
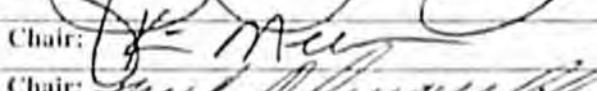
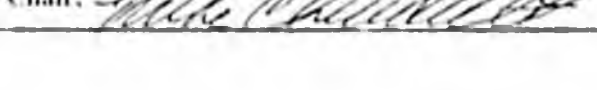

Recommends it be replaced with HCS or CS for HB 30 (Hes)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 HSS
 LEG
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Hanken	✓			
	Holm	✓			
	CROTT				✓
	Kelly			✓	
	STORTZ	✓			
	Weber			✓	
	Foster	x			
Chair: 	Meyer	✓			
Chair:	Chamberlain	✓			

CS FOR HOUSE BILL NO. 30(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 2/16/05

Referred: Finance

Sponsor(s): REPRESENTATIVES HARRIS, Chenault, Thomas, Wilson, Neuman, Samuels, Olson, Seaton, LeDoux, Elkins, McGuire

A BILL

FOR AN ACT ENTITLED

1 "An Act making appropriations for K-12 education operating and school debt expenses;
2 and providing for an effective date."

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

4 * Section 1. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT -- K-12
5 SUPPORT FOR FY 2006. The sum of \$826,037,800 is appropriated to the Department of
6 Education and Early Development for the fiscal year ending June 30, 2006, for the purposes
7 described and allocated in the amounts listed from the general fund and from other sources in
8 the amounts set out:

9	PURPOSE	ALLOCATION
10	Foundation program	\$767,255,200
11	Boarding home grants	185,900
12	Youth in detention	1,100,000
13	Special schools	7,469,600
14	Pupil transportation	55,027,100

FUND SOURCE	AMOUNT
General fund receipts	\$793,299,500
Federal impact aid for K-12 schools	20,791,000
Public school trust fund (AS 37.14.110)	11,947,300

* Sec. 2. CONTINGENT APPROPRIATIONS FOR FOUNDATION PROGRAM AND SPECIAL SCHOOLS PROGRAM. (a) Subject to sec. 4 of this Act, the sum of \$70,089,524 is appropriated from the general fund to the Department of Education and Early Development for the foundation program for the fiscal year ending June 30, 2006.

(b) Subject to sec. 4 of this Act, the sum of \$479,652 is appropriated from the general fund to the Department of Education and Early Development, special schools, for the Alaska Military Youth Academy for the fiscal year ending June 30, 2006.

(c) The appropriations made by this section to the foundation program and the special schools program are in addition to the amounts appropriated for those purposes by sec. 1 of this Act.

* Sec. 3. SCHOOL DEBT REIMBURSEMENT. The sum of \$86,463,500 is appropriated to the Department of Education and Early Development for the fiscal year ending June 30, 2006, for state aid for costs of school construction under AS 14.11.100 from the following sources:

Alaska debt retirement fund (AS 37.15.011)	\$59,463,500
School fund (AS 43.50.140)	27,000,000

* Sec. 4. CONTINGENCY. The appropriations made by sec. 2 of this Act are contingent upon the passage by the Twenty-Fourth Alaska State Legislature and enactment into law before July 1, 2005, of a bill that increases the base student allocation under AS 14.17.470 to at least \$4,919 for the fiscal year ending June 30, 2006.

* Sec. 5. This Act takes effect July 1, 2005.

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 1
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Military and Veterans Affairs
Title Increase Amount of Base Student RDU Military and Veterans Affairs
Allocation _____ Component Alaska Military Youth Academy
Sponsor Finance Component No. 1969
Requester Representative Gatto

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	447.5					
Miscellaneous						
TOTAL OPERATING	447.5	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (1007 Inter-Agency Receipts)	447.5					
TOTAL	447.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation, from \$4,576 to \$4,896 for FY2006.

The Alaska Challenge Youth Academy is authorized under AS 14.30.740. The funding of this program is directly linked to the based student allocation set out in AS 17.17.470. The funding would come to the Alaska Military Youth Academy as Inter-Agency Receipts from the Department of Education.

Prepared by: John Cramer Phone (907) 465-4602
Division Division of Administrative Services Date/Time 2/23/05 11:27 AM
Approved by: Commissioner Craig E. Campbell Date 2/23/2005
Agency Military and Veterans Affairs

Department of Education and Early Development
Prepared on 2/11/05
FY06 Base Allocation Increase

Prepared by Mindy Lobaugh

HB 1

Alaska Military Youth Academy

FY2006 Projection

175 x \$4,896 x 7 =	5,997,600
289 x \$4896 x .6 =	848,966
less \$2,100,000	(2,100,000)
	4,746,566
FY06 Current Entitlement:	4,299,078
FY06 INCREASE TO AMYA:	\$447,488

Alaska State Legislature

Session (Jan-May)
State Capitol, Room 208
Juneau, AK 99801-1182
(907) 465-4859
Fax (907) 465-3799



Interim (June-Dec)
716 West 4th Avenue, Suite 300
Anchorage, AK 99501-2133
(907) 269-0129
Fax (907) 269-0128

John Harris
Speaker of the House

SPONSOR STATEMENT COMMITTEE SUBSTITUTE FOR HOUSE BILL 30 (EDU)

"An Act making appropriations for K-12 education operating and school debt expenses; and providing for an effective date."

CS for House Bill 30 (EDU) will provide funds needed to achieve early funding of the FY 06 education foundation formula and school debt reimbursement programs.

This version of the bill covers the base foundation program, boarding home grants, youth in detention, special schools, pupil transportation and school debt reimbursement. Contingency language is also included that provides an additional \$65.4 million for the foundation program should a bill that increases the base student allocation to at least \$4896 be enacted into law.

By passing an early education funding bill, school districts will know the level of funding for the upcoming fiscal year, thus negating the need to send out pink slips to teachers because of anticipated budget cuts.

Prepared on 2/2/05

Base Allocation Increase of

Various Fiscal Notes

School District	HB1 \$4,589	HB18 \$4,901	HB73 \$4,880	CS HB 1 7.0% \$4896
Alaska Gateway	14,254	259,866	246,051	256,577
Aleutian Region	1,931	48,260	45,142	47,518
Aleutians East Borough	11,778	294,466	275,439	289,936
Anchorage	864,621	21,615,532	20,218,836	21,282,986
Annette Island	7,413	185,334	173,359	182,483
Bering Strait	68,028	1,700,680	1,590,790	1,674,516
Bristol Bay Borough	5,592	139,805	130,772	137,654
Chatham	5,249	131,222	122,743	129,203
Chugach	2,745	68,641	64,206	67,585
Copper River	17,645	441,125	412,622	434,339
Cordova	10,776	269,390	251,974	265,236
Craig	11,781	294,528	275,497	289,997
Delta/Greely	25,329	633,223	592,307	623,481
Denali Borough	14,631	365,771	342,137	360,144
Dillingham	14,430	360,747	337,437	355,197
Fairbanks N. Star Borough	282,790	7,069,757	6,612,942	6,960,992
Galena	43,297	669,507	627,542	659,516
Haines Borough	6,798	169,946	158,965	167,331
Hoonah	5,040	125,936	117,654	124,057
Hydaburg	1,351	33,777	31,595	33,258
Iditarod Area	7,527	188,179	176,020	185,284
Juneau Borough	98,619	2,465,471	2,305,163	2,427,540
Kake	3,892	97,292	91,006	95,796
Kashunamiut	10,921	273,023	255,382	268,823
Kenai Peninsula Borough	184,912	4,622,794	4,324,090	4,551,674
Ketchikan Gateway Borough	45,618	1,140,446	1,066,758	1,122,903
Klawock	2,589	64,720	60,538	63,724
Kodiak Island Borough	57,370	1,434,239	1,341,564	1,412,173
Kuspuk	16,630	415,743	388,880	409,347
Lake & Peninsula Borough	18,312	457,802	428,221	450,759
Lower Kuskokwim	82,341	2,813,763	2,592,076	2,760,980
Lower Yukon	70,001	1,750,031	1,636,952	1,723,107
Mai-Su Borough	279,465	6,986,629	6,535,186	6,879,143
Nenana	11,310	282,750	264,480	278,400
Nome	20,358	508,934	476,049	501,104
North Slope Borough	54,964	1,374,094	1,285,306	1,352,954
Northwest Arctic Borough	72,569	1,814,237	1,697,010	1,786,326
Pelican	517	12,928	12,093	12,730
Petersburg	13,384	334,598	312,977	329,450
Pribilof	5,110	127,738	119,484	125,773
Saint Mary's	5,693	142,340	133,143	140,150
Sitka Borough	28,545	713,635	667,523	702,656
Skaqway	3,133	71,033	67,997	70,310
Southeast Island	6,905	123,855	115,953	121,980
Southwest Region	26,254	655,613	614,189	646,512
Tanana	3,055	76,625	71,674	75,446
Unalaska	6,515	249,162	231,352	244,922
Valdez	18,054	321,038	303,511	316,865
Wrangell	6,133	203,333	190,194	200,204
Yakutat	3,312	82,813	77,462	81,539
Yukon Flats	9,088	227,200	212,520	223,705
Yukon-Koyukuk	34,891	672,268	615,906	658,848
Yupik	16,527	413,182	386,484	406,826
Mt. Edgecumbe High School	7,357	183,924	172,040	181,094
Total	2,649,500	66,379,996	62,058,420	65,351,053

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