

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2944

HB

478

HFIN

FILE



REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

e-mail: Representative.Bill.Thomas@legis.state.ak.us webpage: www.akrebublicans.org/thomas/

State Capitol

Juneau AK, 99801-1182

907-465-3732

888-461-3732

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SPONSOR STATEMENT CSHB 478 (CRA)

"An Act relating to the municipal harbor facility grant program"

For Alaskan coastal communities, harbors are their road to resources. Not only do they protect vessels from the ocean, harbors are critical transportation links and hubs of waterfront commerce that many businesses depend on. Over the past 10 years, the Department of Transportation has transferred ownership of state harbors to 22 municipalities around Alaska's coast. In many instances the state had neglected its responsibility for conducting major preventative maintenance on those harbors. Although funds accompanied the transfers, the funds were insufficient to bring the harbors up to safe and serviceable condition. Accordingly, when local harbormasters took over the budgeting for their facilities they inherited a major financial burden that their local governments could not afford.

In 2005 the Statewide Harbormasters Association met to find a solution to the approximately \$99,858,000 in needed repairs. They brought forward a proposal for a 50/50 matching grant program. That proposal is reflected in House Bill 478.

HB 478 establishes the Municipal Harbor Facility Grant Fund and a 50/50 capital matching funding program administered by the Department of Transportation. The bill sets out strict criteria to determine project eligibility. For example the application must be for a capital improvement project, not routine maintenance, which is considered a local responsibility, and the municipality must have the financial capability to maintain the harbor in the future. The bill prioritizes repair and major maintenance projects above other projects or new construction. Once a harbor facility receives funding under this program it will not be eligible for additional grants.

In order to access resources and continue to stimulate our economy, Alaskan harbors must be in good working order. The proposal brought forth by the harbormasters, embodied in HB 478, will set up a fair and reasonable state/local partnership to ensure that our harbors receive the funding they deserve.

Contact: Ian Fisk, aide to Rep. Thomas, at (907) 465-3732

AMENDMENT

OFFERED IN THE HOUSE *FINANCE CMTTE* BY REPRESENTATIVE MOSES
TO: CSHB 478(CRA)

1 Page 1, line 1, following "relating to":

2 Insert "state reimbursement for certain municipal capital projects and to"

3

4 Page 1, following line 3:

5 Insert a new bill section to read:

6 **** Section 1.** AS 29.60.700 is amended to read:

7 **Sec. 29.60.700. Reimbursement for costs of municipal capital projects.** (a)

8 Subject to appropriations for the purpose, during each fiscal year, the Department of
9 Transportation and Public Facilities shall allocate to each municipality an amount to
10 reimburse the costs paid by the municipality during the immediately preceding fiscal
11 year for the principal and interest on outstanding debt for projects listed in (b) of this
12 section. An allocation may be made to a municipality only if

13 (1) the debt was incurred by the municipality before July 1, 2010
14 [2007]; and

15 (2) the project or facility financed with the debt proceeds is located in
16 the municipality and the project or facility is operated or controlled by the
17 municipality.

18 (b) The Department of Transportation and Public Facilities may make an
19 allocation to a municipality under (a) of this section only for reimbursement of costs
20 incurred for the following construction and renovation projects and only for
21 reimbursement of total project costs incurred up to the following amounts:

22 PROJECT

23 Valdez

\$ 3,013,500

1	Nome	1,000,000
2	[ANCHORAGE (PORT OF ANCHORAGE EXPANSION)	15,000,000]
3	Matanuska-Susitna Borough (deep water port	10,000,000
4	and road upgrade)	
5	Unalaska (LSA small boat harbor)	5,000,000
6	Aleutians East Borough/Akutan	4,000,000
7	(small boat harbor)	
8	Lake and Peninsula Borough/Chignik (dock project)	1,000,000
9	Aleutians East Borough/False Pass (small boat harbor)	2,000,000
10	Fairbanks North Star Borough (Eielson AFB schools,	4,500,000
11	major maintenance and upgrades)	
12	City of Fairbanks (fire headquarters station replacement)	7,500,000
13	Saxman (public safety building)	1,500,000"
14		
15	Page I, line 4:	
16	Delete "Section 1"	
17	Insert "Sec. 2"	
18		
19	Renumber the following bill section accordingly.	

adopted

24-LS1694V
Cook
3/15/06

CS FOR HOUSE BILL NO. 478()

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES THOMAS, Elkins, Wilson, LeDoux

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the municipal harbor facility grant program; and providing for an
2 effective date."

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

4 * Section 1. AS 29.60 is amended by adding new sections to read:

5 Article 1C. Municipal Harbor Facility Grant Program.

6 Sec. 29.60.800. Municipal harbor facility grant fund. (a) There is
7 established the municipal harbor facility grant fund consisting of money appropriated
8 to the fund. Each fiscal year, the legislature may appropriate money to the fund from
9 the watercraft fuel tax account (AS 43.40.010(f)) and from the fisheries business tax
10 collected under AS 43.75.015 after payments to municipalities are made under
11 AS 43.75.130. The legislature may make other appropriations to the fund. The
12 legislature may appropriate to the fund income earned on money in the fund.

13 (b) Money appropriated to the municipal harbor facility grant fund may be
14 expended by the Department of Transportation and Public Facilities for municipal

1 harbor facility grants without further appropriation. Money in the fund does not lapse
2 and remains available for expenditure in successive fiscal years.

3 (c) Each fiscal year, the Department of Transportation and Public Facilities
4 shall use an amount equal to at least 50 percent of the balance of the municipal harbor
5 facility grant fund on June 30 of the preceding fiscal year for municipal harbor facility
6 grants.

7 **Sec. 29.60.810. Grant applications.** A municipality that owns a harbor facility
8 may submit to the Department of Transportation and Public Facilities an application
9 for a municipal harbor facility grant to be used for construction, expansion, major
10 repair, or major maintenance of a harbor facility. The application must include
11 information about the project requested by the department. For a proposed project to
12 be eligible for a grant, the municipality must provide evidence acceptable to the
13 department that the

14 (1) proposed project is a capital improvement project and not part of a
15 preventive maintenance program or regular custodial care program;

16 (2) municipality will provide 50 percent of the total project cost as
17 matching funds for the state grant and that money received by the municipality from
18 the state will not be used for the matching funds except money received under

19 (A) AS 29.60.010 - 29.60.080 (municipal tax resource
20 equalization);

21 (B) AS 29.60.350 - 29.60.375 (safe communities program); and

22 (C) AS 29.60.450, AS 43.75.130, 43.75.137, and AS 43.77.060
23 (shared fisheries business taxes and fishery resource landing tax);

24 (3) municipality has secured and will maintain adequate property loss
25 insurance for the replacement cost of the harbor facility or has an adequate program of
26 insurance;

27 (4) municipality has a preventive maintenance plan for the harbor
28 facility and will be adequately adhering to the preventive maintenance plan after
29 completion of the proposed project.

30 **Sec. 29.60.820. Award of grants.** (a) The Department of Transportation and
31 Public Facilities may award a municipal harbor facility grant during a fiscal year only

1 for a proposed project eligible under AS 29.60.810 based on a grant application filed
2 during the immediately preceding fiscal year before February 1. The total amount of
3 grant money made available to a municipality during a fiscal year may not exceed
4 \$5,000,000.

5 (b) The Department of Transportation and Public Facilities shall award a grant
6 for every proposed project eligible under AS 29.60.810 that is for repair and major
7 maintenance of a harbor facility that was transferred by the state to a municipality
8 before grants may be made for other proposed harbor facility projects during a fiscal
9 year. However, after the department makes a grant for the repair and major
10 maintenance of a harbor facility under this subsection, no other grants for the repair
11 and major maintenance of that facility may be made during the same or any other
12 fiscal year.

13 (c) The Department of Transportation and Public Facilities shall establish
14 priorities for the award of grants for proposed municipal harbor facility projects under
15 (b) of this section and priorities for the award of grants for other proposed harbor
16 facility projects, with new construction projects having the lowest priority. The
17 department shall award grants in the order of priority established. In establishing
18 priorities, the department shall include at least the following, in the order listed:

19 (1) the extent to which the municipality can demonstrate that it will
20 have sufficient revenue to operate and maintain the harbor facility in the future
21 without state aid;

22 (2) public safety and emergency factors;

23 (3) the amount spent by the municipality on maintenance of the harbor
24 facility;

25 (4) other options that would reduce or eliminate the need for the
26 proposed project; and

27 (5) whether alternative harbor projects would better serve the public
28 interest.

29 (d) The Department of Transportation and Public Facilities may suggest
30 modifications to a project request to achieve cost savings or to better serve the public
31 interest and, if the municipality agrees, award the municipal harbor facility grant for

- 1 the proposed project as modified.
- 2 * **Sec. 2.** This Act takes effect July 1, 2006.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 478(CRA)
(H) Publish Date: 3/3/06

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title Municipal Harbor Facility Grants RDU Administration & Support
Component Commissioner's Office
Sponsor Rep. Thomas
Requester _____ Component No. 530

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						
-----------------------------	--	--	--	--	--	--

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 (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)

Based on current information, the Department anticipates it will be able to administer this program with existing staff.

Prepared by: John Manly
Division: Commissioner's Office DOT&PF
Approved by: Mike Barton, commissioner
Agency: DOT&PF

Phone 465-8994
Date/Time 2/27/2006 at 10:30 am
Date 2/27/06



Alaska Association of Harbormasters
And Port Administrators
617 Katlian Ave., Sitka, AK 99835
Phone: (907) 747-4877 Fax: (907) 747-6278

House Finance Committee
March 15, 2006
HB 478
Testimony by John Stone
President, AAHPA

Mr. Chair and members of the House Finance Committee, my name is John Stone. I am the president of the Alaska Association of Harbormasters and Port Administrators.

The Alaska Association of Harbormasters is an organization comprised of the senior managers from 27 community harbor systems. These include Anchorage, Bethel, Bristol Bay Borough/Naknek, Cordova, Craig, Dillingham, Haines, Homer, Hoonah, Juneau, Kenai, Ketchikan, King Cove, Kodiak, Nome, Pelican, Petersburg, Port MacKenzie, Sand Point, Seward, Sitka, Skagway, Unalaska/Dutch Harbor, Valdez, Whittier, Wrangell, and Yakutat. The Association's goal is simple: to make Alaska's harbors the best they can be.

First, let me say that the Association fully supports HB 478 and appreciates the Committee taking the lead on this important state and community issue. During the past several years, the Association has attempted to bring the dilapidated condition of Alaska's harbor infrastructure to the attention of the Legislature. We appreciated the opportunity to speak to the Fish Caucus last session to discuss this statewide problem. We are also very encouraged that the Alaska Department of Transportation fully supports this bill.

Most of Alaska's harbor infrastructure was built by the Alaska Department of Transportation and Public Facilities in the 1960's and 1970's. Largely, this infrastructure is at the end its useful life making complete replacement of it necessary. We believe the financial resources needed to replace these facilities before the end of their lives requires the collective effort of the State and local harbor jurisdictions.

Testimony of John Stone, President of AAHPA, on HB 478
Before the House Finance Committee
March 15, 2006

The State's policy for many years was to enter into agreements with the cities and municipalities for the operation of the harbor systems with the State retaining title to the physical harbor improvements. The cities and municipalities established enterprise funds and assessed fees to users in an amount necessary to finance the operating cost of the facilities. This arrangement has worked very well from an operations standpoint. Unfortunately, neither party addressed facility replacement; the locals because they did not hold title to the improvements and the State because funding was not available.

In the 1990's, the State developed a new policy whereby the title of the physical improvements would be turned over to the local harbor jurisdictions along with some funding to help with facility replacement. Although the policy is sound, the program suffered from the fact that the funding provided with the transfer of title was only a fraction of the funding needed to replace the infrastructure that was transferred.

As the transfers have gone forward, local harbor jurisdictions developed facility replacement schedules and began looking at fees to cover facility replacement costs. It became clear that harbor fees needed to increase several-fold in short order. It also became clear that fees alone are not sufficient to recapitalize the transferred harbor infrastructure before it is lost.

Local harbor jurisdictions have indeed stepped up to the plate. Many of us are looking to finance revenue bonds with fee increases in order to replace transferred infrastructure. The Association believes this presents a good opportunity for a match funding program with the State. Many local governments, the State Chamber, the Alaska Municipal League, and our Association have adopted resolutions in support of this harbor match funding program.

We ask for this match program because we believe it is a good investment for the State. My colleagues at the Association will expand upon this point. Suffice to say that our harbors substantially contribute to the State's economy and are the lifeblood of many communities.

In summary, we thank the Chair and Committee for its consideration of HB 478. The Alaska Association of Harbormasters and Port Administrators strongly supports this bill. The dilemma facing us is that we have a tremendous amount of harbor

**Testimony of John Stone, President of AAHPA, on HB 478
Before the House Finance Committee
March 15, 2006**

infrastructure that is at the end of its useful life. This infrastructure has been put into our hands. We are scrambling to find ways to replace it before it is lost. We are also substantially increasing fees to help with replacement costs. We have learned that fees are not the total answer. This bill provides much needed help with these replacements by matching our local investments. This bill also achieves the policy goal of the harbor transfers, whereby the local communities become responsible for the operation, maintenance, and replacement of the harbor improvements, because it gives us the capability to replace the transferred infrastructure before it is lost.

Thank-you.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

CITY OF WRANGELL, ALASKA

RESOLUTION NO. 02-06-1040

A RESOLUTION OF THE COUNCIL OF THE CITY OF WRANGELL, ALASKA, FOR THE LEGISLATURE TO PROVIDE MATCHING MAINTENANCE AND REPAIR FUNDS TO LOCAL GOVERNMENT OWNED HARBORS

WHEREAS, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and

WHEREAS, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and

WHEREAS, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and

WHEREAS, local governments are willing to assume financial responsibility of their ownership roles; and

WHEREAS, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and

WHEREAS, local governments may not be able to implement such dramatic moorage increases without financial assistance; and

WHEREAS, local governments seek financial assistance from the Legislature to prevent Alaska's harbor facilities from disappearing; and

WHEREAS, local governments request the Legislature to provide 50% match funding program for the maintenance and repair of the transferred harbors.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WRANGELL, ALASKA, that it requests that the State of Alaska Legislature provide capital matching funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments to fund deferred port and harbor maintenance projects.

ADOPTED: February 14, 2006

Valery McCordless
Valery McCordless, Mayor *-serving as Mayor*

ATTEST: Christie L. Jamieson
Christie L. Jamieson, City Clerk

Headquarters:
217 2nd Street, Suite 201
Juneau, Alaska 99801
(907) 586-2323 FAX 463-5515
www.alaskachamber.com



Regional Office:
601 W. 5th Ave., Suite 700
Anchorage, Alaska 99501
(907) 278-2722 FAX 278-6643

ALASKA
★ STATE ★
CHAMBER
OF COMMERCE

March 1, 2006

Representative Bill Thomas Jr.
State Capital, Room 428
Juneau Alaska 99801-1182

Representative Thomas,

The Alaska State Chamber of Commerce strongly supports HB 478. Supporting Alaska's Harbor Infrastructure has been one of the State Chamber's legislative priorities for a number of years. Without adequate harbor infrastructure, commercial fishermen and sport fishermen have little opportunity to grow their uniquely Alaskan businesses.

Currently, many of our harbors are in need of repair and expansion, whether to help our commercial fishermen offload their catch, or to provide safe ramping for Alaska's burgeoning tourist activities. The State of Alaska has an obligation to provide adequate harbor facilities in many parts of the state; our harbors are the transportation corridors for Alaska's maritime roadways. Without adequate harbor infrastructure, Alaska will continue to be limited in its growth of maritime commerce.

HB 478 attempts to address many of Alaska's harbor funding problems by creating the municipal harbor grant fund through the collection of fuel tax revenues and fisheries business taxes. While HB 478 makes headway in fixing many of Alaska's harbors, the State Chamber feels that the taxes collected will not provide adequate revenues to address Alaska's aging harbor infrastructure. The Chamber feels that additional appropriations may be necessary or additional bonding utilizing tax revenues might ultimately provide adequate revenues to address the funding necessary to help our harbors.

Yours in economic prosperity,

Wayne A. Stevens
President/CEO
Alaska State Chamber of Commerce

ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS

Resolution Number 2005-01

A resolution of the Alaska Association of Harbormasters and Port Administrators for the Legislature to provide matching maintenance and repair funds to local government owned harbors.

Whereas, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and,

Whereas, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and,

Whereas, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and,

Whereas, local governments are willing to assume financial responsibility of their ownership roles;

Whereas, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and,

Whereas, many local governments may not be able to implement such dramatic moorage increases without financial assistance; and

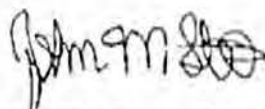
Whereas, local governments seek financial assistance from the Legislature to prevent Alaska's harbor facilities from disappearing; and

Whereas, local governments request the Legislature to provide 50% match funding program for the maintenance and repair of the transferred harbors.

THEREFORE, BE IT RESOLVED by the Alaska Association of Harbormasters and Port Administrators that it requests that the State of Alaska Legislature provide capital matching funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments to fund deferred port and harbor maintenance projects.

Section 1. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the Alaska Association of Harbormasters and Port Administrators, this 12nd day of October, 2005.



John M. Stone, P.E., President
Alaska Association of Harbormasters and Port Administrators

CITY OF SKAGWAY, ALASKA

RESOLUTION NO. 05-27R

A RESOLUTION OF THE CITY OF SKAGWAY, ALASKA URGING THE LEGISLATURE TO PROVIDE MATCHING MAINTENANCE AND REPAIR FUNDS TO LOCAL GOVERNMENT OWNED HARBORS.

WHEREAS, the State of Alaska built and owned many of the harbor facilities in Alaska's communities; and

WHEREAS, under State of Alaska ownership, the maintenance and repair of the harbor facilities was minimal; and

WHEREAS, when transferring ownership of the harbor facilities to the local governments, the State of Alaska provided insufficient funds to restore the harbor facilities to "good" condition; and

WHEREAS, local governments are willing to assume financial responsibility of their ownership roles; and

WHEREAS, local governments are realizing that ownership of harbors means that moorage rates to the public must be increased several fold to restore the harbors to good condition; and

WHEREAS, many local governments may not be able to implement such dramatic moorage increases without financial assistance; and

WHEREAS, local governments seek financial assistance from the Legislature to prevent Alaska's harbor facilities from disappearing; and

WHEREAS, local governments request the Legislature to provide 50% match funding program for the maintenance and repairs of the transferred harbors;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Skagway urges the State of Alaska Legislature to provide capital matching funds to local governments who have accepted ownership of the harbors for the purpose of helping local governments to fund deferred port and harbor maintenance projects.

PASSED AND APPROVED on this 17th day of November, 2005 by the City Council of the City of Skagway, Alaska.

Tim Bourcy, Mayor

ATTEST:

Marjorie D. Harris, City Clerk

(SEAL)

Vote: 5 Aye 0 Nay 1 Absent

CITY OF WHITTIER, ALASKA
RESOLUTION #308-06

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA, REQUESTING THAT THE ALASKA STATE LEGISLATURE PROVIDE STATEWIDE MAINTENANCE AND REPAIR FUNDS TO LOCAL GOVERNMENTS THAT HAVE ACCEPTED OWNERSHIP AND MAINTENANCE RESPONSIBILITY OF FORMERLY STATE OWNED HARBOR FACILITIES

WHEREAS, the State of Alaska (State) constructed or improved and owned numerous harbor facilities in communities throughout Alaska; and

WHEREAS, maintenance and repair of the harbor facilities under State ownership was minimal; and

WHEREAS, as part the transfer of ownership of the harbor facilities to local governments, the State provided insufficient funds to restore the harbor facilities to a safe operating condition; and

WHEREAS, even if local governments are willing to assume the financial responsibility of ownership by increasing rates to reflect actual maintenance and operating costs, as well as establishing a long-term, future major repairs, renovations, and replacement fund, the rates simply cannot be increased enough to accomplish all of the above and retroactively address the existing deficiencies inherited from the State; and

WHEREAS, the City of Whittier (City) has increased small boat harbor moorage fees 83 percent over the past three years to cover depreciation, inflation, and increased operating and maintenance costs, the City is in need of an additional \$14 million to bring the existing small boat harbor facility up to a safe and good condition, as well as for minor expansion to accommodate the increased size of the current boat harbor fleet and prevent infilling of the basin due to erosion and sloughing; and

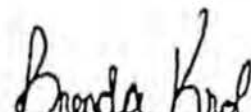
WHEREAS, the majority of local governments that accepted ownership and maintenance responsibilities of harbor facilities from the State are in need of additional financial support from the Alaska State Legislature to help bring Alaska's public harbor facilities to a safe condition.

THEREFORE, BE IT RESOLVED that the City Council for the City of Whittier, Alaska, requests that the State of Alaska Legislature appropriate capital funds to local governments that have accepted ownership of the harbors for the purpose of helping local governments transition to their ownership role.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this ___ day of January 2006.

Introduced by: Mark Earnest
Introduction date: 16 January 2006

ATTEST:


Brenda Krol
City Clerk


Lester Linnocford
Mayor

Ayes: 7
Noes: 0
Absent: 0
Abstain: 0

CITY OF CORDOVA



February 27, 2006

Representative Bill Thomas
 State Capital
 Juneau, AK 99811-1182

Re: HB 478

Dear Representative Thomas:

Cordova would like to add their support for HB 478, which would create the municipal harbor facility grant program.

Cordova received transfer of our harbor from the state in 2003. Although this was originally regarded as a positive move, we have not seen a great benefit to our community to date. Unfortunately, adequate funding needed to upgrade the facility was not included with that transfer. The City has a regular maintenance program which is funded through user-fees but the time has come to fund major improvements that can better serve our large commercial fishing fleet and maritime community.

The following are examples of projects needed in Cordova which could be addressed by this legislation:

- | | |
|---|-----------|
| 1. Construct and Install Courtesy Float at North Boat Launch Ramp | \$120,000 |
| 2. "G" Float Replacement | \$600,000 |
| 3. Old Grid Replacement | \$100,000 |
| 4. Transient Float Gangway Replacement | \$100,000 |
| 5. New Harbor Electrical Upgrade | \$500,000 |

As one of Alaska's busiest harbors coastal communities, please let me know what Cordova can to help in passage of this timely and much needed legislation.

Thank you for your attention to this urgent situation which is being faced by many coastal communities throughout Alaska.

Sincerely,

Mayor Tim Joyce
 City of Cordova



Cordova District Fishermen United

P.O. Box 939
Cordova, Alaska 99574
(907) 424-3447 FAX (907) 424-3430

February 22, 2006

Representative Bill Thomas
Representative Kurt Olson
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

RE: Support HB 478- Municipal Harbor Facilities Grant Fund

Dear Representative's Thomas & Olson,

Cordova District Fishermen United (CDFU) supports HB 478 relating to the creation of a program designed to attain capital improvements for harbor facilities through matching fund grants to municipalities.

For Alaska's coastal communities, harbors maintenance & facilities are critical for the fishing industry as well as residents & visitors. It is imperative that these harbors be in a good state of repair, both for functionality & safety of its users.

CDFU supports the creation of a program that will fund capital improvements as well as major maintenance or harbor facilities made possible through HB 478.

Sincerely,

Diane Platt
Executive Director



UNITED FISHERMEN OF ALASKA

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

March 8, 2006

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

Dear Representative Meyer,

United Fishermen of Alaska (UFA) supports House Bill 478 and Senate Bill 291, establishing the Municipal Harbor Facility Grant Fund and a 50/50 capital matching funding program administered by the Department of Transportation. The funds are not for routine maintenance, but for capital improvement projects.

Alaska's harbors are the foundation of the transportation infrastructure in many or most coastal communities, serving commercial fishermen as well as other businesses and recreational users. After the transfer from state to local management in recent years, many harbors suffer from deferred maintenance, and efforts to fund the necessary repairs through local taxes and user fees have in many cases not been affordable to users.

An amendment to HB 478 in House Resources Committee has added the fisheries business tax as a potential source for harbor funding, and UFA prefers the original legislation calling for the watercraft fuel tax as the source of funding. The allocation of fisheries business tax brings complications with other uses of these funds, and raises concern that the burden for harbors may fall disproportionately upon commercial fishermen among the many users of the harbors. We prefer the legislation in its original form, but are completely in support of the concept and need for harbor facility funding.

UFA represents thirty-one Alaska commercial fishing groups from fisheries throughout the state, altogether representing thousands of individual Alaska fishermen.

Thank you for your consideration.

Mark Vinsel
Executive Director



Alaska State Legislature

Please enter into the record my testimony to the House Finance Committee
committee name

Committee on HB 478, Municipal Harbor..., dated 3-16-2006
bill # / subject

As a resident of Sitka and a commercial fisherman I would like to voice my support for HB 478.

Harbors throughout the State need assistance for upkeep, capitol improvements, and safety of the harbor users.

The harbor systems generate much economic benefit to the State. It helps our communities diversify their economies.

In Sitka, the harbor moorage has increased many times in the last five years with no end in sight. It has more than doubled to over \$1000.00 per year for my size boat.

I believe it would be a good use of state revenue to help offset cost to harbor users and our communities for this needed economic drive in the State.

Signed:

JOHN L. MURRAY
Testifier

John L. Murray, self

Representing (optional)

224 Observatory Street, Sitka, AK 99835
Address

907-747-6212

Phone number

HB

484

HFIN

FILE

HOUSE FINANCE COMMITTEE

April 10, 2006 - Monday 9:00 a.m.

HB 484 FISHERY ASSOCIATION REIMBURSEMENT

Rep. Peggy Wilson/Linda Miller, Staff

Peter Froehlich, Commercial Fisheries Entry Commission

Jerry McCune

HB 360 REGULATION OF PUBLIC DRINKING WATER

Michael Pawlowski, Staff, Co-Chair Meyer

Kristin Ryan, Director, Environmental Health, DEC

Testifying via Teleconference:

Thomas Stratton - Alaska Rural Water Systems

Rep. Rothenberg - amend - I held

HB 93-DENTISTS AND DENTAL HYGIENISTS

Need to Adopt C^s LS0384C

Heath Hilyard, Staff, Representative Anderson

Rick Urion, Director Occupational Licensing, DCCED

George Shaffer, DMD, Alaska Dental Society

David Logan, Alaska Dental Society

Via Teleconference:

Jim Towle, Alaska Dental Society

HB 390 PROPERTY ASSESSMENT APPEAL FEE

Rep. Bill Stoltze/Ben Mulligan, Staff

Kathy Wasserman, Alaska Municipal League

Via Teleconference:

Shane Horan, Kenai Peninsula Borough

Mon. April 10

9:12 am.

adopted

HB 93 - Dentists

Anderson

FN# 1 CED

CSHB 93 (FIN)

24-LS0384 \ C, Mischel,

3/1/06

H+H

HB 360 - Pub. Drinking Water

Meyer

FN# 1 DAC

24-LS1482 \ A

(amended) amendment 1 - not adopted yet

H+H.

HB 390 - Property Assessment

3/1/06

FN# 1 DAC

CSHB 390 (CRA)

24-LS0504 \ G

Sched. but not heard

HB 484 - Fishery Rec.

Wilson

FN# 1 DAC

new § DFG

CSHB 484 (FSA)

24-LS0503 \ F

R.O. no rec.

Committee Action on Legislation

COMMITTEE H. Fin.
N. Thomas SECRETARY

DATE: 4-10-06
PAGE 2 OF 2

SHORT TITLE

HB 93

ACTION TAKEN ON LEGISLATION

- Moved Out of Cmte
- Moved CS () Out of Cmte
- Moved HCS () Out of Cmte
- Heard and Held
- Heard and Held; Assigned to Subcmte
- Scheduled but not Heard
- Failed to Move Out of Committee
- Waived Out of Committee

SHORT TITLE

HB 360

ACTION TAKEN ON LEGISLATION

- Moved Out of Cmte
- Moved CS () Out of Cmte
- Moved HCS () Out of Cmte
- Heard and Held
- Heard and Held; Assigned to Subcmte
- Scheduled but not Heard
- Failed to Move Out of Committee
- Waived Out of Committee

SHORT TITLE

HB 390

ACTION TAKEN ON LEGISLATION

- Moved Out of Cmte
- Moved CS () Out of Cmte
- Moved HCS () Out of Cmte
- Heard and Held
- Heard and Held; Assigned to Subcmte
- Scheduled but not Heard
- Failed to Move Out of Committee
- Waived Out of Committee

Committee Action on Legislation

COMMITTEE House Finance
A. Thomas SECRETARY

DATE: 4-10-06
PAGE 1 OF 2

SHORT TITLE

HB 484

ACTION TAKEN ON LEGISLATION

- Moved Out of Cmte
- Moved CS (ESH) Out of Cmte
- Moved HCS (___) Out of Cmte
- Heard and Held
- Heard and Held; Assigned to Subcmte
- Scheduled but not Heard
- Failed to Move Out of Committee
- Waived Out of Committee

SHORT TITLE

ACTION TAKEN ON LEGISLATION

- Moved Out of Cmte
- Moved CS (___) Out of Cmte
- Moved HCS (___) Out of Cmte
- Heard and Held
- Heard and Held; Assigned to Subcmte
- Scheduled but not Heard
- Failed to Move Out of Committee
- Waived Out of Committee

SHORT TITLE

ACTION TAKEN ON LEGISLATION

- Moved Out of Cmte
- Moved CS (___) Out of Cmte
- Moved HCS (___) Out of Cmte
- Heard and Held
- Heard and Held; Assigned to Subcmte
- Scheduled but not Heard
- Failed to Move Out of Committee
- Waived Out of Committee

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB484(FSH)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
Title Fishery Association Reimbursement RDU Comm. Fish Entry Commission
Component Commercial Fisheries Entry Commission
Sponsor Representative(s) Wilson
Requester House Resources Component No. 471

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						
-----------------------------	--	--	--	--	--	--

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 (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	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

No fiscal impacts associated with this bill.

Prepared by: Shirley Penrose, Administrative Officer Phone 907-790-6960
Division Commercial Fisheries Entry Commission Date/Time 3/24/06 7:49 AM
Approved by: Frank M. Homan, Chairman Date 3/24/2006
Agency Commercial Fisheries Entry Commission

CS FOR HOUSE BILL NO. 484(FSH)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

Offered: 3/24/06

Referred: Resources, Finance

Sponsor(s): REPRESENTATIVE WILSON

A BILL

FOR AN ACT ENTITLED

1 "An Act allowing for revenue received from issuance of additional entry permits to be
2 appropriated for reimbursement to salmon fishery associations."

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

4 * Section 1. AS 16.43.330 is amended by adding a new subsection to read:

5 (c) If a salmon fishery association qualified under AS 16.40.250 takes part in a
6 fleet reduction program by expending money or incurring debt to contract with permit
7 holders to relinquish the holders' entry permits under AS 16.43.150(i), and if this
8 section requires additional permits to be issued for the same fishery in which the fleet
9 reduction program was implemented, the legislature may appropriate any resulting
10 revenue to the association for reimbursement of money expended or to retire any
11 outstanding debt incurred for fleet reduction purposes.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 484(FSH)
(H) Publish Date: 3/24/2006

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish & Game
Title: FISHERY ASSOCIATION REIMBURSEMENT RDU _____
Component _____
Sponsor: Representative Wilson Component No. _____
Requester: _____

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						
-----------------------------	--	--	--	--	--	--

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 (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)

Prepared by: Ian Fisk Phone 465-6867
Division: Staff, Representative Thomas Date/Time 3/22/06 2:09 PM
Approved by: Representative Thomas and Representative LeDoux Date _____
Agency: Co-Chairs, House Special Committee on Fisheries

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB484(FSH)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
Title: Fishery Association Reimbursement RDU: Comm. Fish Entry Commission
Sponsor: Representative(s) Wilson Component: Commercial Fisheries Entry Commission
Requester: House Resources Component No.: 471

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						
-----------------------------	--	--	--	--	--	--

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

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impacts associated with this bill.

Prepared by: Shirley Penrose, Administrative Officer
Division: Commercial Fisheries Entry Commission
Approved by: Frank M. Homan, Chairman
Agency: Commercial Fisheries Entry Commission

Phone: 907-790-6960
Date/Time: 3/24/06 7:49 AM
Date: 3/24/2006



Alaska State Legislature

Representative Peggy Wilson

House District 2

Putting Alaska's Families First

SPONSOR STATEMENT

CSHB 484

"Fishery Association Reimbursement"

In 2002, the Alaska legislature created salmon fishery associations (AS 16.40.250) to encourage fleet reduction in the Alaska salmon fisheries. Salmon fishery associations may be formed in salmon fisheries throughout the state to facilitate a permit buyback program.

CSHB 484 is a housekeeping measure to clarify what may happen to the revenue if the Commercial Fishery Entry Commission should find it necessary to sell (re-issue) permits that have been relinquished under the buyback program authorized under AS 16.40.250.

Under CSHB484 the legislature may appropriate revenue from the permit sale (re-issue) to the Association that paid money or incurred debt to remove the permit from the market in the first place.

The state (CFEC) has the responsibility to monitor each limited entry fishery. In the event the CFEC determines more permits are needed in a salmon fishery through an optimum number determination or court action, the provisions of HB 484 would apply.

I ask for your support of CSHB 484 "Fishery Association Reimbursement."

Representative Peggy Wilson

March 31, 2006

Talking Points HB 484 "Fishery Association Reimbursement"

Under current Statute a group of fishermen may form an Association and vote to tax themselves for purposes of Buying Back Fishery Permits.

The Southeast Seiners Association is considering a Buy Back Program for Southeast Seine permits. During discussions the point was raised - What would happen if we buy these permits back and then at some point in the distant future the Commercial Fisheries Entry Commission sells permits back into the fishery. All the money we have spent on buy back is then down the drain. HB 484 answers that question.

HB 484 makes it clear that in the unlikely event CFEC sells more permits that were previously purchased by an Association the Legislature may appropriate money back to that Association. .

The change in CSHB 484 is to make it clear that the fishery association that did the buy back is the fishery association that may receive the pay back.

Simply put - Buy back - re-sell - Pay-back



March 30, 2006

Representative Ramras and Samuels, Co-Chairs
House Resources Committee
State Capitol Building
Juneau, Alaska

Dear Representative's Ramras and Samuels,

The Southeast Alaska Seiners Association (SEAS) urges you to pass HB484, relating to fixing a simple housekeeping measure regarding statutorily authorized fleet consolidation associations. And although this fix is a simple one, it is nonetheless incredibly important.

For years, salmon fishermen in Alaska have agonized over the question of fleet consolidation or buybacks. There are a number of considerations that make consolidation a fit for some regions and not for others, but there has always been one limiting factor in even initiating discussion of the question of "whether to do a buyback" in a region. This factor has been the requirement of "optimum number". Unfortunately our forefathers did not foresee the problems and the lack of durability in "optimum number" studies. But that is an issue for another day.

So the problem for the fleets, simply put, is that they may have to pay a bunch of money for permits that may then be reissued and resold by CFEC at a later date. Therefore the fishermen would have wasted their money to buy back permits just to see those same permits resold again.

HB484 solves, at least temporarily for decades, the "optimum number" issue. The fishermen's association in that region will be able to recover the funds that they expended for the permits that they bought back originally. This will have a positive effect on the way fleet consolidation is viewed by Alaska's fleets who may be of a mind to use fleet consolidation under state statute. This is what SEAS is in the midst of pursuing and we are sure others will follow.

Sincerely

Dan Castle
President, SEAS



UNITED FISHERMEN OF ALASKA

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

March 30, 2006

Representative Jay Ramras, Co-Chairman
Representative Ralph Samuels, Co-Chairman
House Resources Committee
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau AK 99801

Dear Representative's Ramras and Samuels,

The United Fishermen of Alaska (UFA) supports House Bill 484, allowing for revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations.

In 2002 we supported HB 286 to create the option for fishermen to proceed with self-funded voluntary fleet reduction, to be paid for by an assessment from fishery revenues from the remaining fleet after such a buyback. In the detailed analysis of this it has been pointed out that the possibility of permits being reissued after such a buyback would disrupt the mechanisms of the payback for the permits that were bought back. We support HB 484 as a fine tuning of the mechanism for self-funded buybacks, in the spirit and intention of the legislation already passed.

UFA represents 31 Alaska commercial fishing organizations throughout the state, altogether representing thousands of Alaska commercial fishermen. We appreciate your consideration of our input.

Respectfully,

Bob Thorstenson Jr
President

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 • Cook Inlet Aquaculture Association • 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 • 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 Fisherman's Alliance • 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



UNITED FISHERMEN OF ALASKA

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Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

March 21, 2006

Representative Bill Thomas, Co-Chairman
Special Committee on Fisheries
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau AK 99801

Dear Representative Thomas,

The United Fishermen of Alaska (UFA) supports House Bill 484, allowing for revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations.

In 2002 we supported HB 286 to create the option for fishermen to proceed with self-funded voluntary fleet reduction, to be paid for by an assessment from fishery revenues from the remaining fleet after such a buyback. In the detailed analysis of this it has been pointed out that the possibility of permits being reissued after such a buyback would disrupt the mechanisms of the payback for the permits that were bought back. We support HB 484 as a fine tuning of the mechanism for self-funded buybacks, in the spirit and intention of the legislation already passed.

UFA represents 31 Alaska commercial fishing organizations throughout the state, altogether representing thousands of Alaska commercial fishermen. We appreciate your consideration of our input.

Respectfully,

Bob Thorstenson Jr
President

Mark 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 • Cook Inlet Aquaculture Association • 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 • 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 Fisherman's Alliance • 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

HB

484

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
 MAY 05 2006
 SENATE FINANCE COMMITTEE

DATE: 4/27/06

FURTHER:

 DATE TURNED
 IN TO OFFICE: 5 May 2006

Finance Committee considered CS FOR HOUSE BILL NO. 484(FSH)

HB 484 FISHERY ASSOCIATION REIMBURSEMENT

"An Act allowing for revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations."

and recommends:

- be replaced with S CS CS HB 484 (FIN)
- 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 # _____

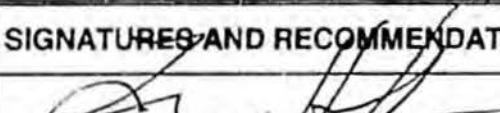


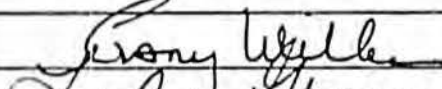
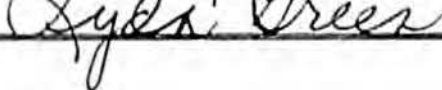
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
<u>FAG</u>	<u>7/24/06</u>			<input checked="" type="checkbox"/>	<u>#2</u>

 APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
			<input checked="" type="checkbox"/>	
			<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>			
COCHAIR: 	<input checked="" type="checkbox"/>			
COCHAIR: 			<input checked="" type="checkbox"/>	

FISCAL NOTE

REPORTED OUT
MAY 03 2006
 SENATE FINANCE COMMITTEE

STATE OF ALASKA
 2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 484(FSH)
 (H) Publish Date: 4/10/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
 Title: Fishery Association Reimbursement RDU: Comm. Fish Entry Commission
 Sponsor: Representative(s) Wilson Component: Commercial Fisheries Entry
 Requester: House Resources Component No.: 471

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						
-----------------------------	--	--	--	--	--	--

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

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impacts associated with this bill.

Prepared by: Shirley Penrose, Administrative Officer
 Division: Commercial Fisheries Entry Commission
 Approved by: Frank M. Homan, Chairman
 Agency: Commercial Fisheries Entry Commission

Phone: 907-790-6960
 Date/Time: 3/24/06 7:49 AM
 *Date: 3/24/2006 -1

COMMITTEE COPY

Adopted

WORK DRAFT

WORK DRAFT

WORK DRAFT

24-LS1693Y
Kane
5/4/06

SENATE CS FOR CS FOR HOUSE BILL NO. 484()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES WILSON, Kerttula

A BILL

FOR AN ACT ENTITLED

1 "An Act allowing for revenue received from issuance of additional entry permits to be
2 appropriated for reimbursement to salmon fishery associations."

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

4 * Section 1. AS 16.43.330 is amended by adding a new subsection to read:

5 (c) If a salmon fishery association qualified under AS 16.40.250 takes part in a
6 fleet reduction program by expending money or incurring debt to contract with permit
7 holders to relinquish the holders' entry permits under AS 16.43.150(i), and if this
8 section requires additional permits to be issued for the same fishery in which the fleet
9 reduction program was implemented, the legislature may appropriate any resulting
10 revenue to the association for reimbursement of money expended or to retire any
11 outstanding debt incurred for fleet reduction purposes. An appropriation under this
12 subsection must be made within 30 years after the date the money was expended or
13 debt incurred.



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 5 May 2006 TIME: 10:00am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 1

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

NOTES: Final Please
~~24~~ SCS CS HB 484 (FIN)
24-LS 1693 \ Y Kane 5/4/06
no changes
Thanks,
Mindy

Amendment #1
failed
WORK DRAFT

WORK DRAFT

WORK DRAFT

WORK DRAFT

24-LS1693\Y
Kane
5/4/06

SENATE CS FOR CS FOR HOUSE BILL NO. 484()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES WILSON, Kerittula

A BILL

FOR AN ACT ENTITLED

1 "An Act allowing for revenue received from issuance of additional entry permits to be
2 appropriated for reimbursement to salmon fishery associations."

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

4 * Section 1. AS 16.43.330 is amended by adding a new subsection to read:

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7 holders to relinquish the holders' entry permits under AS 16.43.150(i), and if this
8 section requires additional permits to be issued for the same fishery in which the fleet
9 reduction program was implemented, the legislature may appropriate any resulting
10 revenue to the association for reimbursement of money expended or to retire any
11 outstanding debt incurred for fleet reduction purposes. An appropriation under this
12 subsection must be made within ~~30~~ years after the date the money was expended or
13 debt incurred.

15

SENATE FINANCE COMMITTEE
5/5/2006 COMMITTEE ACTION

Bill Number	HB 484		
Amendment	#1		
Motion	adpt		
<u>Motion by</u>	Stedman		
<u>Objection by</u>			
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Olson			✓
Senator Stedman	✓		
Senator Bunde		—	
Senator Dyson			✓
Senator Hoffman			✓
Co-Chair Wilken			✓
Co-Chair Green			✓
<u>Tally</u>			
Yea		1	
Nay		5	
Absent		1	
<u>MOTION</u>	Failed		

Alaska State Legislature

Representative Peggy Wilson

House District 2

Putting Alaska's Families First

SPONSOR STATEMENT

CSHB 484

"Fishery Association Reimbursement"

In 2002, the Alaska legislature created salmon fishery associations (AS 16.40.250) to encourage fleet reduction in the Alaska salmon fisheries. Salmon fishery associations may be formed in salmon fisheries throughout the state to facilitate a permit buyback program.

CSHB 484 is a housekeeping measure to clarify what may happen to the revenue if the Commercial Fishery Entry Commission should decide to sell (re-issue) permits that have been relinquished under the buyback program authorized under AS 16.40.250.

The state (CFEC) has the responsibility to monitor each limited entry fishery. CSHB 484 clarifies that in the event the CFEC determines more permits are needed in the same fishery in which the fleet reduction program was implemented, either through an optimum number determination or court action, the Association that paid or borrowed money to remove the permit from the market in the first place may have money returned to them if permit is sold (re-issued).

Under CSHB 484 a future Legislature may appropriate revenue from the permit sale (re-issue) to the Association that paid money or incurred debt to remove the permit from the market in the first place.

I ask for your support of CSHB 484 "Fishery Association Reimbursement."

CSHB 484 (FSH)
24-151693F

Jan-May, Juneau: State Capitol • Juneau, AK 99801-1121 • ph: (907) 465-3824 • fax: (907) 465-3175
June-Dec, Wrangell: PO Box 109 • Wrangell, AK 99929 • ph: (907) 874-3088 • fax: (907) 874-3055
Rep Peggy Wilson: p@egs.state.ak.us • http://www.akrepublicans.org/wilson • 1-800-686-3824

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UNITED FISHERMEN OF ALASKA

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

March 30, 2006

Representative Jay Ramras, Co-Chairman
Representative Ralph Samuels, Co-Chairman
House Resources Committee
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau AK 99801

Dear Representative's Ramras and Samuels,

The United Fishermen of Alaska (UFA) supports House Bill 484, allowing for revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations.

In 2002 we supported HB 286 to create the option for fishermen to proceed with self-funded voluntary fleet reduction, to be paid for by an assessment from fishery revenues from the remaining fleet after such a buyback. In the detailed analysis of this it has been pointed out that the possibility of permits being reissued after such a buyback would disrupt the mechanisms of the payback for the permits that were bought back. We support HB 484 as a fine tuning of the mechanism for self-funded buybacks, in the spirit and intention of the legislation already passed.

UFA represents 31 Alaska commercial fishing organizations throughout the state, altogether representing thousands of Alaska commercial fishermen. We appreciate your consideration of our input.

Respectfully,

Bob Thorstenson Jr
President

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Druggers Association • Alaska Longline Fishermen's Association • Armstrong Keta • Al-see Processors Association
Bristol Bay Reserve • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association • 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 • 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 Sainers Marketing Association
Southeast Alaska Fisherman's Alliance • Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Sainers Association
Southern Southeast Regional Aquaculture Association • United Catcher Boats • United Salmon Association • United Southeast Alaska Gillnetters



March 30, 2006

Representative Ramras and Samuels, Co-Chairs
House Resources Committee
State Capitol Building
Juneau, Alaska

Dear Representative's Ramras and Samuels,

The Southeast Alaska Seiners Association (SEAS) urges you to pass HB484, relating to fixing a simple housekeeping measure regarding statutorily authorized fleet consolidation associations. And although this fix is a simple one, it is nonetheless incredibly important.

For years, salmon fishermen in Alaska have agonized over the question of fleet consolidation or buybacks. There are a number of considerations that make consolidation a fit for some regions and not for others, but there has always been one limiting factor in even initiating discussion of the question of "whether to do a buyback" in a region. This factor has been the requirement of "optimum number". Unfortunately our forefathers did not foresee the problems and the lack of durability in "optimum number" studies. But that is an issue for another day.

So the problem for the fleets, simply put, is that they may have to pay a bunch of money for permits that may then be reissued and resold by CFEC at a later date. Therefore the fishermen would have wasted their money to buy back permits just to see those same permits resold again.

HB484 solves, at least temporarily for decades, the "optimum number" issue. The fishermen's association in that region will be able to recover the funds that they expended for the permits that they bought back originally. This will have a positive effect on the way fleet consolidation is viewed by Alaska's fleets who may be of a mind to use fleet consolidation under state statute. This is what SEAS is in the midst of pursuing and we are sure others will follow.

Sincerely

Dan Castle
President, SEAS

ALASKA SEINE BOAT OWNERS

410 CALHOUN AVENUE, SUITE 208
JUNEAU, ALASKA 99801
PHONE (907) 523-3004
FAX (907) 523-3005
E-MAIL rpz@psvoa.com

SEATTLE OFFICE
1900 W. Nickerson St., #320
Seattle, WA 98119
(888) 284-7733

March 30, 2006

Representatives Thomas and LeDoux
House Fisheries Committee
State Capitol Building
Juneau, Alaska

RE: SUPPORT HOUSE BILL 484

Dear Chairpersons:

The Alaska Seine Boat Owners (ASBO) represents over 400 vessel owners operating on the West Coast and throughout Alaska.

There is no single answer or approach to the problems facing the Alaskan salmon industry. Yet there is no dispute that every salmon fishery is plagued by overcapitalization and any comprehensive plan to restructure the industry will require substantial reductions in existing and latent harvesting capacity, consistent with the Limited Entry Act. This is why we supported legislation in 2002 (HB 286) allowing the creation of salmon fishery associations for the purpose of consolidating the salmon fleets, including the imposition of an assessment or tax on salmon landings to finance such consolidation.

However, any effort to consolidate must also balance the need to maintain the "optimum number" of salmon permits remaining in the fishery. This is not a precise calculus and what may be optimal today will not necessarily be optimal in the future. For this reason, permit holders who agree to a tax to fund a consolidation program must have assurances that their sacrifice is not later rendered meaningless by a judicial or administrative ruling placing additional permits back into the fishery.

Enactment of HB 484 will greatly reduce this uncertainty. We can only hope that a consolidated fishery will never face the possibility of reintroducing permits previously retired. But if that should ever occur, HB 484 would allow existing permits to receive the revenue generated by the State's sale of those new permits.

Sincerely,

Robert Zuanich
Executive Director

Southeast Alaska Fishermen's Alliance

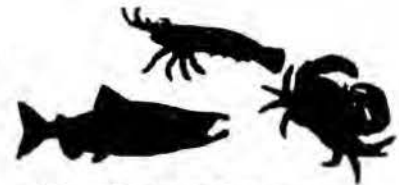
9389 North Douglas Highway

Juneau, AK 99801

Phone 907-586-8652

Fax 907-523-1188

Website: <http://www.seafa.org>



E-mail: seafa@gci.net

March 30, 2008

Co-Chair Representative Ramras
Co-Chair Representative Samuels
House Resources Committee
Alaska State Legislature
Juneau, AK 99801

RE: Support CSHB 484

Dear Co-chair Ramras & Samuels,

Southeast Alaska Fishermen's Alliance (SEAFSA) supports CSHB 484 which allows a salmon fishery association that conducts a fleet buyback to be reimbursed if permits in the future need to be reissued to the fishery because it became too "exclusive". This is a necessary piece of legislation to make the salmon fishery associations established under HB 286 in 2002 functional. Fishermen are reluctant to tax themselves for a buyback if permits can be reissued while they are still paying back loans for the permits that were purchased.

Southeast Alaska Fishermen's Alliance is a multi-gear group representing our members involved in the salmon, crab, shrimp and longline fisheries of Southeast Alaska.

Please support HB 484.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Hansen", with a long horizontal line extending to the right.

Kathy Hansen
Executive Director

Jean Ells

APR 04 2008

From: CRFBC@aol.com
Sent: Thursday, March 30, 2006 11:34 AM
To: Jean Ells
Subject: Support HB484

Representative Jay Ramras, Co-Chairman
Representative Ralph Samuels, Co-Chairman
House Resources Committee
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau AK 99801

Dear Representative's Ramras and Samuels,

I William Connor look for your support of House Bill 484, this will allow revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations.

In 2002 I supported HB 286 to create the option for fishermen such as myself to proceed with self-funded voluntary fleet reduction, to be paid for by an assessment from fishery revenues from the remaining fleet after such a buyback. I support HB 484 as a fine tuning of the mechanism for self-funded buyback's.

Please give full support for this bill this will allow the fishermen the opportunity to consolidate its industry along with the other players in the industry, such as Trident and Ocean Beauty.

Thanks
Bill Connor
box 1124 Petersburg, AK. 99833

Jean Ellis

From: Jim Zuanich [loraxinc1@hotmail.com]
Sent: Thursday, March 30, 2006 7:02 PM
To: Jean Ellis
Subject: hb484

I have fished salmon commercially for over 40 years. I am writing in support of hb 484. Whether a fisherman funded buyback of licenses is just and fair or not, is not at issue here. 484 allows fishermen who fund a buyback to get some part of their investment back if the courts at a later date deem the result too restrictive. Sound fair enough to me. Please see that this opinion gets to representatives Ramras and Samuel. Jim Zuanich

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Jean Ellis

From: Joan Patrick [joanpatrick@yahoo.com]
Sent: Thursday, March 30, 2006 1:09 PM
To: Jean Ellis
Subject: HB 484

March 30, 2006

Representative Jay Ramras, Co-Chairman
Representative Ralph Samuels, Co-Chairman
House Resources Committee
Alaska State Legislature
State Capitol (Mail Stop 3100)
Juneau AK 99801

Dear Representative's Ramras and Samuels,

The United Fishermen of Alaska (UFA) supports House Bill 484, allowing for revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations. I am a member of this organization and also support HB 484.

In 2002 we supported HB 286 to create the option for fishermen to proceed with self-funded voluntary fleet reduction, to be paid for by an assessment from fishery revenues from the remaining fleet after such a buyback. In the detailed analysis of this it has been pointed out that the possibility of permits being reissued after such a buyback would disrupt the mechanisms of the payback for the permits that were bought back. I support HB 484 as a fine tuning of the mechanism for self-funded buybacks, in the spirit and intention of the legislation already passed.

Respectfully,
Kevin Charles Patrick
Southeast Alaska Seine Skipper

New Yahoo! Messenger with Voice. Call regular phones from your PC and save big.

SENATE COMMITTEE REPORT

DATE: 4/20/06

FURTHER: Finance

DATE TURNED IN TO OFFICE: 4/26/06

Resources Committee considered CS FOR HOUSE BILL NO. 484(FSH)

HB 484 FISHERY ASSOCIATION REIMBURSEMENT

"An Act allowing for revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations."

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	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DFG	3/24			✓	2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
Elton <i>[Signature]</i>	✓			
Kookesh <i>[Signature]</i>	✓			
Dyson <i>[Signature]</i>	✓			
Seekins <i>[Signature]</i>	✓			
Stedman <i>[Signature]</i>	✓			
B. Stevens <i>[Signature]</i>	✗			
Wagner <i>[Signature]</i> CHAR:	✓			

FISCAL NOTE

*Submitted
after bill delivered
to Sen. Secty*

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SCSCSHB484(FIN)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Fish and Game
Title Fishery Association Reimbursement RDU Comm. Fish Entry Commission
Component Commercial Fisheries Entry Commission
Sponsor Representative(s) Wilson
Requester Senate Finance Component No. 471

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 ()						
-------------------------------	--	--	--	--	--	--

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impacts associated with this bill.

Prepared by: Shirley Penrose, Administrative Officer
Division: Commercial Fisheries Entry Commission
Approved by: Frank M. Homan, Chairman
Agency: Commercial Fisheries Entry Commission

Phone 907-790-6960
Date/Time 5/5/06 9:49 AM
Date 5/5/2006

HB

485

HFIN

FILE

HOUSE COMMITTEE REPC T

(11)

Date Referred to Committee: March 3, 2006

FURTHER REFERRALS:

Date of Committee Action: 4/11/06

The FINANCE Committee considered:

HB 485

HOUSE BILL NO. 485

STATE PHARMACISTS/DOCTORS/AUDITOR EXEMPT

"An Act amending the State Personnel Act to place in the exempt service pharmacists and physicians employed in the Department of Health and Social Services or in the Department of Corrections and corporate income tax forensic auditors employed by the division of the Department of Revenue principally responsible for the collection and enforcement of state taxes who specialize in apportionment analysis and tax shelters of multistate corporate taxpayers; and providing for an effective date."

Recommends it be replaced with HCS or CS for _____ (_____)
 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
- CEC
- 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
HSS			✓	
HSS			✓	
HSS			✓	
HSS			✓	
REV			✓	

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
CEC	1			✓
COR	3	✓		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Hand		*		
	Weyhrauch				X
	Foster	X		X	
	STATE			X	
	MOSES		X		
Chair:	Meyer			X	
Chair:	Chewalt			X	

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 485
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Service
Title State Pharmacists/Doctors/Auditors RDU Alaskan Pioneer Homes
Component Pioneers Homes
Sponsor RLS By Reques
Requester _____ Component No. 2671

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	0.0	*	*	*	*	*
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	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						
TOTAL	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)

The passage of this legislation will have no fiscal impact on the FY 07 operating budget for the Alaskan Pioneer Homes. Current vacancies in the division will assist in absorbing additional personal services costs for FY 07.

In FY 08 and beyond, it is indeterminate if the division will need additional funding for pharmacist positions.

Prepared by: House Finance Committee Phone 465-4945
Division _____ Date/Time 04/11/06 1:46 p.m.
Approved by: Representative Meyer Date _____
Representative Chenault

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 485
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Services
Title State Pharmacists/Doctors/Auditors RDU Health Care Services
Component Medical Assistance Admin.
Sponsor RLS by Request
Requester _____ Component No. 242

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	0.0 *	*	*	*	*	*
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	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						
TOTAL	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)

The passage of this legislation will have no fiscal impact on the FY 07 operating budget for Health Care Services. Current vacancies in the division will assist in absorbing additional personal services costs for FY 07.

In FY 08 and beyond, it is indeterminate if the division will need additional funding for positions.

Prepared by: House Finance Committee
Division: _____
Approved by: Representative Meyer
Representative Chenault

Phone 465-4945
Date/Time 04/11/06 1:50 p.m.
Date: _____

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 485
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Service
Title State Pharmacists/Doctors/Auritors RDU Behavioral Health
Component Alaska Psychiatric Institute
Sponsor RLS by Request
Requester _____ Component No. 311

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	0.0 *	*	*	*	*	*
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	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						
TOTAL	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)

The passage of this legislation will have no fiscal impact on the FY 07 operating budget for the Alaska Psychiatric Institute. Current vacancies will assist in absorbing additional personal services cost for FY 07 that may be incurred.

In FY 08 and beyond, it is indeterminate if the API will need additional funding for pharmacist positions.

Prepared by: House Finance Committee

Division _____

Approved by: Representative Meyer

Representative Chenault

Phone 465-4945

Date/Time 04/11/06 1:53 p.m.

Date _____

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 485
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Service
Title State Pharmacists/Doctors/Auditors RDU Public Health
Component Epidemiology
Sponsor RLS by Request
Requester _____ Component No. 296

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	0.0	*	*	*	*	*
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	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						
TOTAL	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)
The passage of this legislation will have no fiscal impact on the FY 07 operating budget for the division. Current vacancies in the division will assist in absorbing additional personal services cost for FY 07.

In FY 08 and beyond, it is indeterminate if the division will need additional funding for pharmacists positions.

Prepared by: House Finance Committee Phone 465-4945
Division _____ Date/Time 04/11/06 1:56 p.m.
Approved by: Representative Mever Date _____
Representative Chenault

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 485
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title State Pharmacists/Doctors/Auditors RDU Tax and Treasury
Component Tax
Sponsor RLS by Request
Requester _____ Component No. 2476

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	*	*	*	*	*

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						
TOTAL	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)

The passage of this legislation will have no fiscal impact on the FY 07 operating budget for the Tax Division. Current vacancies in the division will assist in absorbing additional personal services costs for FY 07.

In FY 08 and beyond, it is indeterminate if the division will need additional funding for these auditor positions.

Prepared by: House Finance Committee Phone 465-4945
Division _____ Date/Time 04/11/06 1:23 p.m.
Approved by: Representative Meyer Date _____
Representative Chenault

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 485
(H) Publish Date: 3/3/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
Title: State Pharmacist/Doctors/Auditor Exempt RDU: Corp. Bus & Prof Licensing (117)
Component: Corp. Bus & Prof Licensing
Sponsor: House Rules By Request
Requester: State Affairs Component No.: 2360

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 ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156 - Receipt Supported Services						
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 amends AS 39.25.110(13) to add pharmacists and physicians employed in the departments of Health & Social Services or Corrections, among others, to the list of occupations appointed to exempt service. It has no impact on the operations of the division.

Prepared by: Katherine Mason, Administrative Manager Phone: (907) 465-2272
Division: Corporations and Licensing Date/Time: 2/21/06 6:25 PM
Approved by: William C. Noll, Commissioner Date: 2/21/2006
Agency: Commerce, Community and Economic Development

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: HB 485
(H) Publish Date: 3/3/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Corrections
Title: "An act relating to Exempt Pharmacists." RDU: Inmate Health Care
Component: Inmate Health Care
Sponsor: Rules Committee
Requester: Governor Component No.: 705

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	30.7	30.7	30.7	30.7	30.7	30.7
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	30.7	30.7	30.7	30.7	30.7	30.7

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	30.7	30.7	30.7	30.7	30.7	30.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	30.7	30.7	30.7	30.7	30.7	30.7

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 will change current classified pharmacist positions to exempt service. The Department of Corrections continues to experience difficulties with recruiting and/or maintaining a filled pharmacist position. Exempt state pharmacists will allow the Department to be competitive with non-state organizations in the hiring and retention process.

In a recent market study, the Department of Health and Social Services found that pharmacists earn considerably more in non-state positions, making it nearly impossible to retain pharmacists or locate new hires. An informal survey of wages at non-state pharmacies during the summer of 2005 showed wages to range from a starting wage of \$41.82 to \$58.45 per hour depending on experience. The current starting wage for a classified pharmacist (Range 21) in the South Central Region is \$29.61 per hour.

Prepared by: Sharleen Griffin, Director Phone: (907) 465-3339
Division: Administrative Services Date/Time: 2/16/06 3:43 PM
Approved by: Portia C K. Parker, Deputy Commissioner Date: 2/16/2006
Agency: Department of Corrections

HOUSE FINANCE
COMMITTEE
ROLL CALL

4-11-06

DATE:

~~5/11/06~~ PM

Amendment:

HB 485

MEMBER

Favor

Oppose

MEMBER	Favor	Oppose
HAWKER		✓
HOLM	✓	
JOULE		✓
KELLY	✓	
KERTTULA		✓
MOSES		✓
STOLTZE	✓	
WEYHRAUCH		✓
FOSTER	✓	
CHENAULT	✓	
MEYER	✓	

6

5

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 485
(H) Publish Date: 3/3/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title State Pharmacists/Doctors/Auditor Ext RDU Tax and Treasury
Component Tax
Sponsor RLS by Request
Requester (H) STA Component No. 2476

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

*** indeterminate

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 (FY2006) cost: 0.0

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

POSITIONS

Full-time	3	3	3	3	3	3
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Tax Division requests three forensic auditor positions with an indeterminate annual cost. The position description and skill sets would include strong audit backgrounds, proven management and excellent communication skills. While current positions may include one of these skill sets, the combination of all three at the exempt level would meet the audit mission of the Tax Division.

The Tax Division has recruited for current audit staff at the lower levels of the auditor series with no effective success. Our current audit staff maintains an 80% vacancy due to our recruitment difficulties with ongoing continuous recruitment for new auditors.

Prepared by: Larry Meyers, Deputy Director Phone 269-6623
Division Tax Division Date/Time 2/21/06 11:30 AM
Approved by: Jerry Burnett Date 2/21/2006
Agency Department of Revenue

FISCAL NOTE # 2

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. HB 485

ANALYSIS CONTINUATION

This request for three additional positions would be funded by savings related to current vacancies and would not increase the financial burden this fiscal year. The division requests three new exempt positions and does not plan to transfer or reclass existing union positions. The attached spreadsheet reflects what auditors are in place and what the division envisions in order to be competitive nationwide.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: HB 485
 (H) Publish Date: 3/3/06
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):

Title PLACE PHARMACISTS IN THE EXEMPT SERVICE

RDU Alaskan Pioneer Homes

Component Pioneers Homes

Sponsor HOUSE (RLS) BY REQUEST

Requester HOUSE (ST,)

Component No. 2671

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	30.2	30.2	30.2	30.2	30.2	30.2
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Cl imms						
Miscellaneous						
TOTAL OPERATING	30.2	30.2	30.2	30.2	30.2	30.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	25.2	25.2	25.2	25.2	25.2	25.2
1037 GF/Mental Health						
Other(Receipt Supported Services)	5.0	5.0	5.0	5.0	5.0	5.0
Other(Specify Type-do not abbreviate)						
TOTAL	30.2	30.2	30.2	30.2	30.2	30.2

Estimate of any current year (FY2006) cost: _____

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 bill would change currently classified Pharmacist positions to exempt. This action will allow the department the ability to compete with the current limited job market for Pharmacist positions. The department continues to experience difficulties in recruiting and/or keeping filled Pharmacist positions.

There are two primary reasons supporting this change:

1) In a recent market study, the department found that pharmacists earn considerably more in non-state positions, making it impossible to retain pharmacists or locate new

Prepared by: Sherry Hill, Special Assistant Phone 465-1618
 Division Office of the Commissioner Date/Time 02/16/2006
 Approved by: Karleen Jackson, Commissioner Date 02/16/2006
 Agency Department of Health and Social Services

FISCAL NOTE
FN # 4

STATE OF ALASKA
2006 LEGISLATIVE SESSION

BILL NO. HB 485

ANALYSIS CONTINUATION

hires. An informal survey of wages at non-state pharmacies during the summer of 2005 showed wages to range from a starting wage of \$41.82 to \$58.45 depending on experience. If state pharmacists are exempt the department is able to compete with the non-state pay by hiring exempt staff.

2) Licensed Pharmacists are (specialized) health professionals; the nature of their work better fits in the exempt service category.

Licensed pharmacists are required for dispensing medicines related to clinical treatment and therapy provided through divisions of Pioneer Homes, Health Care Services, Behavioral Health, and Public Health.

Clinical functions include education and clinical consultation to nursing staff and residents, regular review of resident medical information, maintenance of drug formularies and development and maintenance of policies and procedures regarding use and storage of medications in the pharmacy in all six Pioneer Homes, Alaska Psychiatric Institute, Health Care Services, and Public Health epidemiology.

The department has estimated the cost of changing the existing budgeted positions to exempt status using Range 29 as an example. Range 29 starting hourly rate is \$44.64/hour. Non exempt pharmacists are currently budgeted at Range 21 or 22.

Summary of Cost Analysis of Changing DHSS Pharmacists to Exempt

RDU	Component	# Positions	GF	Total
Alaska Pioneer Homes	Pioneer Homes	3	25.2	30.2
Behavioral Health	Alaska Psychiatric Institute	2	20.0	20.0
Health Care Services	Medical Assistance Admin	1	34.0	68.0
Public Health	Epidemiology	1	0	17.2
Total Estimate			79.2	135.4

Note: The estimates vary depending on the existing steps of positions. Also, the Pioneer Homes have already budgeted for two of their positions at a Range 29 in FY07 so there is less of an increase in this component.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 5
 Bill Version: HB 485
 (H) Publish Date: 3/3/06
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):

Title PLACE PHARMACISTS IN THE EXEMPT SERVICE

RDU Health Care Services
 Component Medical Assistance Admin.

Sponsor HOUSE (RLS) BY REQUEST

Requester HOUSE (STA)

Component No. 242

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	68.0	68.0	68.0	68.0	68.0	68.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	68.0	68.0	68.0	68.0	68.0	68.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	34.0	34.0	34.0	34.0	34.0	34.0
1003 GF Match	34.0	34.0	34.0	34.0	34.0	34.0
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	68.0	68.0	68.0	68.0	68.0	68.0

Estimate of any current year (FY2006) cost: _____
 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 bill would change currently classified Pharmacist positions to exempt. This action will allow the department the ability to compete with the current limited job market for Pharmacist positions. The department continues to experience difficulties in recruiting and/or keeping filled Pharmacist positions.

There are two primary reasons supporting this change:

1) In a recent market study, the department found that pharmacists earn considerably more in non-state positions, making it impossible to retain pharmacists or locate new

Prepared by: Sherry Hill, Special Assistant Phone 465-1618
 Division: Office of the Commissioner Date/Time 02/16/2006
 Approved by: Karleen Jackson, Commissioner Date 02/16/2006
 Agency: Department of Health and Social Services

ANALYSIS CONTINUATION

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2) Licensed Pharmacists are (specialized) health professionals; the nature of their work better fits in the exempt service category.

Licensed pharmacists are required for dispensing medicines related to clinical treatment and therapy provided through divisions of Pioneer Homes, Health Care Services, Behavioral Health, and Public Health.

Clinical functions include education and clinical consultation to nursing staff and residents, regular review of resident medical information, maintenance of drug formularies and development and maintenance of policies and procedures regarding use and storage of medications in the pharmacy in all six Pioneer Homes, Alaska Psychiatric Institute, Health Care Services, and Public Health epidemiology.

The department has estimated the cost of changing the existing budgeted positions to exempt status using Range 29 as an example. Range 29 starting hourly rate is \$44.64/hour. Non exempt pharmacists are currently budgeted at Range 21 or 22.

Summary of Cost Analysis of Changing DHSS Pharmacists to Exempt

RDU	Component	# Positions	GF	Total
Alaska Pioneer Homes	Pioneer Homes	3	25.2	30.2
Behavioral Health	Alaska Psychiatric Institute	2	20.0	20.0
Health Care Services	Medical Assistance Admin	2	34.0	68.0
Public Health	Epidemiology	1	0	17.2
Total Estimate			79.2	135.4

Note: The estimates vary depending on the existing steps of positions. Also, the Pioneer Homes have already budgeted for two of their positions at a Range 29 in FY07 so there is less of an increase in this component.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 6
 Bill Version: HB 485
 (H) Publish Date: 3/3/06
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):

Title PLACE PHARMACISTS IN THE EXEMPT SERVICE

RDU Behavioral Health

Component Alaska Psychiatric Institute

Sponsor HOUSE (RLS) BY REQUEST

Requester HOUSE (STA)

Component No. 311

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	20.0	20.0	20.0	20.0	20.0	20.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	20.0	20.0	20.0	20.0	20.0	20.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1037 GF/Mental Health	20.0	20.0	20.0	20.0	20.0	20.0
Other()						
Other(Specify Type-do not abbreviate)						
TOTAL	20.0	20.0	20.0	20.0	20.0	20.0

Estimate of any current year (FY2006) cost: _____

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 bill would change currently classified Pharmacist positions to exempt. This action will allow the department the ability to compete with the current limited job market for Pharmacist positions. The department continues to experience difficulties in recruiting and/or keeping filled Pharmacist positions.

There are two primary reasons supporting this change:

1) In a recent market study, the department found that pharmacists earn considerably more in non-state positions, making it impossible to retain pharmacists or locate new

Prepared by: Sherry Hill, Special Assistant

Phone 465-1618

Division: Office of the Commissioner

Date/Time 02/16/2006

Approved by: Karlaen Jackson, Commissioner

Date 02/16/2006

Agency: Department of Health and Social Services

ANALYSIS CONTINUATION

hires. An informal survey of wages at non-state pharmacies during the summer of 2005 showed wages to range from a starting wage of \$41.82 to \$58.45 depending on experience. If state pharmacists are exempt the department is able to compete with the non-state pay by hiring exempt staff.

2) Licensed Pharmacists are (specialized) health professionals; the nature of their work better fits in the exempt service category.

Licensed pharmacists are required for dispensing medicines related to clinical treatment and therapy provided through divisions of Pioneer Homes, Health Care Services, Behavioral Health, and Public Health.

Clinical functions include education and clinical consultation to nursing staff and residents, regular review of resident medical information, maintenance of drug formularies and development and maintenance of policies and procedures regarding use and storage of medications in the pharmacy in all six Pioneer Homes, Alaska Psychiatric Institute, Health Care Services, and Public Health epidemiology.

The department has estimated the cost of changing the existing budgeted positions to exempt status using Range 29 as an example. Range 29 starting hourly rate is \$44.64/hour. Non exempt pharmacists are currently budgeted at Range 21 or 22.

Summary of Cost Analysis of Changing DHSS Pharmacists to Exempt

RDU	Component	# Positions	GF	Total
Alaska Pioneer Homes	Pioneer Homes	3	25.2	30.2
Behavioral Health	Alaska Psychiatric Institute	2	20.0	20.0
Health Care Services	Medical Assistance Admin	2	34.0	68.0
Public Health	Epidemiology	1	0	17.2
Total Estimate			79.2	135.4

Note: The estimates vary depending on the existing steps of positions. Also, the Pioneer Homes have already budgeted for two of their positions at a Range 29 in FY07 so there is no increase in this component.

Sec

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 7
Bill Version: HB 485
(H) Publish Date: 3/3/06
Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):

Title PLACE PHARMACISTS IN THE EXEMPT SERVICE

RDU Public Health

Component Epidemiology

Sponsor HOUSE (RLS) BY REQUEST

Requester HOUSE (STA)

Component No. 296

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	17.2	17.2	17.2	17.2	17.2	17.2
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	17.2	17.2	17.2	17.2	17.2	17.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
1002 Federal Receipts	17.2	17.2	17.2	17.2	17.2	17.2
1003 GF Match						
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	17.2	17.2	17.2	17.2	17.2	17.2

Estimate of any current year (FY2006) cost: _____

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 bill would change currently classified Pharmacist positions to exempt. This action will allow the department the ability to compete with the current limited job market for Pharmacist positions. The department continues to experience difficulties in recruiting and/or keeping filled Pharmacist positions.

There are two primary reasons supporting this change:

1) In a recent market study, the department found that pharmacists earn considerably more in non-state positions, making it impossible to retain pharmacists or locate new

Prepared by: Sherry Hill, Special Assistant Phone 465-1618
 Division Office of the Commissioner Date/Time 02/16/2006
 Approved by: Karleen Jackson, Commissioner Date 02/16/2006
 Agency Department of Health and Social Services

ANALYSIS CONTINUATION

hires. An informal survey of wages at non-state pharmacies during the summer of 2005 showed wages to range from a starting wage of \$41.82 to \$58.45 depending on experience. If state pharmacists are exempt the department is able to compete with the non-state pay by hiring exempt staff.

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The department has estimated the cost of changing the existing budgeted positions to exempt status using Range 29 as an example. Range 29 starting hourly rate is \$44.64/hour. Non exempt pharmacists are currently budgeted at Range 21 or 22.

Summary of Cost Analysis of Changing DHSS Pharmacists to Exempt

RDU	Component	# Positions	GF	Total
Alaska Pioneer Homes	Pioneer Homes	3	25.2	30.2
Behavioral Health	Alaska Psychiatric Institute	2	20.0	20.0
Health Care Services	Medical Assistance Admin	2	34.0	68.0
Public Health	Epidemiology	1	0	17.2
Total Estimate			79.2	135.4

Note: The estimates vary depending on the existing steps of positions. Also, the Pioneer Homes have already budgeted for two of their positions at a Range 29 in FY07 so there is less of an increase in this component.

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FRANK H. MURKOWSKI, GOVERNOR

DEPARTMENT OF ADMINISTRATION

DIVISION OF LABOR RELATIONS

P.O. BOX 110220
JUNEAU, ALASKA 99811-0220
PHONE: (907) 465-4404
FAX: (907) 465-2269

March 14, 2006

Jim Duncan
Business Manager
ASEA/AFSCME Local 52
1577 C Street, Suite 201
Anchorage, AK 99501

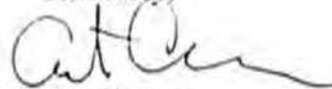
Dear Mr. Duncan;

This is in response to your letter of March 10th to Commissioner Nordstrand in which you request bargaining regarding the wage schedules of the current agreement. In Article 37 A, the parties acknowledge that the agreement constitutes the whole agreement and that each party had brought such matters as it desired to bargain to conclusion. Consequently, the State has no duty to bargain on any subject for the duration of this agreement and will resist any demand to bargain. That said; the State is willing to meet with your labor organization to discuss this issue in the interest of maintaining harmonious and cooperative relations.

The State shares your belief that it is important to maintain the merit system of employment and to further the Public Employment Relations Act's purpose of "...strengthen (ing) the merit principle where civil service is in effect ..." The issue in HB 485 goes precisely to where "civil service" is in effect. The Alaska Supreme Court has held that the "exempt service," i. e., the service of employees not subject to the merit system, " is a category of jobs which, for whatever reason, the Legislature wanted to exclude from the state personnel system." (See, Zerbetz v. Alaska Energy Ctr., 708 P2d 1270 (Alaska 1985)). Consequently, it is left entirely to the Legislature's discretion whether the jobs at issue are appropriately in the classified or exempt service.

Again, the State is willing to meet and discuss this issue with your organization. Please contact Kent Durand of my staff to make the necessary arrangements.

Sincerely,



Art Chance
Director

cc:
Scott Nordstrand
Commissioner