

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2984

SB

62

HFIN

FILE

2-15-05

Director's Office
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Juneau, Alaska 99811-0017
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elections@gov.state.ak.us

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Anchorage 907.522.8683
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STATE OF ALASKA
Division of Elections
Office of the Lieutenant Governor

Below are highlighted examples of the unanticipated and/or excessive costs for the 2004 Election cycle incurred by the Division of Elections. While the costs listed below exceed the \$694.9 requested in HB 79, the Division believes the amount requested in the Supplemental will enable the Division to operate through the end of FY 05.

Unanticipated and/or Excessive Costs Related to the 2004 Election Cycle

Additional Personal Services costs incurred in 2004 compared to 2002 **\$304.0**

During the 2004 election cycle, the Division received and processed 5 initiative petitions, one recall petition, and a record number of absentee by-mail applications. This additional workload required the Division to hire an additional 13 temporary workers to process mail, answer phones, process applications and perform data entry. This caused an increase in staff costs and overtime for both temporary and full time employees in 2004 compared to what was incurred in the 2002 elections.

Ballot Reprint costs totaled **\$243.2**

A Superior Court decision mandated the Division reprint the ballots for the 2004 election. The Division absorbed additional costs for reprinting ballots (203.1), expedited freight costs for paper stock (35.6), destruction costs for destroying previously printed ballots (4.3), and Personal Services costs (.2).

To date costs for conducting MOA election **\$104.6**

The Municipality of Anchorage requested that the State include two bond questions on the General Election ballot. The Agreement is authorized by article X, section 13 of the Alaska Constitution, AS 36.30.700 – 36.30.790, Anchorage Municipal Code (AMC) 28.10.050, and conforms to legislative intent in Sec. 1, ch. 82 SLA 2000. Additional costs for conducting this election will be collected through the "Bill of Collection" process and added back into the General Fund.

To date costs for conducting a Statewide Recount **\$ 39.8**

In December of 2004 the Division conducted two recounts - one for House District 5 requested by candidate Tim June, and a statewide recount that was requested by Alaskan's for Fair Elections. The recount total expenditures exceeded the \$750 and \$10,000 deposits "respectively" that are required under AS 15.20.450. Deposits for the recounts were collected and deposited into the General Fund. The total costs for the recounts were absorbed by the Division.

Unanticipated and/or Excessive Costs Related to the 2004 Election Cycle

Independent counsel **\$ 37.6**

Independent Counsel was sought to provide review and advice related to the Ogan recall petition.

Mainframe Chargeback costs **\$ 23.3**

The rise in absentee by-mail applications and voter registration forms increased the Division's chargeback costs for data entry time on the mainframe.

Expedited printing and freight costs for forms **\$ 22.1**

Due to the large number of political mailings of absentee by mail applications to voters that generated higher absentee by mail participation by Alaskans, the Division processed a record number of applications. This unexpected increase required the Division to place last minute orders for additional forms and envelopes needed for mailing ballots.

Increased Postage Costs **\$ 19.0**

The Division's postage costs increased due to higher by-mail turnout.

Additional Fax Press Machines **\$ 11.7**

In 2004, voter turnout for absentee by-fax increased 100% from the last presidential election in 2000. The Division's existing fax press could not handle the demand. The Division installed an additional 16 phone lines and purchased 2 8-line fax press machines to handle the incoming and outgoing faxes.

2-15-05
Failed ~~4/1~~
2-9

AMENDMENT

OFFERED IN THE HOUSE FINANCE COMMITTEE
BY REPRESENTATIVE CROFT

TO: SB 62

Page 1, after line 3, insert:

"Section 1. The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE FINDINGS AND INTENT. (a) The legislature finds that

- (1) Alaska law requires that the Division of Elections and the Lieutenant Governor write a "a true and impartial summary of the proposed law" (AS 15.45.180) for each initiative on the ballot; and
- (2) for an initiative on the 2004 general election ballot, the Lieutenant Governor prepared a summary that was found by the Anchorage Superior court to be biased and inaccurate; and
- (3) at great expense to the state, the Lieutenant Governor's decision eventually forced the Division of Elections to reprint thousands of ballots with the proper, impartial summary of the proposed law; and
- (4) if the Lieutenant Governor had followed the law set out in AS 15.45.180, the State of Alaska would not have incurred this great cost.

(b) It is the intent of this Legislature

- (1) to appropriate the supplemental funds to cover the costs incurred by the state for only the specific instance described in (a) of this section; and
- (2) to put the Division of Elections and the Lieutenant Governor on notice that the legislature expects true and impartial ballot language; and
- (3) not to appropriate additional funds to the Division of Elections for costs incurred by the State of Alaska due to the failure of the Lieutenant Governor to adhere to election laws in the future."

Renumber accordingly.

HOUSE FINANCE COMMITTEE

DATE: 2-15-05

Amendment: 1
SB 62

MEMBER

Favor

Oppose

HOLM		✓
JOULE		✓
KELLY		✓
MOSES	✓	
STOLTZE		✓
WEYRAUCH		✓
CROFT	✓	
FOSTER		✓
HAWKER		✓
MEYER		✓
CHENAULT		✓

2

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2-15-05

FY 2005 DIVISION OF ELECTIONS BUDGET STATUS AS OF JANUARY 24, 2005											1/24/2005
					REMAINING						
					JANUARY	1/31/20005	FEBRUARY	2/28/2005	MARCH-JUNE	7/31/2005	
					PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	
FY 04 AR 05-1632-05 ELECTIONS/OPERATIONS	AUTHORIZ*	EXPENDE	OBLIGT'D	BALANCE	EXPEND	BALANCE	EXPEND	BALANCE	EXPEND	BALANCE	
S** 71000 PERSONAL SERVICES	805,200	642,152	0	163,048	75,356	87,692	132,856	-45,164	573,568	-618,732	
S** 72000 TRAVEL	15,400	6,652	0	8,748	1,264	7,484	2,646	4,838	8,923	-4,085	
S** 73000 SERVICES	504,600	339,266	187,599	-22,265	2,474	-24,739	13,858	-38,597	66,522	-105,119	
S** 74000 COMMODITIES	23,800	8,404	527	14,869	602	14,267	911	13,356	2,920	10,436	
S** 75000 CAPITAL OUTLAY	0	0	0	0	0	0	0	0	0	0	
S** 70000 TOTAL EXPENDITURES	1,349,000	996,474	188,126	164,400	79,696	84,704	150,271	-65,567	651,933	-717,500	
Expenditure projections based on FY 2004 actuals less equipment and one-time items.											
*Note: \$442,800 in HAVA funding in Commodities and Capital Outlay for Voter Verifiable Paper Trail for Optically Scanned Ballots has been deducted from authorized for management reporting purposes. \$181,300 in CIP Receipts for Personal Services has also been reduced for management reporting purposes.											
											0

2-15-05

Election Statistics

	2000	2004	Percentage Increase
Number of Voters Who Cast a Ballot	232,852	314,502*	35%
Turnout in General Election	51%	67%**	16%
Absentee By-Mail Ballots Mailed	28,886	58,559	103%
Absentee By-Mail Ballots Voted	24,339	32,075	32%
Absentee In Person	23986	36,228	51%
By Fax Voting	1,548	3,149	103%
Special Advance Ballots	501	3,932	685%
Federal Write-in Ballots	6	805	1332%

* - Denotes Highest Since Statehood

** - Denotes Highest in Last 12 Years

2-15-05

INTERGOVERNMENTAL COOPERATION AGREEMENT FOR THE
PURPOSE OF THE STATE OF ALASKA CONDUCTING A SPECIAL
MUNICIPAL ELECTION FOR THE MUNICIPALITY OF ANCHORAGE
CONCURRENT WITH THE STATE-CONDUCTED
NOVEMBER 2, 2004, GENERAL ELECTION

This Intergovernmental Cooperation Agreement (hereafter "Agreement"), is for the purpose of authorizing the State of Alaska (hereafter "State" or "Division of Elections") to conduct a special municipal election, at the request of the Municipality of Anchorage (hereafter "MOA"), for submission to the qualified voters of the MOA certain municipal ballot propositions related to MOA school construction bonds. The special municipal election is to be conducted concurrently with the State-conducted November 2, 2004 general election.

Further, the Agreement provides for the joint exercise of the powers of the State and the MOA to conduct elections. The Agreement is authorized by article X, section 13 of the Alaska Constitution, AS 36.30.700 – 36.30.790, Anchorage Municipal Code (AMC) 28.10.050, and conforms to legislative intent in Sec. 1, ch. 82 SLA 2000.¹

The consideration for this Agreement is the duties and obligations of the parties set forth below.

¹ Sec. 1, ch. 82, SLA 2000 reads:

* Section 1. The uncodified law of the State of Alaska is amended by adding a new section to read:

INTENT. The division of elections shall facilitate the coordination of local government elections with regular state elections if requested to do so by a local government.

1. Municipality of Anchorage

- a. The MOA will prepare its ballot language for the special election ballot questions following MOA legal requirements.
- b. The MOA shall pay all costs associated with the printing of the municipal election ballot language to be included with the State's general election ballot.
- c. The MOA shall pay the State for actual costs and/or proportionate costs associated with the conduct of a municipal special election as set forth in Attachment A to this Agreement, which is incorporated herein.
- d. The MOA shall provide for all advertising and notification to Anchorage voters of the municipal bond ballot questions as required under the State election code, AS 15, and the MOA code.
- e. The MOA shall be responsible for identifying the qualified voting precincts.
- f. The MOA shall defend and hold the State harmless from any claim, suit, or liability arising out of a dispute over the wording of the municipal ballot, or any alleged violation of election procedures caused by the Municipality of Anchorage's negligence.
- g. The MOA is responsible for the distribution of final, certified election results concerning the municipal special election ballot questions.

h. The MOA is responsible for obtaining pre-clearance from the U.S. Department of Justice under Section 5 of the Voting Rights Act of the election procedures set forth in this Agreement for the municipal special election.

i. The MOA shall publish a notice of election that designates an office, website, or individual to whom questions concerning the municipal special election ballot can be referred by State employees, and publish the website address, e-mail address(es), address and phone number(s) as applicable.

2. State of Alaska – Division of Elections

a. The Division of Elections shall determine ballot quantities and ballot sequence numbers, and provide, as necessary, for the printing and ordering of the municipal special election ballot questions from the State's ballot printer. It will be at the State's option and discretion as to whether the municipal special election ballot questions will be included on the State's general election ballot or be printed on a separate ballot.

b. The Division of Elections boards will disseminate the municipal special election ballots at the Anchorage area polling places on Election Day.

c. The Division of Elections will disseminate the municipal special election ballot in accordance with State absentee ballot procedures to the extent State procedures are consistent with the MOA absentee ballot procedures. The parties agree, however, that AS 15.20.082 and 6 AAC 25.660 do not, as a matter of law, apply to the MOA, and the parties further agree that the

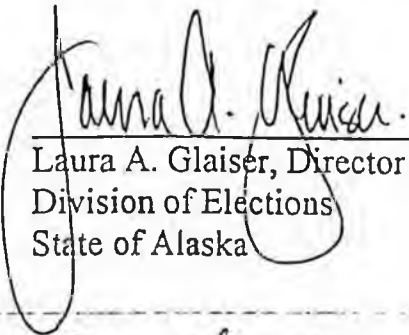
Division of Elections is not required to provide or otherwise make available the MOA's municipal special election ballot at polling places outside of the Anchorage area polling places.

- d. The Division of Elections will count ballots using the established State procedures and rules for counting, and will count the municipal special election ballots at the same established times as the State's ballots.
- e. The Division of Elections will provide the MOA with a State election calendar and ballot counting schedules.
- f. The Division of Elections will provide the MOA with the unofficial preliminary election results through its regular distribution process for the MOA to use at its own discretion. The Division of Elections will also provide the MOA with the final certified elections result.

3. Miscellaneous

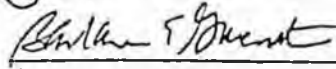
- a. The municipal special election ballots, precinct registers, and all other election related records are the property of, and will remain in the custody of the Division of Elections.
- b. All costs associated with any election contest concerning the municipal special election ballot shall be borne by the MOA.

This Agreement is effective on the date the last party signs.



Laura A. Glaiser, Director
Division of Elections
State of Alaska

Dated: September 23, 2004.



Barbara E. Gruenstein
Municipal Clerk
Municipality of Anchorage

Dated: September 23, 2004

Attachment A

The following costs incurred by the State of Alaska in conducting the MOA's municipal special election pursuant to the Agreement shall be reimbursed in full by the MOA:

1. Costs associated with programming and testing of Accu-Vote.
2. Costs associated with printing of the municipal special ballot questions on a separate card, sample ballots, and copies of proposed law required to be available and displayed at each polling place.
3. Shipping costs related to additional ballot (including costs of shipping voted ballots to Juneau for review by State Review Board).
4. Additional postage costs for the State to mail two ballots (if applicable).
5. Costs of additional, temporary staff necessary to handle two ballots, including salary and overtime (ballot loggers, election board members, poll workers, ballot stuffers, etc.).
6. Division staff time related to the MOA special election ballot, including certification and recount costs.
7. Costs related to facsimile teams (for duplication of two ballots instead of one).

SB

62

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FILE

**SENATE FINANCE COMMITTEE REPORT
First Committee of Referral**

REPORTED OUT
JAN 25 2005
SENATE FINANCE
COMMITTEE

DATE: 1/18/05

FURTHER:

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

DATE TURNED IN TO OFFICE: 25 Jan 2005

Finance Committee considered

SENATE BILL NO. 62

SB 62 APPROP: DIVISION OF ELECTIONS

"An Act making a supplemental appropriation for increased operating costs of the division of elections; and providing for an effective date."

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to _____ Committee

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

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

APPROPRIATION - no fiscal note

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

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STATE OF ALASKA
Division of Elections
Office of the Lieutenant Governor

TO: Senator Gary Wilken, Co-Chair
Senator Lyda Green, Co-Chair
Senate Finance Committee

FROM: Laura A. Glaiser *laugl*
Director, Division of Elections

DATE: January 24, 2005

SUBJECT: Senate Bill 62 – Elections' 2005 Supplemental Request

Attached is "back up" material related to the Division's Supplemental request for FY '05 budget. As you read in the Governor's transmittal letter, the Division is expected to run out of money by the end of February 2005. Below I have highlighted some of the unanticipated/excessive costs in the 2004 election cycle.

Temporary Hire costs in excess of 2002 election cycle costs	304.0	
Court-ordered Ballot Re-printing costs	243.2	
Ballot printing		203.1
Transportation		35.6
Destruction		4.3
Personal Services		0.2
*Municipality of Anchorage's bond question on General Election ballot	104.6	
**Recounts - District 5 and Statewide conducted simultaneously	39.8	
***Independent Counsel re: Recall	37.6	
Expedited forms and freight charges	22.1	
Mainframe "chargebacks" in excess of 2000 and 2002 election cycles	23.3	
Additional cost for postage related to by-mail absentee	19.0	
Fax Presses	11.7	
TOTAL to date	805.3	

*Please see contract with Muni and detail sheet on costs to date

**\$750 and \$10,000 respectively were deposited into the General Fund for the District 5 and Statewide recounts

*** Please see email from Department of Law regarding costs of independent counsel

Upon request I have included copies of the Division's budget projections through the end of FY 05, an internal memo highlighting some of the Division's costs, a copy of the contract between the Municipality of Anchorage and the State regarding ballot printing, a spreadsheet explaining costs related to including the bond questions on the General Election ballot, and a copy of an email from the Department of Law regarding expenditures related to independent counsel provided to the Division. Detailed "chargeback" costs related to mainframe usage and can be provided to the Committee as well.

Please let me know if you would like to have any additional information available to the Committee.

FY 2005 DIVISION OF ELECTIONS BUDGET STATUS AS OF JANUARY 24, 2005					REMAINING					1/24/2005
					JANUARY	1/31/20005	FEBRUARY	2/28/2005	MARCH-JUNE	7/31/2005
					PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
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S** 70000 TOTAL EXPENDITURES	1,349,000	996,474	188,126	164,400	79,696	84,704	150,271	-65,567	651,933	-717,500
Expenditure projections based on FY 2004 actuals less equipment and one-time items.										
*Note: \$442,800 in HAVA funding in Commodities and Capital Outlay for Voter Verifiable Paper Trail for Optically Scanned Ballots has been deducted from authorized for management reporting purposes. \$181,300 in CIP Receipts for Personal Services has also been reduced for management reporting purposes.										
										0

MEMORANDUM

STATE OF ALASKA

Office of the Governor
Division of Elections
Directors Office

TO: Laura A. Glaiser, Director
Division of Elections

DATE: 1/24/05

FROM: Lauri Allred, Admin. Asst. Supervisor
Division of Elections



SUBJECT: Unanticipated and/or Excessive Costs for the 2004 Elections

Below I have highlighted some of the unanticipated and/or excessive costs for the 2004 Elections.

Additional Personal Services costs incurred in 2004 compared to 2002 **\$304.0**

During the 2004 election cycle, the Division received and processed 5 initiative petitions, one recall petition and a record number of absentee by-mail applications. This additional workload required the Division to hire an additional 13 temporary workers to process mail, answer phones, process applications and perform data entry. This caused an increase in staff costs and overtime for both temporary and full time employees in 2004 compared to what was incurred in the 2002 elections.

Ballot reprint costs totaled **\$243.2**

A Superior Court decision mandated the Division reprint the ballots for the 2004 election. The Division absorbed additional costs for reprinting ballots, expedited freight costs for paper stock and destruction costs for destroying previously printed ballots.

Costs for conducting MOA election **\$104.6**

The Municipality of Anchorage requested that the State include two bond questions on the General Election ballot. The Agreement is authorized by article X, section 13 of the Alaska Constitution, AS 36.30.700 – 36.30.790, Anchorage Municipal Code (AMC) 28.10.050, and conforms to legislative intent in Sec. 1, ch. 82 SLA 2000. Additional costs for conducting this election will be collected through the "Bill of Collection" process and added back into the General Fund.

Independent counsel **\$ 37.6**

Independent Counsel was sought to provide review and advice related to the Ogan recall petition.

To date costs for conducting a statewide recount **\$ 39.8**

In December of 2004 the Division conducted two recounts. One for House District 5 requested by candidate Tim June and a statewide recount that was requested by Alaskan's for Fair Elections. The recount total expenditures exceeded the \$750 and \$10,000 deposits "respectively" that are required under AS 15.20.450. Deposits for a recount are collected and deposited into the General Fund. The total costs for the recounts were absorbed by the Division.

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The rise in absentee by-mail applications and voter registration forms increased the Division's chargeback costs for data entry time on the mainframe.

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Due to the large number of political mailings of absentee by mail applications to voters, the Division processed a record number of absentee by-mail requests. This unexpected increase required the Division to place last minute orders for additional forms and envelopes needed for mailing ballots.

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The Division's postage costs increased due to higher by-mail turnout.

Fax Press machines **\$ 11.7**

In 2004, voter turnout for absentee by-fax increased 100% from the last presidential election in 2000. The Division's existing fax press could not handle the demand. The Division installed an additional 16 phone lines and purchased 2 8-line fax press machines to handle the incoming and outgoing faxes.

Subject: Legal Review/Recall Petition

From: Kathryn Daughhetee <kathryn_daughhetee@law.state.ak.us>

Date: Mon, 24 Jan 2005 09:23:52 -0900

To: lauri_allred@gov.state.ak.us

Ms. Allred,

The Department of Law has incurred expenditures in FY 2005 that total \$37,599.22 connected with the legal review of the Ogan recall petition. The expenditures reflect the total amount paid to the law firm of Bankston, Gronning, et al. retained by the Department of Law for purposes of conducting the review. Copies of invoices are available upon request. We are seeking reimbursement for these expenditures and understand they have been included in your supplemental request currently before the legislature.

Thank you,

Kathryn Daughhetee

Director, Administrative Services

State of Alaska, Department of Law

465-3673

[Kathryn_Daughhetee@law.state.ak.us](mailto:kathryn_daughhetee@law.state.ak.us)

Expenditures for MOA Ballot 2004 General Election

Personnel					
GEMS programming & ballot layout	1 Staff	R21B	10hrs		\$ 410.50
Absentee Staff time	2 Temps	R8A	10hrs		\$ 260.00
RII Election Supervisor					\$ 477.00
Section Total					\$ 1,147.50
Contractual					
Official, Test, Facsimile Ballots			208,075	0.36	\$ 74,907.00
Postage for Absentee by-mail ballots			28,564	0.60	\$ 17,138.40
Ballot Transportation			2,357.5lbs	1.45	\$ 3,423.67
Ballot Archive & Storage	79boxes	24mo	.29ea pr/mo	0.29	\$ 549.84
Ballot Destruction					\$
Section Total					\$ 96,018.91
Supplies					
Archive boxes	79			1.60	\$ 126.40
Archive lids	79			1.60	\$ 126.40
Tyvek envelopes	800				\$ 806.02
Section Total					\$ 1,058.82
Election Workers					
State Review Board Testing	6 workers	1 day	7hrs ea	14.50hr	\$ 609.00
State Review Board Testing	6 workers	3 days	7hrs ea day	14.50hr	\$ 1,827.00
Ballot feeders	3 workers	2 days	8hrs ea day	10.00hr	\$ 480.00
Ballot openers	6 workers	5 days	8hrs ea day	10.00hr	\$ 2,400.00
Additional training	20 workers		30 minutes	9.50hr/ 4.75 1/2hr	\$ 95.00
Recount workers (sort out MOA ballots)	20 workers	1/2 day	5hrs ea	10.00hr	\$ 1,000.00
Section Total					\$ 6,411.00

Total

\$ 104,636.23

**INTERGOVERNMENTAL COOPERATION AGREEMENT FOR THE
PURPOSE OF THE STATE OF ALASKA CONDUCTING A SPECIAL
MUNICIPAL ELECTION FOR THE MUNICIPALITY OF ANCHORAGE
CONCURRENT WITH THE STATE-CONDUCTED
NOVEMBER 2, 2004, GENERAL ELECTION**

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¹ Sec. 1, ch. 82, SLA 2000 reads:

* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

INTENT. The division of elections shall facilitate the coordination of local government elections with regular state elections if requested to do so by a local government.

1. **Municipality of Anchorage**

- a. The MOA will prepare its ballot language for the special election ballot questions following MOA legal requirements.
- b. The MOA shall pay all costs associated with the printing of the municipal election ballot language to be included with the State's general election ballot.
- c. The MOA shall pay the State for actual costs and/or proportionate costs associated with the conduct of a municipal special election as set forth in Attachment A to this Agreement, which is incorporated herein.
- d. The MOA shall provide for all advertising and notification to Anchorage voters of the municipal bond ballot questions as required under the State election code, AS 15, and the MOA code.
- e. The MOA shall be responsible for identifying the qualified voting precincts.
- f. The MOA shall defend and hold the State harmless from any claim, suit, or liability arising out of a dispute over the wording of the municipal ballot, or any alleged violation of election procedures caused by the Municipality of Anchorage's negligence.
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- i. The MOA shall publish a notice of election that designates an office, website, or individual to whom questions concerning the municipal special election ballot can be referred by State employees, and publish the website address, e-mail address(es), address and phone number(s) as applicable.

2. **State of Alaska – Division of Elections**

- a. The Division of Elections shall determine ballot quantities and ballot sequence numbers, and provide, as necessary, for the printing and ordering of the municipal special election ballot questions from the State's ballot printer. It will be at the State's option and discretion as to whether the municipal special election ballot questions will be included on the State's general election ballot or be printed on a separate ballot.
- b. The Division of Elections boards will disseminate the municipal special election ballots at the Anchorage area polling places on Election Day.
- c. The Division of Elections will disseminate the municipal special election ballot in accordance with State absentee ballot procedures to the extent State procedures are consistent with the MOA absentee ballot procedures. The parties agree, however, that AS 15.20.082 and 6 AAC 25.660 do not, as a matter of law, apply to the MOA, and the parties further agree that the

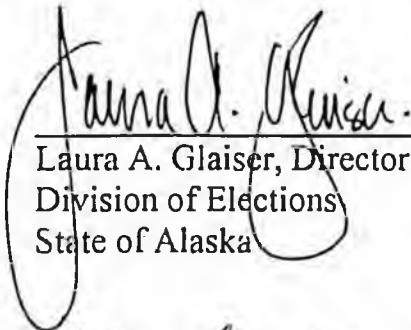
Division of Elections is not required to provide or otherwise make available the MOA's municipal special election ballot at polling places outside of the Anchorage area polling places.

- d. The Division of Elections will count ballots using the established State procedures and rules for counting, and will count the municipal special election ballots at the same established times as the State's ballots.
- e. The Division of Elections will provide the MOA with a State election calendar and ballot counting schedules.
- f. The Division of Elections will provide the MOA with the unofficial preliminary election results through its regular distribution process for the MOA to use at its own discretion. The Division of Elections will also provide the MOA with the final certified elections result.

3. **Miscellaneous**

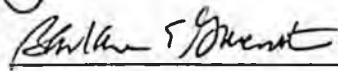
- a. The municipal special election ballots, precinct registers, and all other election related records are the property of, and will remain in the custody of the Division of Elections.
- b. All costs associated with any election contest concerning the municipal special election ballot shall be borne by the MOA.

This Agreement is effective on the date the last party signs.



Laura A. Glaiser, Director
Division of Elections
State of Alaska

Dated: September 23, 2004.



Barbara E. Gruenstein
Municipal Clerk
Municipality of Anchorage

Dated: September 23, 2004

Attachment A

The following costs incurred by the State of Alaska in conducting the MOA's municipal special election pursuant to the Agreement shall be reimbursed in full by the MOA:

1. Costs associated with programming and testing of Accu-Vote.
2. Costs associated with printing of the municipal special ballot questions on a separate card, sample ballots, and copies of proposed law required to be available and displayed at each polling place.
3. Shipping costs related to additional ballot (including costs of shipping voted ballots to Juneau for review by State Review Board).
4. Additional postage costs for the State to mail two ballots (if applicable).
5. Costs of additional, temporary staff necessary to handle two ballots, including salary and overtime (ballot loggers, election board members, poll workers, ballot stuffers, etc.).
6. Division staff time related to the MOA special election ballot, including certification and recount costs.
7. Costs related to facsimile teams (for duplication of two ballots instead of one).

FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

January 14, 2005

The Honorable Ben Stevens
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Stevens:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a separate "fast-track" supplemental appropriation bill for fiscal year 2005 for the Division of Elections in the Office of the Lieutenant Governor.

The bill would appropriate a total of \$694,900 from the general fund. The appropriation would cover the costs of circumstances that were not within management's control, such as court-ordered costs, unexpected municipal ballot costs, and unexpected citizen-action generated costs. The Division of Elections faced unusual operating costs due to a number of circumstances, including ballot printing and distribution of the Municipality of Anchorage bond questions, an application for recall of a member of the state Legislature, complying with a court order to reprint the general election ballots, and an unusually high number of requests from voters for absentee and facsimile ballots. Due to these additional costs, it now appears that a total of \$694,900 more in general fund money will be needed to meet the state's obligations to administer elections during fiscal year 2005.

The Division of Elections is anticipated to run out of money in late February. Therefore, I request that you put this bill on a "fast track" for final action in February.

Sincerely yours,

A handwritten signature in cursive script that reads "Frank H. Murkowski".

Frank H. Murkowski
Governor

COMMITTEE COPY

Enclosure

SB

63

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 63(TRA)
(S) Publish Date: 2/9/05

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title: Road Signs Encouraging Seat Belt Usage RDU: Administration & Support
Sponsor: Sen. Ben Stevens Component: Commissioner's Office
Requester: Senate Transportation Component No.: 530

Expenditures/Revenues (Thousands of Dollars)

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

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

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

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	*	*	*	*	*	*

Estimate of any current year (FY2005) cost: 00

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

It is not known how many signs would be posted and maintained by DOT&PF, however, the average cost of such a sign is \$500.

Prepared by: Nona Wilson Phone: 465-3904
Division: Legislative Liaison, DOT&PF Date/Time: 2/4/05 12:08 PM
Approved by: Mike Barton Date: 2/4/2005
Agency: Commissioner, DOT&PF

Alaska State Legislature
PRESIDENT OF THE SENATE

Interim
716 WEST 4TH AVENUE
ANCHORAGE, AK
99501-2133
(907) 269-0200
FAX (907) 269-0204



Session
STATE CAPITOL
JUNEAU, AK
99801-1182
(907) 465-1993
FAX (907) 465-3872

SENATOR BEN STEVENS

SPONSOR STATEMENT

SENATE BILL 63

"An Act relating to road signs encouraging the use of safety belts."

The Nathan Kampen Act

Senate Bill 63 would encourage the posting of signs promoting the use of safety belts. The legislation specifically allows the Department of Transportation to erect and maintain signs at the site of a motor vehicle accident where a fatality occurred as a result of a person's failing to use a safety belt.

Title 17 of the Alaska Administrative Code currently only allows Highway Fatality Memorial Signs that do not include a safety belt sign. An average of 55% of the fatalities in motor vehicle accidents in Alaska from 1997-2002 could have been prevented if seatbelts had been used. It is our hope that these postings will reduce the number of fatalities from failure to use a seat belt.

Alaska Traffic Accidents					
	1997	1998	1999	2000	2001
Total Accidents	13,804	13,499	14,691	14,127	15,273
Fatalities	54	53	55	79	69
No Seatbelt	31	28	29	45	39
% that could have survived	57%	53%	53%	57%	57%

SB

63

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
MAR 14 2005
SENATE FINANCE
COMMITTEE

DATE: 2/9/05

FURTHER:

DATE TURNED IN TO OFFICE: 14 March 2005

Finance Committee considered

SENATE BILL NO. 63

SB 63 USE SEAT BELT ROAD SIGNS

"An Act relating to road signs encouraging the use of safety belts."

and recommends:

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

Senate Bill:
 Same Title
 New Title

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

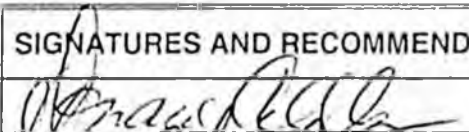

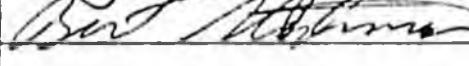
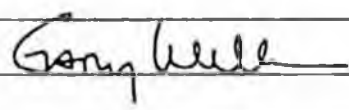

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
DOT & PF	2/4/05		*		# 1

APPROPRIATION - no fiscal note

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

FISCAL NOTE

REPORTED OUT

MAR 14 2005

SENATE FINANCE
COMMITTEE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 63(TRA)
 (S) Publish Date: 2/9/05

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
 Title Road Signs Encouraging Seat Belt RDU Administration & Support
Usage Component Commissioner's Office
 Sponsor Sen. Ben Stevens
 Requester Senate Transportation Component No. 530

Expenditures/Revenues (Thousands of Dollars)

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

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

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2005) cost: 00

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

It is not known how many signs would be posted and maintained by DOT&PF, however, the average cost of such a sign is \$500.

Prepared by: Nona Wilson Phone 465-3904
 Division: Legislative Liaison, DOT&PF Date/Time 2/4/05 12:08 PM
 Approved by: Mike Barton Date 2/4/2005
 Agency: Commissioner, DOT&PF

Alaska State Legislature
PRESIDENT OF THE SENATE

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Session:
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JUNEAU, AK
99801-1182
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FAX (907) 465-3872

SENATOR BEN STEVENS

SPONSOR STATEMENT

SENATE BILL 63

"An Act relating to road signs encouraging the use of safety belts."

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Senate Bill 63 would encourage the posting of signs promoting the use of safety belts. The legislation specifically allows the Department of Transportation to erect and maintain signs at the site of a motor vehicle accident where a fatality occurred as a result of a person's failing to use a safety belt.

Title 17 currently only allows Highway Fatality Memorial Signs that do not include a safety belt sign. An average of 55% of the fatalities in motor vehicle accidents in Alaska from 1997-2002 could have been prevented if seatbelts had been used. It is our hope that these postings will reduce the number of fatalities from failure to use a seat belt.

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Fatalities	54	53	55	79	69
No Seatbelt	31	28	29	45	39
% that could have survived	57%	53%	53%	57%	57%

Suggested Treatment of Memorial Sign Options

Condition	Treatment
Drunk and Unbuckled:	Applicants Choice - either "Please Don't Drink and Drive" or "Please Buckle Up" (or whatever text you plan to use)
Drunk only	"Please Don't Drink and Drive"
Unbuckled only	"Please Buckle Up" (or whatever text you plan to use)
Neither	"Please Drive Safely"

Key

Unbuckled: One or more of the deceased were unbuckled

Drunk: Drunk Driver Caused Crash

17 AAC 04.001. PURPOSE OF MEMORIAL SIGN PROGRAM. The purpose of the memorial sign program is to (1) provide friends and relatives of persons fatally injured in highway accidents with the opportunity to memorialize them by sponsoring a memorial sign to be erected near the scene of the accident, and (2) combat drunk driving and to increase the public's awareness of the need to drive safely and responsibly.

17 AAC 04.010. APPLICATION PROCEDURE FOR A MEMORIAL SIGN FOR A FATALY INJURED VICTIM OF AN ACCIDENT CAUSED BY A DRUNK DRIVER. Under this section, a person may apply to the department to sponsor a sign memorializing an individual who was fatally injured in a highway accident, in which another driver is alleged to be at fault and alcohol is alleged to be involved. The applicant must complete a memorial sign application furnished by the department.

The applicant must submit the completed application to the department representative stated on the application, and must include with the application (1) the date and location of the highway accident, (2) the name of the driver alleged to be at fault, (3) an affidavit by the applicant that the individual to be memorialized was fatally injured in the highway accident, that the other driver is alleged to be at fault, and that alcohol is alleged to be involved, and (4) the name of the individual who was fatally injured as it should appear on the memorial sign.

17 AAC 04.015. APPLICATION PROCEDURE FOR A MEMORIAL SIGN FOR A DRUNK DRIVER WHO WAS FATALY INJURED IN A HIGHWAY ACCIDENT. A person may apply to the department to sponsor a sign memorializing an individual who was fatally injured in a highway accident in which the fatally injured is alleged to be the driver at fault and alcohol is alleged to be involved. The applicant must complete a memorial sign application furnished by the department.

The applicant must submit the completed application to the department representative specified on the application, and must include with the application (1) the date and location of the highway accident, (2) the name of individual who was fatally injured, (3) an affidavit by the applicant that the individual who was fatally injured is alleged to be the driver at fault and alcohol is alleged to be involved, and (4) the name of each sponsor as it should appear on the memorial sign.

17 AAC 04.020. APPLICATION PROCEDURE FOR A MEMORIAL SIGN FOR AN INDIVIDUAL WHO WAS FATALY INJURED IN A HIGHWAY ACCIDENT THAT DID NOT INVOLVE ALCOHOL. A person may apply to the department to sponsor a sign memorializing an individual who was fatally injured in a highway accident that did not involve alcohol by completing a memorial sign application furnished by the department. The applicant shall submit the completed application along with the (1) date and location of the highway accident, and (2) name of the individual who was fatally injured as it should appear on the memorial sign.

17 AAC 04.025. DEPARTMENT REVIEW OF MEMORIAL SIGN APPLICATION. (a) Within 30 days after the department receives a correctly completed application submitted under 17 AAC 04.010, 17 AAC 04.015, or 17 AAC 04.020 and the department has inspected the proposed site for the memorial sign, the department will send a written decision to the applicant as to whether the proposed sign installation is in compliance with this chapter. (b) A person who has applied for a memorial sign under 17 AAC 04.010, 17 AAC 04.015, or 17 AAC 04.020 may appeal a decision denying an application under 17 AAC 04.05.

17 AAC 04.040. LOCATION, PLACEMENT, AND OWNERSHIP OF MEMORIAL SIGNS. (a) A memorial sign that the department approves under this chapter will be placed in the highway right-of-way, without cost to an applicant, near the location of the accident and facing the oncoming traffic. However, a memorial sign will not be placed nearer than 200 feet from an existing traffic sign or where the memorial sign obscures the visibility of an existing traffic sign. (b) Memorial signs may be placed on a highway right-of-way under the jurisdiction of the department except for a controlled access highway. For purposes of this subsection, controlled access highways include freeways, expressways and ramps and toll ramps of freeways and expressways. (c) The department will furnish, install and retain ownership of a memorial sign.

17 AAC 04.050. WORDING ON MEMORIAL SIGNS. (a) If a memorial sign is applied for under 17 AAC 04.010 and approved by the department under this chapter, the department will install a rectangular sign that reads "PLEASE DON'T DRINK AND DRIVE" and a separate name plaque that reads "IN MEMORY OF (the victim's name)". (b) If a memorial sign is applied for under 17 AAC 04.015 and approved by the department under this chapter, the department will install a rectangular sign that reads "PLEASE DON'T DRINK AND DRIVE" and a separate name plaque that reads "IN MEMORY OF (the victim's name)". (c) If a memorial sign is applied for under 17 AAC 04.020 and approved by the department under this chapter, the department will install a rectangular sign that reads "PLEASE DRIVE SAFELY" and a separate name plaque that reads "IN MEMORY OF (the victim's name)".

17 AAC 04.060. NAME PLAQUE LIMIT ON A SINGLE MEMORIAL SIGN INSTALLATION. No more than three name plaques of victims of sponsors may appear below the memorial sign on a single memorial sign installation.

17 AAC 04.070. TIME ALLOWED FOR MEMORIAL SIGNS IN THE HIGHWAY RIGHT-OF-WAY. Unless it determines that public safety requires removal, the department will keep a memorial sign installation at its designated location for 10 years after the date of its installation. After the 10-year period ends, the department will remove the memorial sign installation.

17 AAC 04.080. MULTIPLE MEMORIAL SIGN APPLICATIONS. (a) If more than one sponsor applies for a memorial sign to be installed near a single accident site, the department will consider the multiple applications in the order in which they are received. (b) If the department approves under this chapter, the application of additional sponsors who apply for a memorial sign for a single accident site, a memorial sign sponsor may apply to (1) obtain a name plaque for the memorial sign installation, if the requirements of 17 AAC 04.040 are satisfied, or (2) have a memorial sign installed adjacent to the highway from the first sign installation so that the second sign installation faces the traffic approaching from the opposite direction. (c) For the purposes of this section, "single accident site" means the site of all accidents that occur within a 1,000 feet from each other, regardless of when they occur.

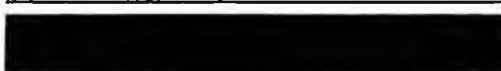
17 AAC 04.090. APPLICATION FILING DEADLINE. (a) A person may file an application under 17 AAC 04.010, 17 AAC 04.015, or 17 AAC 04.020 until January 15, 2003, to memorialize a death on a highway accident that occurred before that date. (b) On or after January 16, 2003, a person may file an application under 17 AAC 04.010, 17 AAC 04.015, or 17 AAC 04.020 to memorialize a death on a highway accident that occurred within the two-year period after the date that the department received the application.



State of Alaska
DOT & PF
Right-of-Way

Memorial Sign Program

Supportive and helpful contacts.
MADD (Mothers Against Drunk Driving)
Anchorage area: 907-562-6890
Juneau area: 907-463-2562
Fairbanks area: _____
Mat-Su area: _____



State of Alaska
Department of Transportation & Public Facilities
More Information:
Anchorage Area 1 800 770 5263
Fairbanks Area 1 800 475 2464
SE Alaska Area 1 800 575 4540
<http://www.dot.state.ak.us/permits/index.html>

In General

Every year, more than 70 people lose their lives on Alaska roads and highways. Frequently, loved ones and friends choose to honor the memory of these individuals by requesting a memorial sign be placed near the site of the crash. The memorial sign may remain for a period of 10 years. An application for a memorial sign is usually made within two years of the time of the crash. DOT&PF will manufacture and erect these signs at no cost to you.

We hope this program will help combat drunken driving and increase the public's awareness of the need to drive safely and responsibly.

Information needed ...

For a sign in the memory of a victim of an accident caused by a drunk driver, the following attachment is required: An affidavit from you that the individual to be memorialized was fatally injured in a the highway accident, that the other driver is alleged to be at fault, and that alcohol is alleged to be involved; the date and location of the highway accident; and the name of the person who was killed as it should appear on the memorial sign.

For a sign sponsored by the family or friends of a fatally injured drunk driver, the following attachment is required: An affidavit from you that the individual who was fatally injured is alleged to be the driver at fault and alcohol is alleged to be involved; the date and location of the highway accident; the name of individual who was fatally injured; the name of each sponsor as it should appear on the memorial sign.

For a sign in the memory of a victim of traffic accident where alcohol is not involved, the following is required: An affidavit from you detailing the date and location of the highway accident; and the name of the person who was killed as it should appear on the memorial sign.

PLEASE KEEP YOURSELF AND OTHERS SAFE! Our foremost concern is that you, our employees, and the traveling public are safe after the memorial sign is placed.

When visiting a memorial sign, you should park safely and completely clear of the travel lanes, even if it means walking some distance.

You can apply online at
<http://www.dot.state.ak.us/permits/index.html>.

More information:

Central Region 1-800-770-5263

Northern Region 1-800-475-2464

Southeast Alaska Area 1-800-575-4540



Types of Memorial Signs:

PLEASE
DON'T
DRINK
AND
DRIVE



PLEASE
DON'T
DRINK
AND
DRIVE



PLEASE
DRIVE
SAFELY



Cheryl Sutton

From: Jeff Turner
Sent: Thursday, February 17, 2005 8:42 AM
To: Phelan Straube; Shannon Straube; Cheryl Sutton
Subject: Letter to the Editor in 2/17/05 edition of the ADN

Why do legislators oppose signs reminding us to wear seat belts?

It seems there may be some confusion over Ben Stevens' Senate Bill 63. This is legislation allowing the erection of a roadside memorial sign encouraging the use of seat belts. In the Daily News article "Buckling up high on legislators to-do list" Feb. 9, it states there are six House members who are opposed to this legislation. A roadside memorial sign program is already available to the public; you know the little blue signs that say "Please Don't Drink and Drive" or "Please Drive Safely" and under the sign it lists the name or names of people who have lost their lives. Why would they oppose something that really isn't going to cost anything and will draw attention to the terrible loss of life due to lack of wearing seat belts?

I lost my youngest son, Nathan Kampen, in a car accident. He was not wearing his seat belt. When I requested a memorial sign saying "Please Buckle Up" or something similar, I was told it was not available. So I presented my problem to Ben Stevens, and he was kind enough to help. I truly see no reason to oppose this legislation. I could always put up one of the other signs available, but my hope is to remind our young people to "Buckle Up."

---- Carol Kampen

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 1/19/05

FURTHER: Finance

Date of 5-Day Notice: 1/27/05
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 2/8/05

Transportation Committee considered SENATE BILL NO. 63

SB 63 USE SEAT BELT ROAD SIGNS

"An Act relating to road signs encouraging the use of safety belts."

and recommends:

- be replaced with _____ CS SB 63 (TRA _____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:
 Same Title
 New Title

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

NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DOT	2/4/05		✓		1

Department	Date	Fiscal	Incet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
French <i>[Signature]</i>	X			
Kerkosh <i>[Signature]</i>	X			
Perrault <i>[Signature]</i>	X			
Condeog <i>[Signature]</i>	X			
Huggins <i>[Signature]</i>	X			
CHAIR:				

Cheryl Sutton

From: Jeff Turner
Sent: Thursday, February 17, 2005 8:42 AM
To: Phelan Straube; Shannon Straube; Cheryl Sutton
Subject: Letter to the Editor in 2/17/05 edition of the ADN

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---- Carol Kampen

SENATE FINANCE COMMITTEE

SIGN-IN

SB 63-USE SEAT BELT ROAD SIGNS

✓ NAME: NONA WILSON Subject/Bill No: SB 63
Co./Dept./Title: DOT & PF LEG. LIAISON Phone: 465-3904
Address: 3132 Channel Dr. JNU, 17K STE 300 Zip: 99801
Do you wish to testify? Yes No Respond To Questions

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

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

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

SB

67

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 67
(S) Publish Date: 3/2/05

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
Title "An Act relating to claims for personal injury or wrongful death against health care providers." RDU CIVIL
Component Torts and Workers' Compensation
Sponsor Senator Seekins
Requester Senate Labor and Commerce Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
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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 (FY2004) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
This bill adds the Alaska Medical Injury Compensation Reform Act of 2005 to uncodified law of the State of Alaska. It also adds a new section to the Code of Civil procedure in order to place limits on the amount of recoverable damages for personal injury or wrongful death based on the provision of services by a health care provider.

Passage of this legislation will have no foreseeable fiscal impact on the Department of Law.

Prepared by: Kathryn A. Daughhete, Director Phone 465-3673
Division: Administrative Services Date/Time 2/4/05 11:26 AM
Approved by: Kathryn Daughhete for Greg D. Renkes, Attorney General Date 2/4/2005
Agency: Department of Law

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 67
(S) Publish Date: 3/2/05

Revision Date/Time (Note if correction):
Title Claims Against Health Care Providers
Sponsor Seekins
Requester Senate Labor & Commerce

Dept. Affected: Commerce
RDU Occupational Licensing (117)
Component Occupational Licensing
Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

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

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

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

CHANGE IN REVENUES (1156)	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						
1156 - Receipt Supported Services						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

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

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation has no impact on the operations of the division.

Prepared by: Jennifer Strickler, Administrative Manager Phone (907) 465-2144
Division Occupational Licensing Date/Time 2/4/05 5:59 PM
Approved by: Edgar Blatchford Date 2/4/2005
Agency Commerce, Community, and Economic Development

Testimony to House Finance Committee on CSSB 67
Alaska Medical Injury Compensation Reform Act of 2005

Mr. Chairman, members of the Committee, I am offering this testimony of behalf of ASHNHA's membership which includes all but one of the 31 hospitals and nursing homes throughout the State.

ASHNHA's members strongly support SB 67. Why?

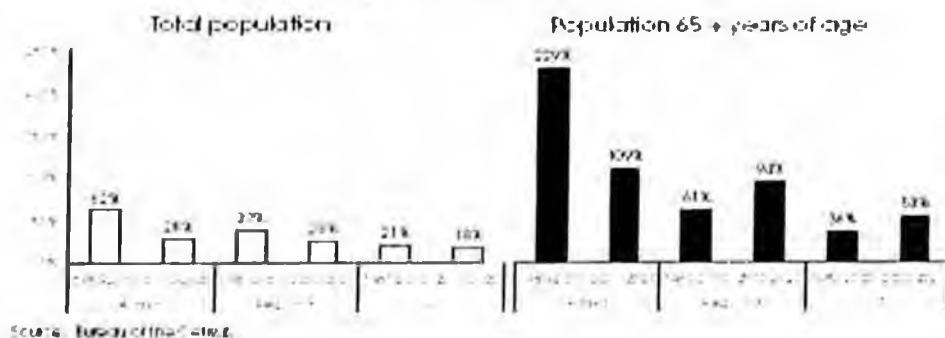
Passage of SB 67 is important to protecting each Alaskan's access to needed physician care, particularly OB services and other specialty care including psychiatry, allergy/immunology, neurosurgery, rheumatology, cardiology and gastroenterology.

CSSB 67 changes only one aspect of our medical liability laws, that part dealing with non-economic damages. CSSB 67 reduces the 2 tier ceiling for non-economic damage awards to \$250,000 and \$400,000 respectively. This change needs to be considered with the understanding that other existing protections for economic and punitive damages continue unaltered by CSSB 67.

Why do we need to Act Now?

POPULATION PROFILE

Projected percentage change in total population & population 65 + years of age, 1990-2000 & 2000-2020



Alaska has a per capita shortage of physicians right now and that situation is expected to get worse.

This situation is even more serious in rural areas of the State.

The population forecast for Alaska versus expected growth in physicians adds even more concern to this picture.



Testimony to House Judiciary Committee on CSSB 67 on Medical Liability Reform
 By: Rod Betit, President Alaska State Hospital & Nursing Home Association

Consider these Population Growth Facts:

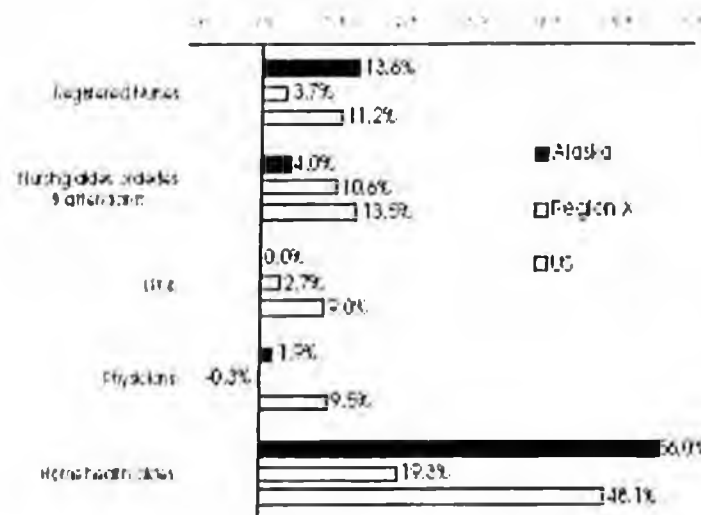
- The total population of Alaska is projected to grow 28% by 2020. This is in addition to 62% growth between 1980 and 2000.
- The population over 65 is projected to grow 109% by 2020. This is in addition to 229% growth in this age group between 1980 and 2000. Note Table below.
- In 1998 Alaska ranked 47th in the number of hospital beds per 100,000 population and 49th in the number of nursing home beds for people 65 and older. Yet Alaska will be experiencing the greatest growth rate in the age group that most requires services in these complex environments dependent on a wide range of physician specialists.

Projected Physician Change in Employment through 2006

What can we expect for Alaska in terms of physicians/100,000 population to serve this growth in population in the years ahead? Here is what the federal government predicts for Alaska.

HEALTH PROFESSIONS

Projected percentage change in employment per 100,000 population in the five most numerous health care occupations in the U.S., 1976-2006



Source: Bureau of Labor Statistics

Several Other Aspects to the Physician Shortage:

• **Limiting Practice:**

A look at the current and future numbers for physicians per capita in Alaska is telling enough, but underneath those numbers it is even more worrisome because it does not reflect those physicians who limit their practice to that which their insurance will cover.

A good example of what happens when high premiums and scope of practice collide is a family practice physician in Soldotna who could not afford to provide prenatal care and delivery because of the added liability cost.

These arrangements are not reflected in the per capita physician analysis done by any group.

• **Use of "locum tenens":**

Many systems are using "locum tenens" (visiting physicians) to fill the gap.

- Consider YKHC in Bethel
- Again, these #'s are not reflected in the active physician lists for Alaska.

Unlike other free market enterprises, physicians cannot raise their fees enough to offset the financial impact of dramatic increases in premiums. Much of their business is reimbursed by government programs (Medicare & Medicaid) which do not automatically respond to fee increases, or provided for no reimbursement at all due to bad debt or charity care (approximately 20% of Alaskans are uninsured at this time).

Summary:

- ☐ Alaska is already experiencing serious trouble retaining and attracting physicians, and the situation will get worse without your intervention to help stabilize the medical liability market.
- ☐ Growth in Alaska's population, particularly the elderly, will far outstrip growth in the number of physicians available to meet this need.

Testimony to House Judiciary Committee on CSSB 67 on Medical Liability Reform

By: Rod Betit, President Alaska State Hospital & Nursing Home Association

- The elderly consume at least 2/3rds of all public spending in Medicare and Medicaid because they have chronic conditions, serious prolonged illnesses that are expensive to treat, and rely on an average of 5 medications to address their medical problems.
- Alaska will not only need many more physicians in the years ahead but we will need more physicians in specialty fields than any other state. This will not occur in my members view without addressing the medical liability insurance market in Alaska.
- Alaska does not have a medical school or a large residency program so we must keep our physicians in practice as long as possible, and create a fairer medical liability environment to attracting new physicians from outside the State.

For these reasons ASHNHA strongly encourages your support of SB 67.

Alaska's hospitals and nursing homes need your help to assure there are an adequate number of physicians willing to practice here to meet the needs of Alaskans expecting us to serve them now and in the years ahead.

Thank you.

Contact Info:

Rod Betit, President
Alaska State Hospital & Nursing Home Association
426 Main St, Juneau AK 99801
907 586-3881
rbetit@ashnha.com

ALASKA STATE SENATE

Session:
State Capitol
Juneau, Alaska 99801-1182
(907) 465-2327
(907) 465-5241 Fax



Interim:
119 N. Cushman, Suite 201
Fairbanks, Alaska 99701
(907) 456-8161
Senator_Ralph_Seekins@legis.state.ak.us

Senator Ralph Seekins
District D

Senate Bill 67 Sponsor Statement

“An Act relating to claims for personal injury or wrongful death against health care providers.”

Senate Bill 67 amends AS 09.55 by adding a new section (.549). This section places a two step limit on non-economic damage awards where health care providers render services. In cases involving wrongful death or severe permanent physical impairment damages are limited to \$400,000 while all other cases are limited to \$250,000. This bill intends to alleviate a growing, two-pronged, crisis in Alaska's health care industry — the dearth of liability insurance carriers and the declining number of *practicing* physicians.

Liability insurance is one of life's absolute necessities. As drivers, we are required to have liability coverage before we get behind the wheel. As homeowners we understand the protection liability insurance provides. Now imagine if Allstate, State Farm and GEICO found the Alaska market litigiously perilous and decided to pull up stakes. What would rates do?

Health care providers, too, understand the necessity of liability coverage. The fact is, in today's world no commercial enterprise dares “go bare.” But where our state's health care industry is concerned, the lack of carriers is not hypothetical — it is a reality. Medical malpractice insurance companies have found Alaska uneconomic and have left the market. This has created much uncertainty and opened the door to higher rates across the board.

These added costs of doing business are, of course, paid by every Alaskan needing medical care. But there is a much more serious problem — that being a critical shortage of physicians. The fact is, Alaska ranks near the bottom in the number of physicians per capita. Over half of Alaska's physicians exceed the age of 50. Furthermore, it gets continually more difficult to recruit new entries when other states have capped non-economic damages at or near \$250,000.

The bottom line? Despite all our natural assets, Alaska is viewed as an undesirable place for medical insurance carriers to do business and, as a result, for physicians to set up shop.

This is, unquestionably, a complex issue. Yet, other states have effectively placed an upper limit on non-economic damage awards thereby providing a stable, predictable and insurable climate. Senate Bill 67 follows this national trend.

It's important to note that this legislation does not alter awards for quantifiable damages such as lost wages and medical expenses. Furthermore, it is not intended to be a silver-bullet solution to an entire range of issues facing our health care industry today. However, it does provide a step in the right direction in terms of stabilizing the medical insurance market here in Alaska and boosting our efforts to attract the next generation of physicians.

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April 19, 2005

The Honorable Lesil McGuire, Chair
House Judiciary Committee
Alaska State Capitol, Room 118
Juneau, Alaska 99801-1182

RE: SB 67 (Seekins)—Oppose Unless Amended

Dear Chair McGuire:

On behalf of the AARP members in Alaska, we ask that you and your colleagues on the House Judiciary Committee oppose SB 67, authored by Senator Ralph Seekins unless it is amended.

The issue of medical malpractice is often perceived as a battle between trial lawyers and insurance companies and physicians. We think it is also important to consider the victim of malpractice as well as **the ultimate goal of medical error reduction.**

AARP believes that state legislatures should not place limits on the amount of damages or on joint and several liability, or unreasonable limits on damage awards for pain and suffering. We believe that a cap of \$250,000 is, on its face, unreasonable.

For a cap to be reasonable, it would:

- Start at a level based on current conditions, not the arbitrary \$250,000 figure chosen in California some 20 years ago,
- Provide flexibility for different types of cases,
- Include exceptions for egregious cases,
- Be indexed for inflation, and
- Be tied to other reforms, including mandatory error reporting and prompt payment requirements.

We oppose caps on damages because these awards are relatively rare and generally imposed only in the most egregious cases, and thus are not a significant factor in malpractice premium problems.

It's not just physicians who need malpractice reform. Consumers injured by medical errors are also served badly by the tort system, and real reform requires going beyond the doctor vs. lawyer debate.

The tort system does a poor job of compensating people injured by medical errors. It is slow, expensive, and most injured people get nothing at all. The tort system also encourages providers to cover up mistakes in order to avoid lawsuits, rather than report errors in order to learn how to prevent them in the future.

We need to move beyond the debate over caps. Proposals to set unreasonable limits on pain and suffering awards do not help injured people get compensation or reduce errors. In fact, such caps can make it even harder for people who are injured to get fair compensation. AARP believes they are also unfair to older people with limited income potential who thus get little in economic damages.

Real reform should lead to fair compensation and error reduction. The Institute of Medicine (IOM) has proposed demonstration projects to test reform designed to fix what is broken for consumers. IOM has proposed testing non-judicial, no-fault alternatives to the tort system for medical errors (but not for other types of harm to patients, such as nursing home negligence). These alternatives could foster fair compensation and error reduction—what we believe should be the goals of consumer-oriented reform.

Under the IOM proposal, people with legitimate cases of medical injury could be identified and compensated appropriately. Payments would be based on "avoidability" of errors rather than "negligence." Amounts would be preset in schedules for specific categories of errors, which would provide reasonable limits that may help stabilize malpractice premiums. Health providers would have to report errors and make payments promptly, which would help injured people get fair compensation.

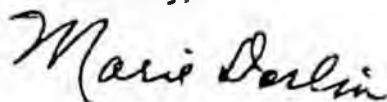
Errors could be reduced so fewer people would be injured. By requiring providers to report errors, the IOM claims that experts would be able to analyze system-wide errors and find ways to prevent them. The result would be a system in which patient safety is continually improved. With fewer errors, the cost of compensating injured people could decline.

We assume that reducing medical errors is in the best interest of all Alaskans and is the real intent of Senator Seekins and SB 67. We encourage you and your colleagues on the House Judiciary Committee to amend SB 67 to reflect the recommendations of the Institute of Medicine. Fair compensation and error reduction—AARP thinks we can all live with that.

Should you have any questions about our position, please feel free to contact me at 586-3637 or Patrick Luby (907-762-3314), Advocacy Director.

Thank you for your consideration.

Sincerely,



Marie Darlin
Coordinator, AARP Capital City Task Force
415 Willoughby Avenue, Apt. 506
Juneau, AK 99801
586-3637 (voice)
463-3580 (fax)

CC: Representative Tom Anderson
Representative John Coghill
Representative Nancy Dahlstrom
Representative Pete Kott
Representative Les Gara
Representative Max Gruenberg
Senator Ralph Seekins

adopted
4-27-09

AMENDMENT /

OFFERED IN THE HOUSE
TO: HCS CS SB 67 (JUD)

BY REPRESENTATIVE KELLY

- 1 **Page 2, line 7**
- 2 After "injury"
- 3 Delete "or death"
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- 5 **Page 2, line 10**
- 6 Delete "or death"
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John T. Duddy, M.D.

ORTHOPAEDIC SURGEON

2741 DEBARR RD., STE. C-305
ANCHORAGE, ALASKA 99509
TELEPHONE: (907) 278-8141
FAX: (907) 278-3527



April 25, 2005

Senator Ralph Seekins
State Capitol, Room 125
Juneau, AK 99801-1182
907-465-2327
fax: 907-465-5241

Dear Senator Seekins:

On Friday April 22, 2005 members of the State Medical Board requested that a list be produced of physicians who are currently licensed to practice medicine in the State of Alaska and have an Alaskan address. A total of 1600 physicians were identified. After reviewing the list, Dr. John Troxel and I determined that dozens of those physicians have been retired for years. Additionally, there were also many dozens of physicians on the list whose status is unknown.

As a member of the State medical Board, I believe that the number of physicians determined by the State Medical Association to be more representative of the true, actively practicing physicians in the State. This number is approximately 1280.

Sincerely,

John T. Duddy, M.D.

Bill SB 67

Kenneth D. Brewer
1701 Tanrack Street
Fairbanks Alaska 99709
(907) 452-2919

I would like to speak against this bill and I will give you two real life situations that happened in Fairbanks Alaska. I would like you to give me a response to these situations.

1. Would you Sue?
2. Would you expect an apology?
3. Would you pay the Doctor Bills?
4. Shoot the Doctors?

EXAMPLE: ONE

Female, age 46 slim and trim, plays softball, ski's and love's to be out doors, never had a serious illness or been hospitalized other then to have a child.

Symptoms: Is working over time and becomes and dizzy and faints.

Is concerned and goes to the Doctor. Numerous test, x-rays and four doctors plus a radiologist later and they tell her to go home and take an aspirin a day. Three months later she is playing softball and she collapses on the field. She is brought to the Hospital, placed in ICU and the next day a different doctor is going to do some more tests. He looks at the existing x-rays and in five minutes tells me that she has cancer of the lungs.

I take her to a hospital in Anchorage and they inform me that she has this fast acting cancer that has gone from the lungs to her brain. She has an operation on her brain and begins cancer treatment.

The lady lives for eight years, fighting cancer two times. Her quality of life during those years steadily decreases until she is no longer able to move. She was never able to enjoy any out door activities or sports nor was she able to work again.

Questions:

1. Why didn't the Radiologist recognize the cancer problem, He was Paid for it.
2. When the other four Doctors ordered up all those test, did they not look at them?
3. If they had discovered this problem could the cancer be stopped at the lungs?
4. Why couldn't I find an attorney in town to Sue the Doctors, ANSWER: It would be a conflict of interested since the Doctors kept the Attorneys on retainer.
5. How would you feel?

EXAMPLE: TWO

Same lady, different situation. The lady is eating a meal and has a seizure. Is taken to the Fairbanks Hospital Emergency Room and draws a practicing physician who decides to keep the patient over night just to make sure everything is fine. Five AM he calls and tells me the lady is dying. He has a breathing tube installed down her throat and turns the job over to another practicing physician who specializes in Cancer patients. He places her in ICU and leaves her there for eleven days trying once to remove the tube. The lady is dying. I go to another doctor who specializes in ear and throat problems and he solves the problem within hours with a small operation. Three hours later the lady pulls the feeding tubes out of her nose and the next day is placed in a recovery room.

Note: The attending physician rarely visited the patient during her eleven-day stay in ICU. After failing to solve her breathing problem he was mad at me for asking him to remove the tube. The problem was that he didn't know what to do nor would he ask for help.

QUESTIONS:

1. Why do they allow UN-qualified practicing physicians to accept Emergency Room patients?
2. If there had been a Doctor on call that knew what to do could I have saved myself all that money that it was costing me per-day plus the life threatening situation that the doctor placed my wife in?
3. Did the Doctor that solved the problem say anything to the In-Charge Physician?
4. Did the Hospital staff say anything to me that maybe 'here were other Doctors that could have solved the problems?
5. Did the In-Charge Doctor every say I am sorry I not qualified to do this kind of work and is he still taking Emergency Room patients?

SUMMARY:

When Physicians stop trying to see four patients in an hour and start listening to what the patient has to say there's a possibility that they might be able to give out less pills and be able to make better diagnostic decisions.

When an Oncologist stops trying to be a Cardiologist the industry will have fewer lawsuits.

When the Medical Profession cleans up it's own back yard by requiring Physicians to be trained in the areas that they practice in then there will be less lawsuits.

Please don't give me this story about insurance companies leaving Alaska, I am not stupid and of course if you believe this then you're not as smart as I think you are. It's a simple matter of economics, Alaska does not have a population to support the smaller insurance companies, a few loses will not support their business.

Senate Bill ~~67~~ is not the solution to the problems that the Medical Industry with the insurance companies. If you want to spread this bill to include all the business including mine I'll support it, but I know that unrealistic and so is your Senate Bill ~~67~~ 67

The Members of the Alaska State House Finance Committee

FAX: 1-907-465-6813

Reference: Legislation concerning PERS/TRS and ASPIB Boards

It was deeply disturbing to me when I read that members of the administration and the legislature had stated that Alaska public retirees had little interest in the care and conservation of the retirement trust fund. (I realize I have paraphrased the sentiment a bit, but that is the thrust of it.)

Just because we are not heard from loudly and frequently does not mean we do not care about the fund and do not want to do everything we can to preserve it. Among the reasons for not hearing from retirees -----

There are Alaska retirees:

1. Who believe they do not have the necessary skills required to write op-ed pieces for publication. Many even question their ability to write letters worthy for publication and many have become so cynical about government (with good reason) they believe it futile to write or call legislators and so they are not heard from.
2. Who are too ill and/or too afflicted with age to have the energy to write or call or to engage in working for cost saving efforts and so they are not heard from.
3. Who believed the state when they were told that upon retirement all their medical expenses would be paid and their retirement check would arrive every month without fail. Who believed what they were told and never dreamed they were being deceived, that to protect their retirement they would have to work harder protecting it than they worked at their pre-retirement jobs.

I write to set the record straight. The teachers and public employees who have retired from service in Alaska do care about the retirement trust fund.

Why? Because that is our money. That money does not belong to the state, to the administration, to the legislature. It belongs to Alaska retirees, every cent of it - the money we contributed from our salaries and the money our employers contributed on our behalf. When that money was contributed by our employers it was a part of our salary. We negotiated for it. The state may have set the contribution rate, but we, the employees, negotiated for that contribution and it became ours. And, it was not a gift. We earned it. It is our retirement bank account and we are concerned for the conservation of it and the guarding of it from misuse and raiding.

Having the PERS/TRS Board and the Alaska State Pension Investment Board looking out for the fund has contributed to the feeling of security retirees have had concerning the fund even though the state has never deemed teachers intelligent enough to select even one of their TRS representatives. Ironic, isn't it?

The thought of the proposed monolithic combination board makes us wonder about motives and about the safety of our fund under such

This whole circus we have been involved in with SB 141 and the accompanying House Bills has been disheartening to the extreme. The fact that some of the legislators pushing this legislation have defined benefit pensions makes it quite ironic to see them attacking a

similar system for state workers. The extreme haste in which the bodies have acted also belies the amount of time this scheme has been hatching.

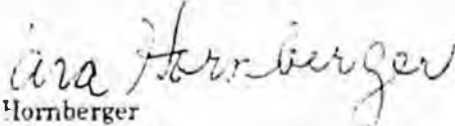
In all the information that has gone out, I have seen nothing to tell us just exactly what it is going to cost to institute this new regime. I know it is going to be expensive and I wonder where the money will come from - from the trust fund? How is that for conserving and caring for the fund.

I will not mince words. My mom and dad did not raise a fool or dupe. In my view from my 75 years and eight months of life on this earth I really question what is behind all this. I ask again, who is profiting or plans to profit. Why this full speed ahead without careful study of the whole thing? Why is it being crammed down our throats?

Whatever happens, you may be sure that the retirees of Alaska will continue to be concerned with the retirement trust fund. Just as we have worked with you to lower medical costs through the use of generic drugs, we will continue to work with you to hold the line on medical costs.

I also assure you that should the present boards be dissolved and the new single board be instituted, representatives of Alaska retirees will be closely watching that board's every action. We are not going to sit by and watch the misuse of our retirement trust fund.

Two final thoughts: Act in haste; repent at leisure ---- and
We retirees have just begun to fight.



Sara Hornberger

Alaska Resident since June 1963

Retired Teacher, Administrator and School Board Member

Small Business Owner and Operator with husband Charles Hornberger

HOUSE JUDICIARY COMMITTEE

April 21, 2005

SB67

(excerpt)

Representative McGuire:

Representative Gara, in wrap up?

Representative Gara:

Let me just ask you two more questions, Mr. Jordan. I heard that explanation that you provided... yesterday somebody made that. So we called the state medical board today, and we ran that argument by them and they said, no there are more actually, actively practicing doctors in the state of Alaska, doctors who practice today, than in the past, that the number is growing. So I just take it you agree with the , you disagree with the state medical board about that?

Jim Jordan (Executive Director, Alaska State Medical Association):

Well, the number is growing... However, I will mention this – in our database 2003 versus.... Well this is in December of 03 versus December in 04, the total number of physicians practicing in Alaska has dropped by, our numbers show, by 37 physicians. And the reason for that drop is that, is primarily due to the fact that our database includes military physicians, and many military physicians have left the state because they are deployed.

Representative McGuire:

Okay. Last question Representative Gara?

Representative Gara:

Let me ask you this Mr. Jordan. Over the past, let's say 10 years, if I were to ask you, if you could say under oath, under penalty of perjury, if you could support the claim that we have fewer doctors here than we did 10 years ago, would you make that claim under oath? Or would you agree that we have more doctors here than we did 10 years ago... who are actively practicing, actually practicing medicine.

Jim Jordan:

We have... through the Chair?

Representative McGuire:

Yes.

Jim Jordan:

Representative Gara. We have fewer, or we have more doctors in practice today. But that's not the issue, the issue is if you're starting from a shortage, which I believe that we have had, on both, you know, on a chronic basis in this state, we've have more physicians, certainly in practice but we have not had a material improvement in the number of physicians per capita.

Representative Gara:

I'll just end with...

Jim Jordan:

And in our written testimony... there are only 6 states that have fewer number of physicians per capita in the country.

Representative Gara:

Thank you. Mr. Jordan and it's obvious to everybody that we disagree about this issue. I would ask that you pull your support for those TV ads that are suggesting to people that doctors are leaving the state, when in fact that's not happening, and when in fact you just admitted that that's not happening.

House Judiciary Committee Hearing on HB472

February 25, 2004 (from minutes)

Representative Gara asked if any of the insurance companies have said that they would lower their insurance rates if this legislation was passed.

Jim Jordan (Executive Director, Alaska State Medical Association) replied no.

House Judiciary Committee Hearing on SB67

April 21, 2005 (transcribed)

Representative Gara:

Mr. Jordan, a few questions. I just want to see if your testimony is what it was last year, if you have different information. Last year I asked you, when you were pushing this bill, if you had received any assurances from any insurance company that would reduce its rates if we passed this bill. And your answer last year was no, no insurance company had given you any assurance like that. How about this year?

Jim Jordan:

The answer is still no. And I think, you know, Senator Seekins in his response kinda covered that base.

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Tuesday, April 19th

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Tuesday, March 29, 2005

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Clinic director leaves Olympia in search of doctor-friendly state

KARI NEUMEYER

THE OLYMPIAN

Dr. Ross Tanner does not want to leave Olympia, but he says he is finding it hard to make a living as a doctor in this state.

□ An internist and medical director of the Neighborhood Free Medical Clinic in Lacey, Tanner, 41, plans to stop seeing patients at his private practice, Peak Health Medical Clinic on Lilly Road, as of June 1. He and his family are moving to the Anchorage, Alaska, area, where he will be one of two physicians at Diabetes Consultants of Alaska.

Unlike Washington, the state of Alaska has made changes in its medical malpractice laws, Tanner said. It also has no business and occupation tax, personal income tax or state sales tax, Tanner said.

Tanner knows at least seven other doctors who are planning to leave the state because rising malpractice insurance costs and declining revenue are preventing them from doing their jobs, he said.

"Your malpractice goes up; your taxes go up; reimbursement goes down. Everything's going in the wrong direction," Tanner said. "There's some fine doctors that I know are not happy."

Tanner's wife, Tamara, keeps the books for his practice. When they and their three young children move, Tanner's mother, who is his receptionist, will join them. So will the family nanny and a nurse from Tanner's practice. And some of his patients plan to fly to Anchorage for yearly appointments with Tanner.

For the time being, Tanner will return to Washington every few months to continue treating a handful of his 3,000 patients. He'd like to recruit a couple of doctors to work with his physician assistant at Peak Health to treat the rest. The challenge is finding someone who is willing to put up with the health care system that is driving him away, he said.

Managed care organizations set doctors' fees by determining how much insurance pays for a service, Tanner said.

Washington receives among the lowest rates of Medicare and Medicaid reimbursement of all the states. Alaska is near the top, he said.

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In trying to save money, middle managers at insurance companies force doctors to substantiate their decisions for treatment and prescriptions, he said. Insurance companies also expect doctors to spend an average of seven minutes with each patient, he said.

"It's disempowering you to make a decision," he said. "But trial attorneys are holding you accountable when you have a bad outcome."

Tanner and his physician assistant, Drew Garcia, see 750 to 800 patients a month. They don't have time to call insurance companies to justify each one's treatment, Tanner said.

His malpractice insurance costs between \$13,000 and \$15,000 a year. In Alaska, it would be 20 percent to 24 percent cheaper, he said.

Tanner, who moved to Olympia in 1999, has spent time working with diabetes patients in Alaska during the past three years.

"In Alaska when you bill a dollar, you get a dollar," he said. "I can set my own fees. I'm not getting over-taxed."

But it's not all about the money.

At the clinic in Alaska, he can spend more time with patients, because he doesn't have to see as many. He sees 8 to 10 in Alaska, compared with 35 a day in Olympia.

"It was refreshing," he said. "I come from a system where everything is questioned by others other than the patients. It's frustrating and inhibits progress."

Last year, Tanner found rewarding work with no pay at the Neighborhood Free Medical Clinic in Lacey.

As medical director, he had to find 15 to 20 doctors to volunteer one night a week to care for uninsured patients.

"It's hard to find doctors who want to spend extra time doing more medicine," he said.

"Before I committed any other doctors there, I wanted to make sure it was a pleasurable place to work," he added. "I didn't want it to be frustrating."

In a couple of hours at the free clinic, Tanner and Garcia can see 25 to 28 patients efficiently, because they don't have to deal with insurance companies.

"You remember why you went into medicine," Tanner said. "You felt like you actually accomplished something."

Tanner's dedication came across to the staffers at the clinic.

"The thing we really appreciate about Ross is his heart," said Jane Jones, executive director of the clinic.

"He views his medical profession as a way to really serve people," she added. "It's very clear also in the way that he recruited other doctors. He was not interested in just having warm bodies to serve as doctors. He wanted to make sure these were people who had the same values he did."

Nathan Young, 18, a Capital High School senior and a data coordinator at the free clinic, said that Tanner was a good leader.

"He seems to be truly dedicated to what he does and believes that what he's doing is an important part of outreach to community," Young said. "I've seen some volunteer (doctors)

come to the clinic that haven't had that."

Although Jones will find a new medical director for the clinic, Tanner said he plans to stay involved.

He also plans to continue serving on the state Board of Osteopathic Medicine and Surgery, which examines candidates for licensure and registration; holds disciplinary hearings; adopts standards of professional conduct; and recommends and adopts rules and regulations for administering the regulatory law.

And Tanner, who got his undergraduate and medical degrees in Texas, will continue teaching residents at the University of Washington.

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Medical Malpractice in Alaska

Amounts Paid Per Claim, by Year

Year	# of Claims Paid	Average Amount Paid per Claim (Total Damages)
1993	17	\$278,785
1994	19	\$212,577
1995	9	\$108,917
1996	15	\$58,081
1997	24*	\$137,942
1998	13*	\$198,315
1999	20	\$380,102
2000	26*	\$305,952
2001	26	\$218,564
2002	22	\$322,998
2003	18	\$341,983

*one award amount is listed as "confidential" in this year

Information provided by the Alaska State Medical Board

SORTED BY DATE PAID

Board	Practitioner Name	Occurred	Award	Case/Court #	Date Paid	Res	Brief Description of Claim
MED	Veuthoy, Pierre	11/7/1983	\$5,000		5/16/1990	SET	Willard case - no details available
MED	Kamp, Aaron	08/89	\$22,000	3131	7/1/1990	SET-B	Alleged UGI bleed following anti-inflammatory med for hem disc
MED	Hoag, Robert	1983-87	\$15,000	87-2-19441-8	8/3/1990	SET-A	Pap smear misdiagnosed
MED	Tangpricha, Vitthavas	5/18/1988	\$45,000	88-18043	8/30/1990	SET-B	Alleged failure to dx & tx respiratory arrest; pt death
MED	Foote, James Timothy	7/6/1987	\$75,600	4FA-88-808CIV	11/1/1990	SET-A	Delayed dx of appendicitis resulting in rupture
MED	Nathanson, Steven E.	11/3/1988	\$7,500		11/8/1990	SET-B	After rhinoplasty pt complained of obstruction on nose
MED	Brown, Carolyn	9/12/1985	\$20,000		12/3/1990	SET-B	Alleged negligent tx of ectopic pregnancy
MED	Kennedy, Ronald E.	12/2/1985	\$269,112	3AN-87-377	3/17/1991	SET-A	Alleged negl vein/vein rather than vein/artery graft during bypass
MED	Manual, Michael	12/13/1988	\$10,750		5/7/1991	SET-B	Sponge left in breast during augmentation surg
MED	Haltor, Loron	1/22/1987	\$55,000	3KO-88-504	6/14/1991	SET-A	Alleged misdx & tx of burns resulting in additional wounds;tx
MED	Heilman, Doris	8/12/1987	\$150,387	4FA-89-1375	6/17/1991	CA	Alleged unnoc surg w/o full consent
MED	Brudenell, Ross	11/13/1987	\$125,000	3AN-89-09303	6/18/1991	SET-A	Alleged negl bone graft to r wrist; wound infect & sepsis
MED	Ako, Burton Kenneth	7/28/1987	\$71,500	3AN-91-1314	6/25/1991	SET-A	Alleged sexual misconduct during office pelvic exam
MED	Johnson, R. Holmes	8/12/1978	\$200,000	3AN-91-2051	6/26/1991	SET-A	Alleged failure to dx & transfer for tx epidural hemorrhage
MED	Doramus, Alfred	3/14/1988	\$28,000	4FA-90-350	8/26/1991	SET-A	Alleged failure to remove post intraocular lens that dislocated
MED	Mays, Danton	3/1/1988	\$140,000	3AN-88-11350	9/23/1991	SET-A	Alleged impropr use of hypnosis for SLE & sex assault
MED	Deal, Clyde	7/28/1981	\$15,000	3KO-87-72CI	10/8/1991	SET-A	Alleged negl hernia repair/surg resulting in rrvl of testiclo
MED	Stewart, Mary Lu	11/1/1985	\$500,000	57-254504 K3	10/30/1991	SET-B	Alleged that chemotherapy was factor in death
MED	O'Malley, James E.	1/9/1988	\$30,000	3AN-90-5688	11/22/1991	SET-A	Alleged failure to remove sponge following appendectomy
MED	Nicholson, Thomas A.		\$20,000		11/22/1991	CA	Pt alleged injured 2 fingers during banum enoma
MED	Reinbold, William B	8/17/1983	\$4,000	3AN-90-8759CIV	12/17/1991	OOO	Scalpel blade left in knee after surgery
MED	Balknap, Alan R.	1/14/1987	\$10,000	90-C-321	12/18/1991	SET-A	Alleged failure to note breast masses in mammograms
MED	Baal, David	3/18/1987	\$145,000	3AN-89-1690	12/27/1991	SET-A	CSF leak following sinus surgery
MED	Borgeson, Marvin E.	2/6/1987	\$128,859	4FA-88-221CIV	1/16/1992	SET-A	Alleged delay in dx septic hip resulting in osteomyelitis
MED	Dingoman, Robert	2/8/1987	\$128,859	4FA-88-221CIV	1/16/1992	SET-A	Alleged delay in dx septic hip resulting in osteomyelitis
MED	Kruger, Sandford M.	10/23/1989	\$60,000		2/1/1992	SET-A	Pediatric death of 20-month old due to croup
MED	Johnson, Jay	8/3/1987	\$325,000	23-349650	2/4/1992	SET-A	Failure to dx infection in hand of diabetic pt
MED	Boydler, Natalie	4/11/1989	\$225,000		2/14/1992	SET-B	Alleged failure to FU radiologist recomm re lung lesion; delay dx
MED	Rostykus, Paul S.	4/7/1989	\$52,500	90CF0093	4/14/1992	SET-A	Alleged failure to dx & refer for tx; cardiac arrest, death
MED	Joosso, John W.	8/3/1989	\$160,000	4FA-90-51CIV	4/17/1992	SET-A	Alleged negl fusion at L4-5 rather than L5-S1
MED	Heilman, Doris	5/16/1989	\$50,000		4/20/1992	SET-B	Alleged tubal ligation while pg lead to fetal death
MED	Barry, Peter A.	12/4/1989	\$30,000	147341	4/27/1992	SET-A	Arthroscopy done on wrong knee
MED	Strohmeyer, Richard R.	3/22/1986	\$60,000	3AN-88-3082	4/28/1992	SET-A	Alleged negl surg; casting of fx elbow; compl synd, fasciotomy
MED	Matriciano, John D.	07/88	\$29,950	NW CO49 980	6/1/1992	SET-B	Alleged pain during sex following inguinal hernia repair
MED	Bordon, James B.	7/29/1991	\$58,490		6/5/1992	SET-B	Alleged damage to bile duct during laparoscopic cholecystectomy
MED	Asher, Richard W.	6/18/1988	\$90,000	A-90-381	6/10/1992	SET-A	Alleged failure to dx botulism & initiate tx
MED	Asher, Richard W.	6/18/1988	\$17,500	A-90-381	6/10/1992	SET-A	Alleged failure to dx botulism & initiate tx
MED	Ellis, Richard	8/5/1986	\$95,000	A275397	7/17/1992	SET-A	Alleged failure to dx & tx aseptic necrosis R femoral head
MED	Harrison, Harry	2/20/1987	\$159,500	3AN-89-1262	7/21/1992	SET-A	Alleged delayed dx of necrotizing enterocolitis in newborn
MED	Jacob, Jack	2/20/1987	\$53,000	3AN-89-1282	7/21/1992	SET-A	Alleged delayed dx of necrotizing enterocolitis in newborn
MED	Vasileff, Thomas	2/28/1989	\$45,000	3AN-91-8889	8/3/1992	SET-A	Arthoscoped wrong knee
MED	Fardelgh, Denise C.	2/20/1987	\$148,750		8/5/1992	SET-B	Alleged delayed dx of necrotizing enterocolitis in newborn
MED	Moeller, Mark	11/11/1988	\$150,000	3AN-90-8975	8/5/1992	SET-A	Alleged failure to dx abdominal aortic aneurysm rupture
MED	Johnstone, Bruce B.	1/72-7/74	\$175,000		8/31/1992	SET-A	Alleged "physical contact" w/ pt result in emotional injury
MED	Emanhiser, Donald L.	5/1/1989	\$17,500	L89-656	9/1/1992	SET-A	Failure to dx heart disease; failure to refer
MED	Alvarez, Hano	3/22/1988	\$122,500	3KO-90-394	9/10/1992	SET-A	Alleged unnoc TAB/BSO for tx of PID; alleged unnoc surg
MED	Sangster, Joseph A.	10/8/1986	\$300,000	3KN-88-825	9/22/1992	OOO	Alleged negligent performance in dx ureteral obstruction