

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 86/2

1307 SCRA SB 825 - HB 317

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LEGISLATIVE SUMMARY

- SB 325 "An Act transferring among various appropriations to the Alaska Power Authority for power projects and making special appropriations to the Alaska Power Authority for power projects; and providing for an effective date."
- Sec. 1 Transfers \$10,000,000 of the \$60,000,000 appropriated to the power development fund for the Green Lake project to the Tyee Lake project.
- Sec. 2 Transfers \$50,000,000 of the \$60,000,000 appropriated to the power development fund for the Green Lake project to the power project fund for the Green Lake project.
- Sec. 3 Amends the 1981 appropriation of \$4,500,000 by deleting the design and engineering for the Lake Elva project and replaces it with a comprehensive analysis of Bristol Bay power needs and supply options.
- Sec. 4 Appropriates to the power development fund \$38,000,000 for the Railbelt Intertie and \$10,000,000 for the Swan Lake project.
- Sec. 5 Appropriates \$5,000,000 to the power project emergency maintenance fund for the purposes described in AS 44.83.399. (NOTE: AS 44.83.399 does not exist in present statutes. It is embodied in SB 646 "An Act relating to the energy program for Alaska" - the Governor's energy Bill)
- Sec. 6 Effective dates:
- Sec. 5 takes effect on the date of a version of an Act entitled "An Act relating to the energy program for Alaska" (NOTE: SB 646)
- Sec. 1 - 4 take effect immediately.

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SPONSOR: Rules Committee by Request of the Governor

AN ACT

Making appropriations to various state agencies for energy-related programs and projects, and repealing 1980 appropriations for a power project; and providing for an effective date.

11 \* Section 1. The sum of \$323,900,000 and the interest earned on the  
12 investment of that sum are appropriated from the general fund to the power  
13 development fund of the Alaska Power Authority (AS 44.83.400 - 44.83.510)  
14 for the following projects in the amounts specified after each:

15	(1) Bradley Lake	\$15,000,000	
16	→ (2) Green Lake	60,000,000	←
17	(3) Port Lions	1,400,000	
18	(4) Solomon Gulch	68,000,000	
19	(5) Swan Lake	53,000,000	
20	(6) Terror Lake	81,500,000	
21	→ (7) Tye Lake	45,000,000	←

22 \* Sec. 2. The sum of \$76,000,000 and the interest earned on the invest-  
23 ment of that sum are appropriated from the general fund to the power develop-  
24 ment fund of the Alaska Power Authority (AS 44.83.400 - 44.83.510) for  
25 acquisition of a right-of-way for and design and construction of a 145 KV  
26 electrical transmission system connecting Anchorage and Fairbanks.

27 \* Sec. 3. The sum of \$750,000 and the interest earned on the investment  
28 of that sum are appropriated from the general fund to the power development  
29 fund of the Alaska Power Authority (AS 44.83.400 - 44.83.510) for acquisition

Chapter 90

1 Grayling, Gustavus, Ivanoff Bay, Kaltag,  
2 Karluk, Kiana, King Cove, Larsen Bay,  
3 Nikoliski, Old Harbor, Perryville, Scammon  
4 Bay, Shungnak, Tenakee Springs, Togiak,  
5 Unalaska 5,600,000

6 \* Sec. 7. The sum of \$560,000 is appropriated from the general fund to  
7 the Alaska Power Authority for reconnaissance studies for proposed energy  
8 project sites for the following rural communities: Alatna, Aniak, Atkasook,  
9 Brevig Mission, Chefornek, Craig, Diomede, Galena, Golovin, Hooper Bay,  
10 Kalskag, Kotlik, Koyuk, Lower Kalskag, Mekoryuk, New Chenega, Newtok,  
11 Nightmute, Ouzinkie, Ruby, Saint George, Saint Mary's, Saint Michael, Saint  
12 Paul, Shageluk, S'ishmaref, Stebbins, Teller, Toksook Bay, Tununak,  
13 Unalakleet, and Yakutat.

14 \* Sec. 8. The sum of \$30,000 is appropriated from the general fund to  
15 the Alaska Power Authority for a reconnaissance study of Takatz Creek.

16 ~~Sec. 9. The sum of \$996,000 is appropriated from the general fund to  
17 the Alaska Power Authority for a feasibility study examining design and  
18 construction of an electrical transmission system between Moonah and Juneau.~~

19 \* Sec. 10. The sum of \$42,000 is appropriated from the general fund to  
20 the Alaska Power Authority for a feasibility study regarding improvements to  
21 hydroelectric facilities for Pelican.

22 \* Sec. 11. The sum of \$4,300,000 is appropriated from the general fund  
23 to the Alaska Power Authority for design and engineering for the Lake Elva  
24 hydroelectric project.

25 ~~Sec. 12. The sum of \$30,000 is appropriated from the general fund to  
26 the Alaska Power Authority for a feasibility study relating to reactivation  
27 of an abandoned hydroelectric site at Chitina.~~

28 \* Sec. 13. The sum of \$440,000 is appropriated from the general fund to  
29 the Alaska Power Authority for a feasibility study of the Fairbanks district

SEARCH - QUERY  
00003 '44.83.382'.CITATION.

AS44.83.382 DOCUMENT= 1 OF 1

HEADINGS TITLE 44.  
STATE GOVERNMENT.  
CHAPTER 83.  
ALASKA POWER AUTHORITY.  
ARTICLE 9.  
ENERGY PROGRAM FOR ALASKA.

CITATION SEC. 44.83.382.

HATCH LINE

POWER DEVELOPMENT FUND ESTABLISHED.

(A) A POWER DEVELOPMENT FUND IS ESTABLISHED IN THE ALASKA  
... OUT THE PURPOSES OF THE ENERGY PROGRAM  
FOR ALASKA (AS 44.83.380 44.83.425).

(B) THE FUND INCLUDES

(1) MONEY APPROPRIATED TO IT BY THE LEGISLATURE; AND

(2) REVENUES COLLECTED FROM THE SALE OF POWER THAT ARE

NOT REQUIRED BY LAW TO BE DEPOSITED INTO THE GENERAL FUND.

HISTORY (AS 44.83.410; SEC. 1 CH 118 SLA 1981)

P0601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

AS44.83.170 DOCUMENT= 1 OF 1

HEADINGS TITLE 44.  
STATE GOVERNMENT.  
CHAPTER 83.  
ALASKA POWER AUTHORITY.  
ARTICLE 5.  
POWER PROJECT FUND.

CITATION SEC. 44.83.1 0.

CATCH LINE

POWER PROJECT FUND.

TEXT (A) THERE IS ESTABLISHED AS A SEPARATE FUND THE POWER PROJECT FUND WHICH SHALL BE DISTINCT FROM ANY OTHER MONEY OR FUNDS OF THE AUTHORITY, AND WHICH INCLUDES ONLY MONEY APPROPRIATED BY THE LEGISLATURE.

(B) THE AUTHORITY MAY MAKE LOANS FROM THE POWER PROJECT FUND

(1) TO ELECTRIC UTILITIES, REGIONAL ELECTRIC AUTHORITIES, MUNICIPALITIES, CITIES, BOROUGH, REGIONAL AND VILLAGE CORPORATIONS, VILLAGE COUNCILS, AND NONPROFIT MARKETING COOPERATIVES TO PAY THE COSTS OF

(A) RECONNAISSANCE STUDIES, FEASIBILITY STUDIES, LICENSE AND PERMIT APPLICATIONS, PRECONSTRUCTION ENGINEERING, AND DESIGN OF POWER PROJECTS;

(B) CONSTRUCTING, EQUIPPING, MODIFYING, IMPROVING, AND EXPANDING SMALL-SCALE POWER PRODUCTION FACILITIES, CONSERVATION FACILITIES, BULK FUEL STORAGE FACILITIES, AND TRANSMISSION AND DISTRIBUTION FACILITIES, INCLUDING

GENERATION FACILITIES WHICH DEPEND ON FOSSIL FUEL, WIND POWER, TIDAL, GEOTHERMAL, BIOMASS, HYDROELECTRIC, SOLAR OR OTHER NON-NUCLEAR ENERGY SOURCES; AND

(C) RECONNAISSANCE STUDIES, PRECONSTRUCTION ENGINEERING, DESIGN, CONSTRUCTION, EQUIPPING, MODIFICATION, AND EXPANSION OF POTABLE WATER SUPPLY INCLUDING SURFACE STORAGE AND GROUNDWATER SOURCES AND TRANSMISSION OF WATER FROM SURFACE STORAGE TO EXISTING DISTRIBUTION SYSTEMS;

(2) TO A BORROWER FOR A POWER PROJECT IF

(A) THE LOAN IS ENTERED INTO UNDER A LEVERAGED LEASE FINANCING ARRANGEMENT.

(B) THE PARTY WHICH WILL BE RESPONSIBLE FOR THE POWER PROJECT IS AN ELECTRIC UTILITY, REGIONAL ELECTRIC AUTHORITY, MUNICIPALITY, CITY, BOROUGH, REGIONAL OR VILLAGE CORPORATION, VILLAGE COUNCIL, OR NONPROFIT MARKETING COOPERATIVE AND

(C) THE BORROWER SEEKING THE LOAN DEMONSTRATES TO THE AUTHORITY THAT THE FINANCING ARRANGEMENT FOR THE POWER PROJECT WILL REDUCE PROJECT FINANCING COSTS BELOW COMPARABLE PUBLIC POWER PROJECTS.

(C) BEFORE MAKING A LOAN FROM THE POWER PROJECT FUND, THE AUTHORITY SHALL, BY REGULATION, SPECIFY

(1) STANDARDS FOR THE ELIGIBILITY OF BORROWERS AND THE

TYPES OF PROJECTS TO BE FINANCED WITH LOANS;

(2) STANDARDS REGARDING THE TECHNICAL AND ECONOMIC VIABILITY AND REVENUE SELF-SUFFICIENCY OF ELIGIBLE PROJECTS;

(3) COLLATERAL OR OTHER SECURITY REQUIRED FOR LOANS;

(4) THE TERMS AND CONDITIONS OF LOANS;

(5) CRITERIA TO ESTABLISH FINANCIAL FEASIBILITY AND TO MEASURE THE AMOUNT OF STATE ASSISTANCE NECESSARY FOR PARTICULAR PROJECTS TO MEET THE FINANCIAL FEASIBILITY CRITERIA; AND

(6) OTHER RELEVANT CRITERIA, STANDARDS OR PROCEDURES.

(D) ANY LOAN MADE BY THE AUTHORITY MUST BE MADE ACCORDING TO THE STANDARDS, CRITERIA, AND PROCEDURES ESTABLISHED BY REGULATION UNDER THIS SECTION.

(E) REPAYMENT OF THE LOANS SHALL BE SECURED IN ANY MANNER WHICH THE AUTHORITY DETERMINES IS FEASIBLE TO ASSURE PROMPT REPAYMENT UNDER A LOAN AGREEMENT ENTERED INTO WITH THE BORROWER. THE AUTHORITY MAY MAKE AN UNSECURED LOAN FROM THE POWER PROJECT FUND TO A BORROWER REGULATED BY THE ALASKA PUBLIC UTILITIES COMMISSION UNDER AS 42.05 IF THE BORROWER HAS A SUBSTANTIAL HISTORY OF REPAYING LONG-TERM LOANS AND THE CAPACITY TO REPAY THE LOAN. UNDER A LOAN AGREEMENT, REPAYMENT MAY BE DEFERRED FOR 10 YEARS OR UNTIL THE PROJECT FOR WHICH THE LOAN IS MADE HAS ACHIEVED EARNINGS FROM ITS OPERATIONS SUFFICIENT TO PAY THE LOAN, WHICHEVER IS EARLIER.

(F) POWER PROJECTS ARE SUBJECT TO THE FOLLOWING LIMITATIONS ON INTEREST AND SPECIFIC RESTRICTIONS:

(1) POWER PROJECTS FOR WHICH LOANS ARE OUTSTANDING FROM THE WATER RESOURCES REVOLVING LOAN FUND (AS 45.86) ON JULY 13, 1978, MAY RECEIVE ADDITIONAL FINANCING FROM THE POWER PROJECT FUND; THE ADDITIONAL FINANCING, IF GRANTED,

(A) SHALL BE GRANTED FOR A TERM NOT EXCEEDING 50 YEARS;

(B) SHALL BE GRANTED AT AN INTEREST RATE OF NOT LESS THAN THREE OR MORE THAN FIVE PERCENT A YEAR ON THE UNPAID BALANCE;

(C) SHALL BE CONDITIONED ON THE REPAYMENT OF LOAN PRINCIPAL AND INTEREST TO BEGIN ON THE EARLIER OF

(I) THE DATE OF THE START OF COMMERCIAL OPERATION OF THE PROJECT; OR

(II) 10 YEARS FROM THE DATE THE LOAN IS GRANTED.

(2) LOANS FOR POWER PROJECTS

(A) SHALL BE GRANTED FOR A TERM NOT TO EXCEED 50 YEARS, AND

(B) SHALL BE GRANTED AT AN INTEREST RATE WHICH IS NOT LESS THAN FIVE PERCENT AND WHICH IS THE LESSER OF

(I) A RATE EQUAL TO THE PERCENTAGE WHICH IS THE AVERAGE WEEKLY YIELD OF MUNICIPAL BONDS FOR THE 12 MONTHS PRECEDING THE DATE OF THE LOAN, AS DETERMINED BY THE AUTHORITY FROM MUNICIPAL BOND YIELD RATES REPORTED IN THE 30-YEAR REVENUE INDEX OF THE WEEKLY BOND BUYER; OR

(II) A RATE DETERMINED BY THE AUTHORITY WHICH ALLOWS THE PROJECT TO MEET CRITERIA OF FINANCIAL FEASIBILITY ESTABLISHED UNDER AS 42.3.179(C).

(G) LOAN REPAYMENTS AND INTEREST EARNED BY LOANS FROM THE

POWER PROJECT FUND SHALL BE DEPOSITED IN THE STATE GENERAL FUND.

(H) THE LEGISLATURE MAY FORGIVE THE REPAYMENT OF A LOAN MADE FROM THE POWER PROJECT FUND FOR A RECONNAISSANCE STUDY OR A FEASIBILITY STUDY WHEN THE AUTHORITY FINDS THAT THE POWER PROJECT FOR WHICH THE LOAN WAS MADE IS NOT FEASIBLE.

HISTORY (SEC. 1 CH 278 SLA 1976; AM SEC. 16 CH 156 SLA 1978; AM SECS. 19 - 23 CH 83 SLA 1980)

R0601 \* END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.

LEGISLATIVE SUMMARY

CS § 825 "An Act transferring among various appropriations to the Alaska Power Authority for power projects and making special appropriations to the Alaska Power Authority for power projects; and providing for an effective date."

Sec. 1 The following appropriations are transferred to the ones listed in Section 2:

Angoon tidal power project - \$250,000  
 Akutan project - \$974,000  
 Bethel Utilities Corporation \$2,000,000  
 Green Lake project - \$8,000,000  
 Solomon Gulch - \$5,000,000 - *15,000,000*  
 Lake Elva - \$4,450,000  
 Petersburg transmission and distribution - \$1,500,000  
 Wrangell transmission and distribution - \$1,500,000  
 Akutan - \$127,000  
 Ouzinki waste heat - \$450,000

Sec. 2.

Terror Lake - \$20,000,000  
 Black Bear Lake - \$3,000,000  
 Kotzebue heating project \$2,500,000  
 Rural small Hydro - \$5,000,000  
 West Creek - \$2,000,000  
 Grant Lake - \$1,751,000

Sec. 3 General Fund appropriation for Grant Lake \$249,000

Sec. 4 General fund appropriation Bristol Bay \$4,000,000

Sec. 5 General fund appropriation for emergency maintenance fund \$500,000

Sec. 6 General fund appropriation for renewal and replacement fund \$750,000

Sec. 7 These are capital projects.

Sec. 8 Effective date: immediately

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LEGISLATIVE SUMMARY

SB 826 "An Act relating to preliminary work on the Susitna River hydroelectric project."

Sec. 1 The Alaska Power Authority may enter into contracts for preliminary work without the approval required by AS 44.83.325.

"preliminary work" is defined as preparation of plans, studies, and license applications, and other types of work which must be completed before actual construction described in AS 44.83.300 may begin.

Does not authorize the Alaska Power authority to contract for actual construction or for the preparation of the site without the approval required by AS 44.83.325.

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NOTE: AS 44.83.300 - describes the Susitna River hydroelectric project.

AS 44.83.325 - Restrictions on contracting. The authority may not enter into contracts under .300 - .360 other than feasibility studies, preliminary reports or construction of the Anchorage-Fairbanks intertie, until the legislature approves by law the preliminary report required by AS 44.83.320(b).

AS 44.83.320(b) The authority shall by April 30, 1982 prepare and submit a preliminary report recommending whether work should be continued on the project and other viable alternatives. If the recommendation is to continue on Susitna the report shall explain in detail.

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SPONSOR: Rules Committee by Request of the Governor

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## BILL SUMMARY

SB 828

Section 1. This section requires that a project be economically feasible using market interest rates but eliminates the need that the project undergo a surrogate 5% market test. The state should be interested in insuring that a project is economically feasible; however, the 5% market test has no value to the state. The 5% test is arbitrary. A more important test is conducted internally by the Power Authority. In the event full appropriations are not made for a project, before the Power Authority initiates construction of the project it first reviews the ability of the community to participate in the State financing program as well as pay off bonds for the balance of the project financing. If it cannot meet that test than the project will not proceed.

Section 2. This section insures that all program receipts except those needed to secure revenue bonds are deposited in the general fund and may be reappropriated by the legislature to cover the costs of project operation and maintenance. This amendment is aimed at insuring that the Power Development Fund is not a dedicated fund.

Section 3. This section if adopted insures that the Power Authority can covenant to insure payment of debt service on bonds. Without this the Power Authority may not be able to issue completion bonds for its projects.

Section 4. This amendment makes it permissive rather than mandatory for the Power Authority to route the Anchorage/Fairbanks Transmission line through Denali State park.

Section 5. Last year the legislature appropriated interest earned on appropriations for power projects back to the projects. Thus the legislature would need only to make an appropriation for a project in present dollars and would not have to worry about the fund being eroded by inflation. The repeal of this section will insure that interest earnings of the power development fund return to the General Fund unless specifically appropriated by the legislature. As it turns out now, the interest appropriated by the legislature last year appears to not have accrued as a result of 44.83.388 (1). Repeal of this section preserves legislative prerogative.

SB 828

*From  
Stiglitz  
3/10/82*

AMENDMENT

Section 1. , line 13, after "economically feasible" ADD

and that the project will be able to meet the requirements of 44.83.398

(b) (2) (A).

**AMENDMENT: INCORPORATION OF SB 784**

**Rationale:** Current statutes permit the APA to establish capital reserve funds (moral obligation of the state pledge). Generally, these reserve funds have been merely additional security for bondholders. Recently, the APA has considered establishment of capital reserve funds for revenue bond issues when there is great doubt that revenues are sufficient to pay the bondholders, thus probably requiring annual drawdowns on the capital reserve fund.

Bonding or partial bonding of hydro projects will become more commonplace as revenues decline.

This amendment would require the APA to notify the State Bond Committee and the legislature of the intention to establish a capital reserve fund and to estimate the annual drawdown on the fund, so that the executive and the legislature will have prior notification of an annual expenditure.

**AMENDMENT: FINANCIAL ANALYSIS REQUIREMENT**

**Rationale:** As a part of the duties of the Division of Budget and Management, this amendment would add the preparation of a financial analysis which would look at the ability of the project to meet its financial obligations and the indirect and direct effect of financing plans, including bonding proposals, on the indebtedness of the state. If a high volume of bond sales are contemplated, it will be important to

assess the incremental and total effect of bonding and other financing plans on state revenues and on the ability of the state and its political subdivisions to market bonds.

**AMENDMENT: BID CONTRACT AND RESUBMISSION**

**Rationale:** At the present time, the legislature does not authorize a project at a specific sum. Projects receive annual appropriations, the total of which need not be known in advance. This amendment would require that the legislature authorize a project at a particular funding level. If the project comes in substantially over that price, reauthorization would be required prior to the start of project construction. This would mean that the legislature could change its mind about a project: now, once a project is begun, even if the total cost is many times greater than originally envisioned, appropriations continue to be made, because the project has already begun.

Additionally this amendment would require that the APA not use for project management construction any contractor involved in the feasibility study for a project. This amendment would counter the institutional basis favoring low project estimates so that contractors can see the project started and receive additional benefits from involvement in management or construction of the project.

Mr. Yould, at a meeting of the APA Board, expressed agreement with this concept.

**AMENDMENT: FEASIBILITY REQUIREMENTS**

**Rationale:** This amendment would require that the costs of transmission systems and reserve or stand-by power requirements for projects be included in feasibility analysis.

AMENDMENT

AS 44.83.181 (b) (1) is amended to read

(1) information about the proposed project, including but not limited to estimates of total project construction costs, total project operating costs, the costs of transmission systems and reserve power requirements, the timing and amount of anticipated returns from the completed project, a benefit to cost ratio, the potential effect of the project on the environment of the area which will be served by the project when completed, and the availability of alternative government financing

AS 44.83 is amended by adding a new section to read:

Sec. 44.83.184. FINANCIAL ANALYSIS. (a) The division of budget and management in the Office of the Governor shall prepare a financial analysis of a project of the authority. The analysis shall evaluate proposed bond resolutions or other financial arrangements or financial plans, security plans and arrangements, cost and demand uncertainties, <sup>equity</sup> and debt volume, as they relate to

(1) the ability of the project to meet the required level of return on the investment in the project; and

(2) the total direct and indirect indebtedness of the state.

(b) In preparing the analysis required by this section the division of budget and management may use the services of outside agencies or institutions that are not otherwise involved in the project.

(c) The analysis required by this section shall be prepared and submitted at the same time as the report required by AS 44.83.183. A copy of the analysis shall be given to [the Legislative Budget and Audit Committee.]

AS 44.83.185(a) is amended to read:

(a) The authority shall submit a feasibility study and plan of finance for a proposed new project to the legislature. When the report of the division of budget and management examining the feasibility study and plan of finance, and the financial analysis of the project are [IS] completed as required by AS 44.83.183 and 44.83.184, they [IT] shall be submitted to the legislature.

AS 44.83.185(c) is amended to read:

(c) The legislature shall consider and must approve all proposed new projects except proposed new projects that are exempt under AS 44.-83.187. The legislature may approve a proposed new project only by enacting law that authorizes the project and approves a maximum construction cost for [AUTHORIZING] that project.

AS 44.83 is amended by adding a new section to read:

Sec. 44.83.186. BID CONTRACT AND RESUBMISSION. (a) Unless otherwise authorized by the legislature, a project approved under AS 44.83.185 shall be constructed by bid contract and bids for all portions of the project shall be taken at the same time.

(b) If the lowest acceptable bids for a project <sup>significantly</sup> exceed the construction cost authorized by the legislature under AS 44.83.185(c), the authority may

(1) cancel the project; or

(2) resubmit the project to the legislature for authorization for a different project construction cost.

(c) If a project is resubmitted to the legislature under this section, the authority shall revise the feasibility study and plan of finance for the project to reflect new information and the division of budget and management in the Office of the Governor shall revise the report on the feasibility study and plan of finance and the financial analysis of the project to reflect new information. The revised project information shall be submitted to the legislature before it reconsiders the project.

CHANGE AS 44.83.187(a) and (b) and (d) for consistency with above.

AS 44.83.189 is amended by adding a new subsection to read:

(b) A contractor who has participated in the preparation of the feasibility study and plan of finance for the project under AS 44.83.181, the report on the feasibility study and plan of finance under AS 44.83.-183, or the financial analysis under AS 44.83.184 may not participate in the construction of a project by the authority.

**Sec. 44.83.396. Sale of power from power project.** (a) The authority shall sell power produced from power projects acquired or constructed under the energy program for Alaska. A utility that purchases power produced by a power project of the authority shall agree with the authority

(1) to give preference in the sale of power at retail to all classes of consumers of power except industrial consumers;

(2) to charge industrial consumers of power a rate determined by the authority in accordance with (d) of this section.

(b) The authority shall establish a wholesale power rate structure applicable to sales of power to its customers at the busbar of the power project as follows:

(1) The authority shall establish and maintain a single wholesale power rate applicable to all power projects that it has acquired or constructed under the energy program for Alaska. The wholesale power rate shall be computed by the authority annually, and shall equal the rate that the authority estimates is necessary to produce revenue that is sufficient to pay

(A) operation, maintenance, and equipment replacement costs of the power projects;

(B) debt service of the power projects;

(C) safety inspections and investigations of the power projects by the authority.

(2) If, by July 1, 1986, the legislature has not appropriated at least \$5,000,000,000 to the fund, in addition to appropriations to the fund of interest earned on money in the fund, the authority shall, beginning on that date, establish and maintain a single wholesale power rate applicable to all power projects that it has acquired or constructed under the energy program for Alaska. The wholesale power rate shall be computed by the authority annually, and shall be the greater of

(A) 10 percent of the amount the authority has invested in the power projects, including loans and grants made by the state; or

(B) the rate that the authority estimates is necessary to produce revenue sufficient to pay

(i) operation, maintenance, and equipment replacement costs of the power project;

(ii) debt service of power projects by the authority; and

(iii) safety inspections and investigations of the power projects by the authority.

(c) The authority shall transmit all the money that it receives under (b) of this section to the commissioner of revenue for deposit in the state general fund except for the money it receives under (b)(1)(A) and (B) and (b)(2)(B)(i) and (ii), or the money it would have received under (b)(1)(A) and (B) and (b)(2)(B)(i) and (ii) of this section if those items had been used in part to establish the wholesale power rate in effect at the time the money is received by the authority.

(d) A rate for an industrial consumer under (a)(2) of this section

(1) may exceed the wholesale power rate determined under (b) of this section;

(2) may not be less than the rate charged residential consumers.

(e) The legislature may, by law, annul or change the wholesale power rate for sales of power that the authority adopts under (b) of this section. (AS 44.83.490; § 1 ch 118 SLA 1981)

**Editor's notes.** — As enacted this section was designated AS 44.83.490 and was renumbered by the revisor of statutes under AS 01.05.031.

## BILL SUMMARY

SB 828

Section 1. This section requires that a project be economically feasible using market interest rates but eliminates the need that the project undergo a surrogate 5% market test. The state should be interested in insuring that a project is economically feasible; however, the 5% market test has no value to the state. The 5% test is arbitrary. A more important test is conducted internally by the Power Authority. In the event full appropriations are not made for a project, before the Power Authority initiates construction of the project it first reviews the ability of the community to participate in the State financing program as well as pay off bonds for the balance of the project financing. If it cannot meet that test then the project will not proceed.

Section 2. This section insures that all program receipts except those needed to secure revenue bonds are deposited in the general fund and may be reappropriated by the legislature to cover the costs of project operation and maintenance. This amendment is aimed at insuring that the Power Development Fund is not a dedicated fund.

Section 3. This section if adopted insures that the Power Authority can covenant to insure payment of debt service on Bonds. Without this the Power Authority may not be able to issue completion bonds for its projects.

Section 4. This amendment makes it permissive rather than mandatory for the Power Authority to route the Anchorage/Fairbanks Transmission line through Denali State park.

Section 5. Last year the legislature appropriated interest earned on appropriations for power projects back to the projects. Thus the legislature would need only to make an appropriation for a project in present dollars and would not have to worry about the fund being eroded by inflation. The repeal of this section will insure that interest earnings of the power development fund return to the General Fund unless specifically appropriated by the legislature. As it turns out now, the interest appropriated by the legislature last year appears to not have accrued as a result of 44.83.388 (1). Repeal of this section preserves legislative prerogative.

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# Alaska State Legislature

## Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

### MEMORANDUM

TO: Sen. Don Gilman, Chair  
Senate Committee on Community and  
Regional Affairs

FROM: Sen. Vic Fischer *Vic*

DATE: March 15, 1982

RE: SB 859: relating to municipal tax exemption of  
property owned by spouse of deceased Pioneer

Attached is an explanation of the purpose behind SB 859.

Am also enclosing a proposed substitute that clarifies intent and eliminates references to children. Rather than putting that in a sponsor substitute, I would appreciate it if you give this revision consideration when taking up the bill.

For further information please contact Mary Ann Shaefer in Pioneers' Benefits, 465-4416.

Thanks for your consideration.

Under this amendment a stabilizing transition will be provided that won't in any one case or fiscal period affect funding, taxes foregone or reimbursement to local government. The amendment would simply continue for the surviving spouse what is already in place.

The amendment is offered in recognition that not always will husband and wife both qualify, or qualify simultaneously, for the residential tax exemption; but that as a family unit they will live within a preestablished fixed income that in most cases will diminish on the death of the elder. Thus the purpose of this amendment is to preserve the residential exemption for those families that have once qualified for it and become dependent on it in retirement's curtailed financial circumstances.

The amendment would not bring into the exempt category any who have not previously enjoyed it, but would enable the surviving spouse to remain in that category and to avoid an unexpected tax burden at the very time when retirement income may be further reduced by death of the other.

The exemption was adopted originally to hold senior Alaskans in Alaska by facilitating retention of their established homes. A corollary for those affected has been their spending their modest means in Alaska and continuing to contribute to Alaska in all areas.

Without this amendment some surviving spouses would suffer the hardship of not succeeding immediately to the tax exemption the family had depended on; with likely disruption in living arrangements by loss of the exemption through death of the qualifying spouse.

Adoption of this amendment would bridge that gap by assisting the surviving spouse to continue in a settled condition.

An Act to amend AS 29.53.020 (e) relating to the residential tax exemption for senior citizens.

On the death of one whose permanent place of abode has been exempted under AS 29.53.020 (e) from general taxation and who is survived by a spouse who is less than 65 years of age, decedent's residential tax exemption will accrue to the surviving spouse while such surviving spouse occupies as a permanent place of abode the real property to which decedent's tax exemption applied and retains ownership of said permanent place of abode.

Under this amendment a stabilizing transition will be provided that won't in any one case or fiscal period affect funding, taxes foregone or reimbursement to local government. The amendment would simply continue for the surviving spouse what is already in place.

The amendment is offered in recognition that not always will husband and wife both qualify, or qualify simultaneously, for the residential tax exemption; but that as a family unit they will live within a preestablished fixed income that in most cases will diminish on the death of the elder. Thus the purpose of this amendment is to preserve the residential exemption for those families that have once qualified for it and become dependent on it in retirement's curtailed financial circumstances.

The amendment would not bring into the exempt category any who have not previously enjoyed it, but would enable the surviving spouse to remain in that category and to avoid an unexpected tax burden at the very time when retirement income may be further reduced by death of the other.

The exemption was adopted originally to hold senior Alaskans in Alaska by facilitating retention of their established homes. A corollary for those affected has been their spending their modest means in Alaska and continuing to contribute to Alaska in all areas.

Without this amendment some surviving spouses would suffer the hardship of not succeeding immediately to the tax exemption the family had depended on; with likely disruption in living arrangements by loss of the exemption through death of the qualifying spouse.

Adoption of this amendment would bridge that gap by assisting the surviving spouse to continue in a settled condition.



**ALASKA STATE LEGISLATURE**

TWELFTH Legislature SECOND Session

SENATE BILL NO. 859

By THE STATE AFFAIRS COMMITTEE

"An Act exempting from municipal taxation the permanent place of abode of certain surviving spouses of deceased residents; and providing for an effective date."

Introduced in the Senate 3/15/19 82

**HISTORY IN THE SENATE**

19	82	Read first time and referred to Committee on C & RA and Finance																						
3	15	Reported back with recommendation that																						
		Read second time and																						
		Read third time and																						
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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		Reported correctly engrossed Signed by President Sent to House																						
SECRETARY OF THE SENATE																								

**HISTORY IN THE HOUSE**

19		Read first time and referred to Committee on																						
		Reported back with recommendation that																						
		Read second time and																						
		Read third time and																						
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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Excused	Excused																							
		Reported correctly engrossed Signed by Speaker Returned to Senate																						
CHIEF CLERK OF THE HOUSE																								

**HISTORY IN THE SENATE**

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
		..... by Governor
		Filed with Lt. Governor
		Chapter No. ....

S

B

8

7

9

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-2300

April 15, 1982

The Honorable Donald E. Gilman  
Chairman  
Senate Community & Regional  
Affairs Committee  
Room 121 - Capitol Building  
Juneau, Alaska

Re: Senate Bill No. 879

Dear Senator Gilman:

Senate Bill No. 879, an Act exempting receipts from sales of capital assets from the business license tax, was introduced in the Senate on March 29, 1982 and was referred to the Senate Community & Regional Affairs and Finance Committees.

For the consideration of the Senate Community & Regional Affairs Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Robert R. Kessel, Director, Audit Division and Mr. John Larson, Economist, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson  
Special Assistant

### Enclosures

cc: The Honorable Don Bennett  
The Honorable M. E. Dankworth  
Co-Chairmen  
Senate Finance Committee

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Robert R. Kessel, Director  
Audit Division  
Department of Revenue

John Larson, Economist  
Research Section  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: SB 879

Title: An Act exempting receipts from sales of capital assets from the business license tax.

Requested by: Rules Committee

Date: April 14, 1982

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected: Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	4575	75	75	75	75
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

FULL TIME	-	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

See attached memo to R. D. Stevenson dated April 14, 1982. Since the provisions of the bill would require refunding of past taxes paid, an appropriation of \$2,500,000 would be required.

IV. DATE: April 14, 1982

PREPARED BY: Robert R. Kessel

AGENCY: Audit Division

PHONE: 465-2320

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

M E M O R A N D U M

TO: R. D. Stevenson  
Special Assistant

FROM: Robert R. Kessel  
Director, Audit Division AA

DATE: April 14, 1982

RE: SB 879 "An Act exempting receipts from sales of capital assets from the business license tax"

SB 879 essentially impacts two classes of taxpayers:

1. Taxpayers, other than national and state banks, trust companies and savings and loan associations, who were subject to the gross receipts license fee prior to its repeal in 1979 and either reported the sale of capital assets on their returns as filed or were audited and assessed tax for the sale of capital assets. The license fee is now \$25 for each business, but prior to the 1979 repeal the license fee was based on a percent of gross receipts.
2. National and state banks, trust companies and savings and loan associations who are still subject to a license fee of seven percent of net income.

The bill is retroactive to July 1, 1972. There appears to be a constitutional problem relating to the State's right to forgive back taxes (distribution of public funds). The bill would affect primarily those taxpayers who either have assessments outstanding or have paid additional tax in response to assessments made within the past two years.

Another constitutional question relates to whether the legislature can amend provisions of a law that has been appealed prior to the proposed amendment.

SB 879 addresses the sale of a capital asset and it is doubtful whether exchanges, abandonment or involuntary conversion are covered by the bill. Section 1231 of subchapter (P) of the Internal Revenue Code, refers to recognized gain on sales or exchanges of property and recognized gains from involuntary conversion. SB 879 is currently written so that only sales of capital assets would be exempt from taxation and is inconsistent if exchanges and involuntary conversions were not exempt.

The definition of "property held for resale in the normal course of business" could also be troublesome. It could conceivably be argued that property was held for resale but that such was not in the normal course of business. The language in the bill could be construed to apply only to the main business activity of a taxpayer, etc. - (Business is defined in the ABLA as all activities or acts.... The bill's language of "normal course of business" is much narrower.) Also the definition of capital asset could be overly broad since banks and savings and loan associations deal in notes and accounts receivable in the ordinary course of business and those transactions should not be exempt from the business license fee. These problems could be corrected by changing the definition of a capital asset to the following:

"Capital asset" means property but does not include the following:

- 1) an inventoriable asset;
- 2) property held for resale in the ordinary course of trade or business;
- 3) a note or accounts receivable required in the ordinary course of trade or business for services rendered or from the sale of stock in trade or property held for sale in the ordinary course of business;

The development of a fiscal note is highly speculative but the Department believes the following is reasonable:

A. Loss to General Fund

1) Past audits either refunded or abated	\$2,500,000
2) Refund claims from those taxpayers including capital assets in their business license tax return and remitting tax thereon	2,000,000
3) Banks - capital assets - loss of revenue yearly	25,000
4) Banks - notes and accounts receivable loss of revenue yearly	<u>50,000</u>
Total	<u>\$4,575,000</u>

To determine validity of refund claims, and to handle the administrative functions relating thereto, the Department will require two additional employees, a conferee and a tax examiner for a period of two years.

RRK/gb

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: SB 879

Title: An Act exempting receipts from sales of capital assets from the business license tax.

Requested by: Rules Committee

Date: April 14, 1982

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected: Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	54	59	-	-	-
200 TRAVEL	-	2	3	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	.5	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	56.5	62	-	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	56.5	62	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

FULL TIME	-	2	2	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE: April 14, 1982

PREPARED BY: Robert R. Kessel

AGENCY: Audit Division

PHONE: 465-2320

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: SENATE BILL NO. 879

Title: An act exempting receipts from sales of capital assets from the business license tax

Requested by: Senate Community & Regional Affairs Comm. Date: 3/31/82

II. FISCAL DETAIL

Agency Affected:

Program Category Affected:

BRU, Program, or Subprogram(s) Affected:

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section 117)

Senate Bill 879 exempts the receipts from sales of capital assets of a business from the former gross receipts portion of the license fee under AS 43.70, The Alaska Business License Act. The gross receipts portion of the license fee was repealed in ch. 144, SLA 1978. Senate Bill 879 proposes to make the capital asset exemption retroactive to July 1, 1972. Thus, this bill would affect all businesses who paid gross receipts tax on the sale of capital assets between 1972 and 1978. These businesses would be allowed to recompute their gross receipts tax liability for those years excluding from taxable gross receipts, receipts from the sale of capital assets.

The Department of Revenue has no historical data on gross receipts as to source, i.e., gross receipts from sale of capital assets vs. other gross receipts. It is, therefore, not possible to attach a dollar estimate to the total amount of retroactive refunds which would be claimed under Senate Bill 879.

IV. DATE: 4/7/82

PREPARED BY: John Larson, Economist

AGENCY: Department of Revenue

PHONE: 465-2173

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

SCR

16

COMMITTEE REPORT  
SENATE

FURTHER: None

3/13/81

Date: \_\_\_\_\_

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SCR 16

annexation to the City of Nome

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Arthur Sturgis

[Signature]

Don Gilman

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Don Gilman  
CHAIRMAN

SENATE AMENDMENT #1

By Senate Community & Regional Affairs  
Committee

To: \_\_\_\_\_ SENATE BILL No. SCR 16

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 26

After the word "which" insert the word "allegedly"

SENATE AMENDMENT #2

By Senate Community & Regional Affairs  
Committee

To: \_\_\_\_\_ SENATE BILL No. SCR 16

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 2      LINE: 26 through 29

Delete lines 26 through 29.

STATE OF ALASKA  
THE LEGISLATURE  
LEGISLATIVE AFFAIRS AGENCY

POUCH V - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465 3800

MEMORANDUM

March 13, 1981

SUBJECT: SCR relating to annexation to the City  
of Nome

TO: Senator Don Gilman, Chairman  
Senate Community and Regional Affairs  
Committee

FROM: Tamara Brandt Cook  
Legislative Counsel *TBC*

Here is a resolution you requested for introduction on March 13, 1981. Since this is directed to the governor, the "Further Resolved" clause does not seem appropriate. It does not request the governor to take any action. I would recommend that a separate resolution be prepared directed to the Local Boundary Commission requesting the action by the commission which now appears in the last clause of this resolution.

TBC:ljb

Enclosure



# CITY OF NOME

RECEIVED  
MAR 5 1981

P.O. BOX 281 - NOME, ALASKA 99762  
TELEPHONE (907) 443-5242

February 26, 1981

Representative Jack Fuller  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

DEPT. OF COMMUNITY  
AND REGIONAL AFFAIRS

RECEIVED  
MAR 2 1981

DEPT. OF COMMUNITY  
AND REGIONAL AFFAIRS

Dear Representative Fuller:

Thank you for the opportunity to comment on the Legislature's activities regarding Nome's annexation.

I personally am puzzled as to why you have taken a position of opposition to our annexation. You have said numerous times that you know we need to have annexation, yet you continue to defend the position that it shouldn't happen. Legal issues will always cloud annexation in the Nome area. To disapprove our annexation for that reason means we will never be any larger than we are today.

I also realize that allowing the City of Nome to grow more than 235 times its present size is unacceptable to a lot of people. However, that is not what this is all about. This annexation will allow us to grow 17 times larger and that is a monstrous figure only because we are so small today.

It is also important to note, just for the record, that the Senate and House go to the elected representatives of the communities affected by the annexation for guidance on how to vote on these issues. When you refer to action by the House Community & Regional Affairs Committee members disapproving our annexation, and ultimately by the full House, it will be because you disapprove of our annexation.

In your letter, you mentioned a resolution to direct the Dept. of Community & Regional Affairs to take specific action regarding our annexation. I was told that similar action was taken by the Legislature regarding Kodiak's annexation in 1979. You might discuss the outcome of that with Senator Mulcahy and Representative Zharoff. I was told that nothing came of that effort!

If we accept the idea that the City of Nome is not interested in annexing native-owned land, then the discussions would only be directed to Alaska Gold and several other private landowners in the area. I don't believe that the State of Alaska or anyone else can move Alaska Gold to do something that is not in their best interests. Mr. Ruddy, Alaska Gold's attorney, has stated numerous times that they will fight any and all efforts to annex their lands. As long as that attitude remains, I can see no change in the situation we are dealing with in the present annexation. We have nothing showing that Alaska Gold has changed their position. Possibly you have a commitment from them that we aren't aware of.

Representative Jack Fuller

February 26, 1981

Page two

I feel that the only way we will be able to annex the land necessary for the future of the City is to make certain that the Local Boundary Commission's actions are foolproof. All State statutes and Administrative Code regulations pertaining to annexation should be reviewed to make absolutely certain that Alaska Gold can't beat the annexation in court.

I see a number of problems if we wait another year. Probably the most important is that Alaska Gold will take us to court next year as well. This will delay us another 2 years while the suit gets to the Supreme Court. We are now looking at completion of the Port Facility by 1985. If things go as mentioned above, we will probably be able to start acquiring land and tidelands by then.

One other item. The City and the Boundary Commission both agreed that on a small annexation like the one before the State Legislature, there was no need for differential taxation. Landowners in Icy View and elsewhere within up to 3 miles of the present City limits should be close enough to pay for all the services. We were looking at assessing property lower to give them a tax break.

Reference has been made to the City's lack of communication with the Gold Company. I'm enclosing several letters that will give you an idea of what's been going on.

Annexation by the City of Nome is not a land grab. It is an attempt to become a more viable and progressive community with room for expansion and the ability to adequately plan for our future. Your assistance in helping us achieve these goals is not only requested, but is mandatory if it is ever to be achieved.

Sincerely,

*Ivan L. Widom*

Ivan L. Widom  
City Manager

cc: Mayor & City Council  
Senator Ferguson  
Commissioner Lee McAnerny ✓  
Dan Bockhorst



# Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

465-4934  
465-4935

Official Business

Donald Gilman, Chairman  
Robert H. Ziegler, Sr., Vice-Chairman  
Mike Colletta  
Arliss Sturgulewski  
Frank Ferguson

Pouch V  
State Capitol  
Juneau, Alaska 99811

TO: Senator Don Gilman

FROM: David Dye *David*

SUBJECT: SCR 16: Relating to Annexation to the City of Nome

Tam Cook, the Legislative Counsel who drafted SCR 16, has indicated to me that there are several questions regarding the appropriateness of the "Further Resolved" clause which begins at line 26 on the bottom of page two.

First, the resolution is directed to the governor. The "Further Resolved" clause is directed toward the Local Boundary Commission. Legislative resolutions are normally directed toward one party only. A separate resolution directed to the Local Boundary Commission would be a more appropriate way to express any concern directed toward that agency.

Second, the clear implication of this clause is that the Local Boundary Commission failed to follow its procedures and guidelines in the matter of the Nome annexation. This allegation was made by attorneys for the respondents who opposed the annexation. The attorney for Alaska Gold Company indicated that any petition which would annex Gold Company land would be challenged. The standard legal challenge to any administrative decision is an allegation that regulations were not followed in either substance or procedure. Therefore it is likely that these charges will recur following any subsequent annexation. The mere fact that the allegation is raised should not create a presumption of irregularity towards the Local Boundary Commission. To do so could seriously lower the public's confidence in the legitimacy of the Commission's work.

Memo to Senator Don Gilman  
Subject: SCR 16  
Page Two

Third, the Chairwoman, one commission member and the staff of the Commission were present at the Community and Regional Affairs Committee hearing on the annexation. It is hard to imagine that the Commission needs extra awareness of the Legislative reservations concerning this matter.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCR NO. 16  
 Title An Act Relating to annexation to the City of Nome  
 Requested by Community and Regional Affairs Committee Date March 18, 1981

II. FISCAL DETAIL

Agency Affected Community Affairs  
 Program Category Affected Community Development  
 BRU, Program, or Subprogram(s) Affected Local Boundary Commission  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		35.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>35.0</b>				

FUNDING (Thousands of Dollars)

GENERAL FUND		35.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		-0-				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The Department, through a competitive procedure, would contract with a recognized Alaska-based public management, accounting or planning consulting firm to prepare a study as outlined in SCR No. 16. The Contract would not exceed a total cost of \$35,000. It would require the consultant to travel to Nome and meet with interested or affected organizations and property owners. They would also be responsible for scheduling and conducting the required public hearings.

The study would develop a plan for delivering services to the area proposed for annexation. The plan will be transmitted to the City of Nome and to the Second Session of the Twelfth Legislature by January 31, 1982.

IV. DATE March 18, 1981 PREPARED BY Terrence Lawrence May  
 AGENCY Community & Regional Affairs/LGAD  
 Original: Legislative Finance PHONE 465-4734  
 cc: Budget and Management  
 Prime Sponsor (First Legislator named)

SCR

33



BUDGET REQUEST

TO: SENATE PRESIDENT  
FROM: C + R A Committee

BUDGET

100 Personal Services	\$ <u>30,750 + Benefits</u>
200 Travel	\$ <u>14,000</u>
300 Contractual	\$ <u>2,000 Telephone</u>
400 Commodities	\$ <u>250 Supplies</u>
TOTAL	\$ <u>47,000 + Benefits</u>

\*\*\*\*\*

Details:

100 Personal Services

Staffing Detail:

Name: David Dye Range x months \$ <sup>21A x 5 1/2</sup> \* 17930  
 Name: Betty Krieter Range x months \$ 6 \* 12810  
 : 15A x

200 Travel

Anticipated:

No. Travelers	Destination	Cost
1. _____	_____	\$ <u>14,000</u>
2. _____	_____	\$ _____
3. _____	_____	\$ _____
4. _____	_____	\$ _____

(see ATTACHED schedule)

300 Contractual

Telephone:

Utility 2000 (Request Telephone 465-4934 credit card)  
 Phone Nos. 283-4182

Office Space:

Vendor \_\_\_\_\_ Location \_\_\_\_\_  
 Payment Arrangements \_\_\_\_\_

Anticipated special contract requests: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

400 Commodities

Office Supplies anticipated

\$ 250

500 Equipment

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Petty Cash:

Yes / /

No /X/

Amount \$ \_\_\_\_\_

Custodian: \_\_\_\_\_

Name

Travel Request Books:

Yes /X/

No / /

Custodian

Betty Kiefer

Name

Signature:

Almond E. Helman

Approval

[Signature]

Senate President

Date:

2/15-81

**HEARING SCHEDULE - Community and Regional Affairs Committee  
to consider Title 29 Revision - SB 180/HB 170**

<u>Dates</u>	<u>Locations</u>	<u>Itinerary</u>
September 11, 12, 13	Anchorage	Initial interim meeting, outline problem areas
October 9, 10, 11	Anchorage	Begin mark-up
November 13, 14, 15	Anchorage	Continued mark-up
December 4, 5, 6	Anchorage	Final mark-up with final draft of offered amendments

The estimated figure of \$14,000 takes into consideration travel and per diem for four meetings, attended by five committee members and two staff persons.



# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Rep. Ben Grussendorf  
Chairman  
465-3870

Pouch V  
State Capitol  
Juneau, Alaska 99811

### MEMORANDUM

Date: 5/28/81

To: Representative Hugh Malone, Chairman  
Alaska Legislative Council

From: Representative Ben Grussendorf, Chairman  
House Community & Regional Affairs

Re: Request for Interim Committee

As you know, the House Community & Regional Affairs Committee has before it the Title 29 Revision - HB 170. This bill was a product of the Title 29 Policy Advisory Group and the Legislative Title 29 Revision Commission mandated through SCF 66 of the 1980 Legislature; the revision of Title 29 is complex and represents a tremendous volume of work completed within a limited time frame. The work by the Commission was very productive and resulted in a conscientious and responsible advance in the restructuring of Alaska's municipal government system.

It is my intent to request, at this time, that the Council consider funding interim work in regard to local government issues as well as HB 170. Because of the limited time for detailed Committee work concerning the revision bill and allowing for session demands of the regular Committee load, the House C&RA Committee has not had the time for a concentrated effort of understanding the detailed changes offered in the 190 page bill. It is my intent that the interim would be used to look into suggested changes made by the legislation and the effect on local government. This is obviously a time consuming process and would not be able to receive proper attention during a legislative session. (See attached proposed schedule).

In reference to a memo sent to you by Senator Sturgulewski in February, I am in full agreement with the outlined necessity for a concentrated look into a number of major policy issues that could not be addressed within the scope of the revision of Title 29. To outline some of these concerns briefly with regard to a concentrated study, the following issues are re-stated from Senator Sturgulewski's memo:

1. A widespread demand for more local control of local matters as well as state and federal programs affecting communities. Federal cutbacks will also play a major role in community development.

Memo to Chairman Hugh Malone  
Legislative Council

2. How much is the state willing to pay to meet the demands for local control and what are the costs of manpower requirements necessary for decentralization?
3. There is a general need for coordinating and streamlining requirements which result in the multiplication of agencies and organizations formed to respond to state and federal program guidelines.
4. The creation of additional single-purpose service areas should be given serious consideration. The constitutional intent calls for a simplified type of local government. Should the Legislature create a multi-layered type of governmental system in the unorganized borough that is considered undesirable within an organized city or borough?
5. The question of the "sovereign immunity" status of certain governing bodies of communities in regard to state shared revenues and state grants must be addressed as our Legislature continues to increase funding to local governments.

These are just a few public and professional concerns that have been raised by the work of the Title 29 Revision Commission as well as the current House Community & Regional Affairs Committee. I would hope that the Council would see fit to continue interim work on these important local government issues in conjunction with the proposed revision through HB 170.

The attached information is background material for an estimated amount of funds necessary for continuance of a local government interim committee. As both the House and Senate have not been able to reach a decision as to the funding of interim committees vs. the continuation of standing committees, the difference of the proposals will be in regard to the costs for additional funds necessary for staffing purposes.

Thank you for your consideration of this matter. You may contact me in the event that further details of this request are necessary.

Attachments:  
Interim Proposed Schedule  
Breakdown of Requested Funds

**Schedule of C&RA Committee Interim  
Review**

Title 29 Revision  
HB 170

It is the intent of the Committee Chairman to follow this schedule as closely as possible. A request to the Alaska Municipal League to develop a Technical Assistant Group to advise and focus on any specific areas of magnitude for a more expeditious passage of the legislation will follow.

<u>Dates</u>	<u>Locations</u>	<u>Itinerary</u>
May 28, 1981	Juneau Statewide Teleconference	Overview & input regarding HB 170
August 14, 15, 16	Anchorage	Initial Interim Meet. Problem areas outline
September 11 11-12-13	Anchorage	Ten day travel plan for local government study re structures needs of various committees
October 9, 10, 11	Anchorage	Begin mark-up of legislation
November 13, 14, 15	Anchorage	Continued mark-up
December 4, 5, 6	Anchorage	Final mark-up with final draft of offer amendments

December, 1981--Sectional analysis prepared by Legal Services on proposed amendments prepared by January 15, 1982

January, 1982--Committee Scheduling of HB 170 with joint hearings on SB 180 regarding sectional analysis and interim recommendations

February, 1982--Passage of HB 170 and SB 180 out of CRA Committees



Official Business

Alaska State Legislature

# House of Representatives

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

## Breakdown of Requested Funds

100- Personal Services	wages	\$54,270
	benefits	<u>14,652</u>
	total	\$68,922
200--Travel	air-fare	\$20,000
	perdiem	<u>15,200</u>
	total	\$35,200
300- Contractual	phone	\$ 300.
	postage	100.
	: xerox	<u>100.</u>
	total	\$ 500.
Total Fiscal Impact		<u><u>\$103,970.</u></u>

A Concurrent Resolution is being introduced in the House and will be accompanied by a fiscal note with the above figures included. There will be two fiscal notes; one will exclude the amounts shown above for funding of staff positions if it is decided that they are to be included as permanent positions under the Leadership Budgets of both the House and Senate.

**FISCAL DETAIL**

Agency Affected Legislative Affairs Agency

Program Category Affected Legislative Council

BRU, Program, or Subprogram(s) Affected \_\_\_\_\_

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

**EXPENDITURES (Thousands of Dollars)**

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		68,270				
200 TRAVEL		35,200				
300 CONTRACTUAL		500				
400 COMMODITIES		00				
500 EQUIPMENT		00				
600 LAND & STRUCTURES		00				
700 GRANTS CLAIMS ETC.		00				

TOTAL

**FUNDING (Thousands of Dollars)**

GENERAL FUND		103,970				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

**POSITIONS**

FULL TIME		3				
PART TIME						
TEMPORARY						

**III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)**

The above figures include the necessary funding for staff salaries if these funds are not included as positions under the Leadership Budget.

IV. DATE 5/30/81 PREPARED BY Rep. Grussendorf, Chairman F/CRA  
 AGENCY Legislature  
 PHONE 465-3875

Original: Legislative Finance  
 cc: Budget and Management

# WORK ORDER REQUEST FORM

N2- 1849

KEYWORDS: Legislature

ASSIGNED TO Cook

REQUEST FOR: BILL  RESOLUTION  RESEARCH  OTHER

SUBJECT Local Government Committee

REQUESTED FOR Senators CRA BY David Dora EXT. \_\_\_\_\_

DELIVER TO Senator Gilson TAKEN BY Cook

INSTRUCTIONS, EXPLANATIONS Senators version of HCR A1 establish a local govern-

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED

AUTHORIZED TO CONFER WITH \_\_\_\_\_

RETURN \_\_\_\_\_

TO REQUESTER

APPROVED: VGB Director, Legal Services

REVIEWED \_\_\_\_\_

IN 6/5 DUE \_\_\_\_\_

TYPED - Draft \_\_\_\_\_ DATE \_\_\_\_\_

Final \_\_\_\_\_ DATE \_\_\_\_\_

PROOFED \_\_\_\_\_ DELIVERED \_\_\_\_\_

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT  FINAL

H B  
170

HB170 - See file for SB 180

H B

317

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

4/7/81

Date: 4-16-81

Mr. President:

COMMUNITY AND REGIONAL  
AFFAIRS

The Committee on \_\_\_\_\_ has had CSHB 317 (C&RA)

emergency services communications

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HCSHB 317  same title  
 new title
- and recommends do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

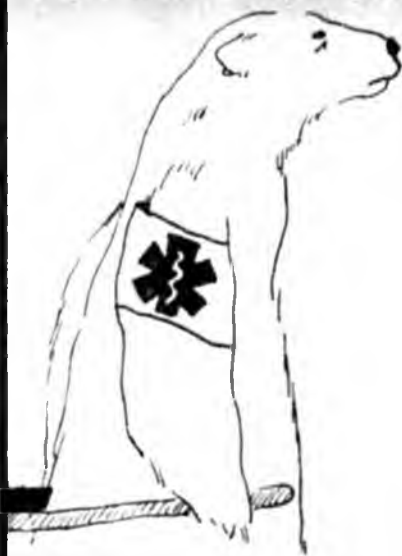
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\_\_\_\_\_

[Signature]  
CHAIRMAN



# RESPONSE: EMS-ALASKA

*A Digest of News and Information*

Volume 4

Number 3

February-March-April 1981



*"Snap shot of first and second ambulance from the third ambulance headed for Valdez with men wounded by Northwestern Railway marshalls in Keystone Canyon, September 25, 1907."*

Well, we've come a long way since 1907, when it comes to ambulances. There are at least 102 of them around the state, including 84 meeting U.S. Department of Transportation specifications.

When it comes to violence, however, Alaska's rates are still an embarrassment. Way back in '07, two rival railroad companies reached Keystone Canyon about the same time

and the fellows in this photo were shooting it out for the right to build a railroad through the canyon. Alaskans are still fighting over land — and too many Alaskans will fight about most anything else, upon occasion. It's a good thing we've got all those ambulances!

*Photo courtesy of Mary Whalen Collection  
University of Alaska Archives, Fairbanks*

# RESPONSE: EMS-ALASKA

A publication of the Section of  
Emergency Medical Services,  
Division of Public Health,  
Department of Health and Social  
Services, under a Title XII Grant  
from DHEW.

**Jay S. Hammond, Governor**

**Helen D. Bairne, Commissioner**

**Dean F. Tirador, M.D.,  
Acting Director**

**Mark Johnson, Coordinator**

**Tim Samuelson, M.D.,  
Medical Director**

**The Advisory Council on  
Emergency Medical Services**

**William W. Wennen, M.D.**

*Chairman*

**Sister Barbara Haase**

*Vice-Chairwoman*

**Phyllis Hoffman, R.N.**

*Officer-at-Large*

**Rose Anderson**

**Marty Branscom**

**Earl Kloster**

**George Longenbaugh, M.D.**

**Norm Miller, MICP**

**Eliso Parkotak**

**Walter Sampson**

**Kathy Sloan, R.N.**

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**RESPONSE: EMS-ALASKA**

**Pouch H-08C**

**Juneau, Alaska 99811**

**Telephone (907) 465-3027**

**Editor: Gloria Houston Way**

# Calendar

## MEETINGS AND CONFERENCES

For further information contact State EMS Office: 465-3027

- |             |  |
|-------------|--|
| April 23    | Statewide quarterly meeting, EMS Coordinators, Juneau  |
| April 24-25 | Quarterly meeting of State Advisory Council on Emergency Medical Services, Juneau  |
| May 14-17   | NAEMT Annual Meeting, Portland, Oregon   |
| May 14-16   | Second National Symposium on Psychosocial Factors in Emergency Medicine, Baltimore, MD   |
| May 19-22   | American Association of Critical Care Nurses Annual Meeting, Cincinnati, Ohio  |
| June 17-19  | "Emergency Medical Services: Responsibility and Accountability in the 80s", conference sponsored by American Society of Law and Medicine, Boston, MA |

## TRAINING AND OPPORTUNITIES

### Southeast Region EMS Council Training

- |             |                      |                  |
|-------------|----------------------|------------------|
| April 14-17 | EMT-I,R              | Juneau Fire Dept |
| May 4-8     | ETT                  | Port Alexander   |
| May         | First Aid Instructor | TBA              |

### Southern Region EMS Council Training

- |                |                     |                   |
|----------------|---------------------|-------------------|
| April 3-13     | EMT-II              | Alyeska Pipeline  |
| April 5-25     | EMT-I,R             | Homer             |
| April 6-11     | Instructor Workshop | Seward            |
| April 13-18    | EMT-II,R            | Homer             |
| April 13-18    | EMT-III,R           | Homer             |
| April 13-May 5 | EMT-I               | Chugiak           |
| April 20-25    | EMT-III             | Kenai             |
| April 3-27     | EMT-I               | Prudhoe Bay/SOHIO |
| May 4-16       | EMT-I               | Mt McKinley       |
| May 4-16       | EMT-I               | Kenai/BLM         |
| May 11-31      | EMT-I               | Dillingham        |
| May 18-23      | EMT-II              | Ft Richardson     |
| May 16-30      | EMT-I               | Kotzebue          |
| May 22-June 1  | EMT-III             | Alyeska Pipeline  |
| May 1-June 1   | EMT-I               | Prudhoe Bay/SOHIO |

### Interior Region EMS Council Training

- |               |             |             |
|---------------|-------------|-------------|
| April 6-8     | EMT-I,R     | Fairbanks   |
| May 1         | EMT-II, III | Delta       |
| May 21-June 6 | EMT-I       | Eielson AFB |

## Coordinator's Comments

by Mark S. Johnson

# Alaska's Wealth

Like most other state programs, the Emergency Medical Services program is beginning to feel a major impact due to the excess funds which are accumulating in Alaska's treasury. While in one sense this is a blessing, in another sense it can cause complications. Convincing the Administration and the Legislature to fund the EMS program seems to be easier now because state funds are not as scarce as they were a couple of years ago. However, recently the Legislature has received a few requests for some very expensive EMS-related programs or capital projects. Traditionally, the EMS program has tried to improve and expand emergency medical services utilizing existing local or regional resources whenever possible. Now we're beginning to see proposed projects which go far beyond the improvement of local resources.

The state certainly should consider making increased investments in projects which may save lives, but we should make sure that all proposed projects are well-planned, will provide the levels of service their proponents claim, and will be cost-effective.

We're also beginning to receive many requests for vehicles or equipment which are beyond the basic needs of some communities. Although sooner or later these extra vehicles and equipment will come in handy in disaster situations, funding such items may result in serious inequities unless we continue to give priority to the many communities in Alaska which still don't have even the basic levels of training, communications, and equipment that the EMS program traditionally has tried to achieve.

Furthermore, the most important components of an EMS system cannot be purchased solely with money. These essential components are training and dedication. No matter how much expensive equipment is made available, no lives will be saved unless EMS volunteers and professionals are committed to maintaining skill levels and keeping abreast of the latest developments in the field. Once appropriate skill levels and medical supervision have been achieved, improved E.M.S. equipment can be extremely useful.

Although I'm very pleased to see the state provide more financial assistance for EMS training, vehicles, radios, and equipment, I just hope we don't take advantage of this increased support by asking for more than we really need. To help avoid this problem, the State Advisory Council on Emergency Medical Services has requested that all EMS equipment requests be endorsed by a physician medical advisor, and that these requests be prioritized by Regional EMS Councils. In this way, we are using the people involved in EMS in each region to determine our real priorities. Finally, the State Advisory Council can review statewide priorities and compare regional requests before making its final recommendations.

So far, the strength of good emergency medical services in Alaska has come from dedicated individuals. People in Alaska generally seem more willing to help their neighbors than is the case in some more populous states. Nowhere is this more apparent than in the field of EMS. After all, in EMS, Alaska's real wealth is its people, not its money.

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## EMS Medical Advisor (Director) Roles and Responsibilities

*At the request of bush area EMS medical advisors, Dr. Tim Samuelson, State EMS Medical Director, has developed this policy statement to clarify the roles and responsibilities of local and regional EMS medical advisors:*

1. Provide overall direction to EMS activities in your region including
  - a. Be a member of the local or regional EMS Council.
  - b. Meet periodically with your EMS Coordinator on the scheduled basis.
  - c. Evaluate plans, priorities, and long range goals of the EMS organization in your area.
  - d. Take responsibility for these plans by actually signing your name to funding requests and planning documents.
2. Provide *Medical Control* of the pre-hospital delivery of EMS
  - a. Decide on the appropriate type and level of care for your area.
  - b. Establish and sign standing orders or protocols of care for EMS providers above the level of EMT I.
  - c. Meet monthly with those providing pre-hospital care for
    1. A review of cases, or
    2. Didactic teaching.
3. Provide leadership in the Emergency Department of your hospital
  - a. Work with the hospital administration regarding
    1. Upgrading or keeping the emergency skills of the nursing staff.
    2. Proper equipment to meet your emergency needs.
    3. Standards of care for specific emergency problems.
    4. Standards of when and how to transfer patients to the next appropriate level of care.

# Providence Hospital Specialized Care for

The Thermal Unit at Providence Hospital in Anchorage is the first regional center dedicated to the care of both burn and frostbite injuries in the United States. Treating more than 500 patients since its founding in February, 1979, the 10-bed unit serves as a statewide receiving facility for burn patients and accepts referrals for cold injuries from around the world. Alaska presently has the highest rate of burn injuries per capita of any state in the union. Frostbite injuries are also on the rise due to the increasing number of mountain climbers and those engaged in outdoor activities, such as snowmobiling, trapping, cross-country skiing and subsistence living.



Designed to apply even pressure to the skin surface and minimize scarring, the Jabot garment is explained to Thermal patient Nick Nickolai by Susan Crouthamel, LPN.

The treatment goals for the thermally injured are 1) restoration of normal function, 2) cosmetically acceptable appearance, and 3) psychological adjustment equal to, or better than, the pre-injury state.

Because all major organs are adversely affected in a severe burn or cold injury, treatment is a highly complex, integrated process. Victims can remain critically ill for long periods of time, and hospitalization ranges from two weeks to three months. Treatment involves very painful wound care for burns and maintenance of full function in joints. For optimum healing, an excellent nutritional state is mandatory, with the average patient initially requiring five times normal caloric intake. Psychological support is necessary to help both the victim and family cope with the injury.

The Thermal team consists of professionals from many disciplines who work together to help the victim reach the goals of treatment. Basic to the team are physicians who plan medical and surgical treatment and nurses specializing in thermal injury care. Both physical and occupational therapists are extensively involved from the first day of injury. Dietitians plan nutritional strategies. Psychologists may employ hypnosis or biofeedback for pain control. Social workers, clergy, and mental health professionals help the patients, families, and staff to cope with the variety of emotional and sometimes spiritual problems.

The physical plant is a major control against infection, as the unit is isolated and self-contained. Patient treatments, including hydrotherapy, are done within the unit. The environment is hot (usually 80° F) and humid to assist the patient's temperature control. Air pressure within the unit is higher than outside so that contaminated air does not flow in. Additionally, complete filtered air exchanges occur every five minutes. Stringent infection control is maintained by providing separate intensive care facilities without intermixing thermal patients with others in the standard ICU setting.

An integrated approach is used to provide services ranging from intensive care through rehabilitation and reconstruction. This combination of services provides continuity throughout the victim's treatment. Optimum care can be provided for patients with up to 75% total body surface area burned. No person is ever turned away, regardless of condition or ability to pay.

Considering factors such as length of stay, mortality rates, cost, and infection control, the National Burn Institute in Ann Arbor, Michigan compares the Providence Thermal Unit very favorably with burn units nationwide. Dedication has been the key, and the professionals and specialists at Providence Hospital will continue to pioneer this valuable dual-treatment service in the future.

# Thermal Unit . . . Burn & Frostbite Injuries



Patient Harry Rose receives wound care twice daily in the 400-gallon Hubbard tank from Susan Crouthamel, LPN, left, and Penny Meador, R.N., right.

by Janice Nix, RN  
Thermal Unit  
& William M. Wiley,  
Public Relations  
Providence Hospital



Occupational Therapist Tracy Springman administers range-of-motion exercises at least twice daily to patient Claudia Young to insure full use of all body parts.

## Thermal Injury Education Program

An outreach education program on the emergency care of thermal injuries was begun in October by the Providence Hospital Thermal Unit staff. If your group or organization would like to have a speaker on pre-hospital or hospital emergency care, it can be arranged by contacting Jan Nix, R.N. or Penny Meador, R.N. at (907) 276-4511, ext. 1510 or by writing to Jan Nix, R.N., Thermal Unit Health Educator, Providence Hospital, Pouch 6604, Anchorage, Alaska 99502. Providence Hospital and Southern Region Emergency Medical Services Council have an agreement to provide this program to groups in the Southern Region at no cost. Groups in other regions would need to provide transportation and living arrangements.

## Tips for Pre-Hospital Burn Care

### 1. Moving the Victim

Gentle handling cannot harm the burn. However, remember that the victim may have other injuries.

### 2. Stopping the Burning Process

**Flames:** Use the quickest, most available method to put out the fire. Check for steaming, smoldering clothing and remove if non-adherent. Immersion in cold water/ice water longer than a few minutes is no longer recommended.

**Chemical:** Flood with lots of water. Showers are great. Remove all clothing for chemicals in the eye. Lift both lids and flood with lots of water or normal saline. Do not use neutralizers (they can cause a heat burn).

**Electrical:** Remove from current without contacting current yourself!

### 3. Take Care of Systemic Problems First

Do a total body survey. Forget the burn, it is not immediately life-threatening. Systemic considerations (like airway) definitely are life-threatening. Suspect and treat respiratory problems and burn (hypovolemic) shock. Respiratory and cardiac arrest are common in electrical injuries. Cardiac arrhythmias can occur for two to three days.

### 4. Wound Care

Cover the burn with CLEAN, DRY STAFF. Sterile wet dressings are no longer recommended. Do not use ointments of any kind. Remove all jewelry. Do not attempt to clean the wound. Do not break blisters because blisters provide a sterile, self-contained dressing.

## LETTERS

### Alaska Paramedical Association

Dear Mr. Johnson:

At the Board of Directors meeting of the Alaska Paramedical Association 30 January I was elected as President of the Association. This is a responsibility which I have accepted in most serious context. The Association has the potential to be a viable entity in the State EMS arena but, for whatever reason, has not realized this potential to date. I seriously doubt it will rise up like a phoenix during this year, but I earnestly hope that the organizational infrastructure requisite to becoming a real force will be developed so that subsequent years will see the Association being the collective voice for EMS providers in the Great Land.

It is not my purpose to present my concept of our potential as being in any way in conflict with the administrative arm of the EMS system. Rather, I hope that we might complement each other to the end that people in Alaska will be provided the best possible system affordable.

Thus, my purpose in writing is twofold: first to inform you of the action taken by the Board, and second to pledge my support in a positive spirit of cooperation in the ongoing development of Emergency Medical Services in Alaska.

Donald W. Cripps  
P.O. Box 1501  
Seward, Alaska 99664

### EMT SKILLS COMPETITION

I enjoy your publication "Response". Please add five more copies to the amount I'm now getting, making a total of 20.

In your last publication on the Annual EMT Skills Competition, you left out seven departments — one being Palmer. The Palmer team was disappointed at not being listed as they put a lot of effort into being there.

Keep up the good job!

Daniel M. Curtis, Jr., Chief  
Palmer VFD

Neither one of us can count! I published the names of only 17 teams, but stated that there were 20 teams; you brought to count the 4 winning teams in your list of 13. However, I did omit the Palmer team, and I apologize for the error. Any team who goes through that grilling exercise deserves all the recognition and praise they can get. I certainly hope there were no other teams omitted.

Best of luck to Palmer at next year's competition.

10/88

# Survival Vest Becomes First Aid Kit

For search and rescue efforts along the seacoast of Northwest Alaska, Captain John Rowland of the National Guard, 3rd Scout Battalion, has equipped an Air Force Survival Vest to hold enough first aid supplies to handle four minor injuries or one major injury. There are several advantages to using this vest:

- 1 It fits under a flotation device — the backing is nylon mesh, and takes up little room and won't get waterlogged
- 2 It provides waterproof protection for all supplies
- 3 It leaves hands free to carry large equipment
- 4 It is strong. You can support a person wearing it by grabbing it at the neck
- 5 It is cheap, available for \$1.50 through the Property Disposal Agency of the Federal Government
- 6 The total package weighs only six pounds

Believe it or not, Skeeter Jepson, EMS Assistant Coordinator in Maunaloa Association, who models the vest in the picture, is carrying all these supplies in the inside and outside pockets:

- (A) (1) 1/2" adhesive tape roll
- (1) 3" x 3" bandage roll
- (4) disposable absorbent pads
- (5) 1" x 6" adhesive strips
- (B) (2) Ethicon 4.0 silk cuttings FS-2, sterile
- (2) Ethicon 000 chromic laparicut V-34, sterile
- (2) Kling elastic gauze bandage 2" x 5 yds, sterile
- (C) (5) Curity eye pads
- (2) Kling elastic gauze bandage, 3" x 5 yds, sterile
- (2) Rare gun bits, each with 1 gun & 7 fuses
- (D) (1) Dynalmed pupil gauge pen light
- (1) strobe light
- (E) (inside left pocket)
  - (9) 3" x 2" sterile Telfa pads
  - (1) (extra) plastic strip, extra large 2" wide

- (10) 6 1/2 x 6 1/2 zip lock plastic bags
- (5) Telfa surgical dressings, 8" x 3"
- (5) Curity sterile 4" x 4" gauze sponges
- (F) (1) Bandage, muslin, compressed, 37x37x52"
- (8) Thimerosal tincture 1:1000 swabs
- Alcohol 59% / Acetone 10%
- Mercuriochrome (does not freeze)
- (G) (1) 40" triangular bandage
- (9) medium-sized butterfly closure bandaids
- (1) Skyblazer red aerial flare launcher
- (1) Steri-strip skin closures with 6 suture strips #1547, 1/2 x 4"
- (1) Steri-strip skin closures with 5 suture strips, #1540, 1/8 x 3"
- (1) slant tweezers
- (1) small bandage scissors
- (1) small cuticle scissors
- (3) sterile 2" x 2" gauze sponges
- (2) Bandaid plastic strip, extra large 2" wide
- (4) form-cut plastic strip, 1" x 3"
- (H) (1) Large adult esophageal airway
- (1) emergency signaling mirror 5" x 3"
- (1) adult sphygmomanometer
- (I) stethoscope
- (J) pocket knife
- (K) (1) signal smoke marker
- (1) watch with second hand
- (L) (1) silver swaddler, radar reflective "International Orange"
- (1) fire starter
- (M) (2) Modess maternity pad

The State EMS Office currently is investigating the possibility of purchasing quantities of the basic vests (minus supplies) for distribution to rescue squads in Alaska through Regional EMS Councils. For others, specification for ordering the basic vest are:

Fed Stock #6415-00 177-4818  
 Vest, Survival Nylon, Rancher Kind  
 Sage Green, M 1535  
 Greendart Industries  
 DSA 100-76-C-1779

In Alaska, order from the Alaska State Surplus Warehouse, 200 N. Wrangel, Anchorage, Alaska 99501.



# Medicaid Reimbursement for Patient Transportation

by Susan Super, Planner  
Emergency Medical Services Section

In life-threatening situations, necessary emergency services are provided without prior inquiry as to the patient's ability to pay. This is as it should be. However, after the patient has been taken care of, the question arises of who is responsible to pay for patient transportation. Payment is the responsibility of the patient and it is up to the patient to show s/he has coverage for medical services, such as Medicaid or private insurance.

Reimbursement for patient transportation is a problem for many ambulance services in Alaska. One reason is that billing procedures can be very complicated, and most Alaskan ambulance services do not have full-time administrative support staff to do the billing. The State EMS Office has received several inquiries on Medicaid billing and found that this is one problem area that needs clarification. EMS staff interviewed Robert Ogden, Chief of Medical Assistance for the Division of Public Assistance, Alaska Department of Health and Social Services. Mr. Ogden was very helpful in providing the answers to Medicaid billing questions that appear below.

Q How do I know if a patient has Medicaid coverage?

A A person who has Medicaid coverage receives a packet of Medicaid coupons each month. There are five coupons to a packet, and the patient must give one coupon to each health provider (including ambulance services) for services received.

Q What if the patient claims to be on Medicaid but has no coupons?

A You may still submit an invoice to Medicaid but you are taking a chance, because if the Medical Payments claim examiners determine the patient is not on the Medicaid program, they will return the invoice to you unpaid.

Q How do I bill Medicaid for patient transportation services?

A The first step is for your ambulance service to be enrolled with the Division of Public Assistance as an eligible provider. To become enrolled, write or call the Medical Payments Office in Juneau and explain that you are interested in provider enrollment. The address is 3200 Hospital Avenue, Juneau 99801, the phone number is 586-6072.

Once you are enrolled, you will need a supply of Medicaid "A" invoices. You can get a supply of Medicaid "A" invoices by writing to Supply Officer, Division of Public Assistance, Pouch H-07, Juneau 99811.

Be sure to obtain the patient's Medicaid coupon. Medicaid coupons are issued monthly, so if you provide

service in June, for example, be sure to get the patient's June coupon.

Complete the Medicaid "A" invoice correctly. A sample invoice appears here with detailed instructions for filling it out.

Mail the completed invoice, along with the patient's Medicaid coupon to:

Medical Payments  
Division of Public Assistance  
3200 Hospital Avenue  
Juneau, Alaska 99801

Q Why doesn't the billing address appear on the invoice?

A It should and it will. New invoices are being printed which will show the correct billing address. The address that appears on the current invoice is the Department of Health and Social Services address. If the invoice is mailed to that address, it will eventually arrive at the right office, but it will take longer to get there.

Q How long does it take for an ambulance service to be reimbursed by Medicaid?

A About 45 days, if a valid Medicaid coupon is attached to the invoice. About two months, if no coupon is attached but the claims examiners determine the patient is on the Medicaid program.

Q Why does it take so long for Medicaid to pay the bill?

A One reason is that after the bill for medical transportation has been approved and coded by the Medical Payments Office, it must be sent to a different Division for payment. The involvement of two separate Divisions not only causes delay, but it is a source of confusion for the ambulance service submitting the bill. (Other medical services are paid for directly by the Medical Payments Office, so they usually don't take so long.)

Q Is there more than one type of Medicaid invoice?

A Yes, but only the Medicaid "A" invoice should be used by ambulance services.

Q Is pre-authorization required for emergency medical transportation? How do I get pre-authorization?

A Medicaid regulations require pre-authorization for most medical transportation, but the key word in this question is "emergency." When, in the opinion of the attending physician or other medical provider such as the ambulance attendant, any delay in providing immediate transportation would adversely affect the patient's health and well-being, you should arrange for immediate trans-

rotation. The first thing is to take care of the patient.

After the emergency transportation has been provided, be sure to call your local Public Assistance Office or the Medical Review Section in Juneau and request approval and an authorization number. (Please see next question.) If the emergency transportation is approved, an authorization number will be provided over the phone. This authorization number is required on your billing forms (Medicaid "A" Invoice).

To document this verbal approval, you should submit a Pre-Authorization Request Form to the office that provided the verbal authorization. The form will be returned to you for your records as well as maintained by the Public Assistance Office providing the authorization. These forms can be acquired at the same location that you receive your "A" invoices. (Supply Office, Division of Public Assistance, Pouch H-07, Juneau 99811)

- Q How do I know whether to call my local Public Assistance Office or the Medical Review Section in Juneau to request authorization for patient transportation?
- A If the transportation charge per person one-way is \$250 or less, you may call your local Public Assistance Office for authorization. The phone numbers for the local offices are listed below:

Juneau	465-3551	Fairbanks	452-3606
	3552		1637
	3556		1638
Sitka	747-8234	Galena	656-1260
Ketchikan	225-2135	Fort Yukon	662-2327
Petersburg	772-3565	Barrow	852-3999
	3569		3065
Wrangell	874-3590	Kotzebue	442-3451
Anchorage	274-6524	Nome	443-2237
Vakar	835-2535	Unalakleet	624-3601
Dillingham	842-5961	Bethel	543-2686
Kodiak	486-3783	Aniak	675-4351
Kena	262-9032	Wasilla	376-3903

If the transportation charge is over \$250 per person one-way, you must call the Medical Review Section in Juneau for authorization. The phone number is 465-3355, office hours are 8:00 AM to 12:00 Noon and 1:00 PM to 4:30 PM, Pacific time, Monday through Friday. Collect calls will not be accepted.

- Q I run an air taxi service that sometimes transports emergency patients. How do I bill Medicaid?
- A Air ambulances or air taxis must bill Medicaid in the same way as any ambulance service. The same rules apply. You should be especially careful to obtain pre-authorization for air transportation if it is not an emergency. For example, if an Anchorage resident is injured in Fairbanks but there is no medical (emergency) reason to be flown home to an Anchorage hospital, this would not be justified as emergency medical transportation. If you do provide emergency transportation, be sure to follow up immediately afterwards by phoning and/or writing to request authorization.
- Q Is General Relief Medical different from Medicaid?
- A Yes, but you need to do the same things in order to be reimbursed. The patient will have a Medicaid coupon, you have to use the same Medicaid "A" Invoice, etc. In other words, the differences between the two programs do not

really affect you, because both cover medical transportation.

- Q If I submit an invoice to Medicaid without a coupon, and they determine the patient was not really on Medicaid, is there any way the patient's eligibility can be made retroactive so that I can get paid?

A This would depend on a number of complicated eligibility requirements. The first and most important thing for you to do is to have the individual go to the nearest Public Assistance Office (or fee agent in smaller communities) as soon as possible. It is important to know that retroactive eligibility is determined on financial criteria. A patient will not be "retroactively eligible" just because s/he used ambulance services.

- Q What is a "prior resource"?

A A prior resource is any medical insurance which must be billed before you bill Medicaid. Examples of prior resources are Blue Cross and other private medical insurance companies, Medicare, commercial insurance and CHAMPUS. The patient's Medicaid coupon indicates if the patient has a "prior resource" and shows in code what that resource is.

- Q If the patient has prior resources, how do I bill Medicaid?

A Bill the prior resource first. If the bill is not paid in full, bill Medicaid for the difference, using the regular Medicaid "A" Invoice. #14 on the sample invoice is where you would write the amount of money the prior resource paid you. Be sure to attach details, such as the "Explanation of Benefits" form that Medicare and other insurance agencies send you.

- Q Is Public Health Service considered a prior resource?

A Yes, but if a patient is eligible for Public Health Service and Medicaid, you may choose to bill either one.

- Q Is the Division of Public Assistance doing anything to make it easier for ambulance services to understand the Medicaid program and procedures?

A Yes. The Division of Public Assistance is taking steps to work with health professionals to help overcome difficulties and confusion with the Medicaid program. In the near future the Division will hold Provider Relations Seminars throughout the State, including Juneau, Ketchikan, Sitka, Soldotna, Anchorage and Fairbanks. These seminars will be announced in newspaper ads, through RESPONSE—EMS and in letters sent by the Division of Public Assistance directly to all ambulance services in Alaska. Also, in July the Division will be hiring three new staff members as Professional Relations Technicians who will be based in Juneau and Anchorage. They will travel to health professionals' offices throughout the State and work directly with individuals who have responsibility for submitting and collecting for Medicaid payments.

- Q I have had problems with reimbursement for transportation services, not only with Medicaid, but with Medicare and private carriers, as well. Will RESPONSE—EMS have future articles on third party reimbursements?

A The State EMS Office is interested in any reimbursement problems or questions you have about any type of third-party coverage. If there is a particularly widespread problem, we would like to follow up with a similar question-answer article in a future edition of RESPONSE—EMS. We will also try to answer questions on an individual basis.



- \*To enroll your ambulance service with Medicaid:
- \*To mail Medicaid "A" Invoices and coupons:
- \*To ask questions regarding status of claims:

Medical Payments Office  
 3200 Hospital Avenue  
 Juneau, Alaska 99801  
 Telephone 586-6072

- \*To obtain supplies of Medicaid "A" Invoices:
- \*To obtain supplies of Pre-Authorization Forms:

Supply Officer  
 Division of Public Assistance  
 Pouch H-07  
 Juneau, Alaska 99811  
 Telephone 465-3347

- \*To obtain authorization/pre-authorization for patient transportation costing \$250 or less per person one-way:

Local Public Assistance Office

\_\_\_\_\_

Address

\_\_\_\_\_

Phone #

- \*To obtain authorization/pre-authorization for patient transportation costing MORE THAN \$250 per person one-way:

Medical Review Section  
 Division of Public Assistance  
 Pouch H-07  
 Juneau, Alaska 99811  
 Telephone 465-3355 (no collect calls)

QUICK REFERENCE - MEDICAID BILLING

**RESPONSE - EMS**  
**EMS Section, DPH**  
**Pouch H-08C**  
**Juneau, Alaska 99811**

Please Add my name  Delete my name   
 Note my address change

**NEW ADDRESS**

Name \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

Zip \_\_\_\_\_

# Regional EMS Coordinators

## Southeast Region

Laurel Anderson, Executive Director  
Southeast Region EMS Council, Inc.  
P.O. Box 2170  
Sitka, Ak. 99835  
(907) 747-8005

Klaus Wergin, EMS Coordinator  
S.E. Alaska Regional Health Corp.  
P.O. Box 2800  
Juneau, Alaska 99803  
(907) 789-2131

Karen Thompson,  
Mettlakalla Indian Community  
P.O. Box 8  
Mettlakalla, Alaska 99926  
(907) 55-6601

## Northern Region

Jennifer Gleason, Executive Director  
Northern Region EMS Council, Inc.  
P.O. Box 2120  
Fairbanks, Alaska 99701  
(907) 456-3978

Interior Region Sub Area  
Jeanne Ostnes, EMS Coordinator  
Interior Region EMS Council, Inc.  
P.O. Box 2120  
Fairbanks, Ak. 99701  
(907) 456-3978

North Slope Borough Sub Area  
Sally Jacoby, EMS Coordinator  
North Slope Borough  
P.O. Box 69  
Barrow, Ak. 99723  
(907) 852-3065, 852-3999

NANA Region Sub Area  
Aggie Lie, EMS Coordinator  
Mauneluk Association  
P.O. Box 256  
Kolzebue, Ak. 99752  
(907) 442-3311

## Southern Region

Rich Pauley, Executive Director  
Southern Region EMS Council, Inc.  
1135 West 8th - Suite 7  
Anchorage, Ak. 99501  
(907) 274-3651

Aleutian/Pribilof Sub Area  
Nancy Greenman, EMS Coordinator  
Aleutian/Pribilof Island Assoc.  
1689 C. Street  
Anchorage, Ak. 99501  
(907) 276-2700

Anchorage Sub Area  
Larry Langston, Chief of EMS Svc.  
Anchorage Fire Dept.  
211 West 7th Street  
Anchorage, Ak. 99501  
(907) 274-1943

Bristol Bay Sub Area  
EMS Coordinator  
Bristol Bay Area Health Corp  
P.O. Box 10235  
Dillingham, Ak. 99576  
(907) 842-5291

Copper River Sub Area  
Clara (Billie) Peters, Health Director  
Copper River Native Assoc., Inc.  
Drawer H  
Copper Center, Ak. 99573  
(907) 833-3521

Kenai Peninsula Sub Area  
Dick Stingley, President  
K.P.C.A.P.A.  
Star Route A, Box 78  
Homer, Ak. 99603  
(907) 235-8393

## Kodiak Sub Area

Jerome Selby, Director  
Kodiak Island Native Health Auth  
P.O. Box 172  
Kodiak, Ak. 99615  
(907) 486-5726

## Matanuska-Susitna Sub Area

Gary Hessmer  
Mat-Su EMS Council  
Star Route Box 3240  
Wasilla, Ak. 99697  
(907) 245-3241

## Norton Sound Sub Area

Dick Bullock, EMS Coordinator  
Norton Sound Health Corp.  
P.O. Box 966  
Nome, Ak. 99762  
(907) 433-5411

## Prince William Sound Sub Area

Ken Blatchford, EMS Coordinator  
North Pacific Rim Native Corp  
903 W. Northern Lights Blvd  
Suite 203 E  
Anchorage, Alaska 99503  
(907) 276-2121

## Yukon-Kuskokwim Sub Area

Sue Ash, EMS Coordinator  
Yukon Kuskokwim Health Corp  
P.O. Box 528  
Bethel, Ak. 99559  
(907) 543-3321

**RESPONSE:** EMS-ALASKA  
POUCH H-06C  
JUNEAU, ALASKA 99811

BULK RATE  
U.S. POSTAGE  
PAID  
Juneau, Alaska  
Permit No. 102  
99811

DONALD E. GILMAN  
BOX 630  
KENAI

AK 99611

Notes  
from floor  
debate  
simplicity  
& brevity  
bill impact

Original sponsor: Malone

Offered: 3/31/81  
Referred: Rules

1 IN THE HOUSE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 317 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to emergency services communications."

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

8 \* Section 1. AS 29.48.020 is amended by adding a new paragraph to read:

9 (8) establish an emergency communications center under  
10 AS 29.73.080.

11 \* Sec. 2. AS 29.73 is amended by adding a new section to read:

12 Sec. 29.73.080. EMERGENCY SERVICES COMMUNICATIONS CENTERS. (a)

13 A municipality may establish an emergency services communications  
14 center with one or more other municipalities and one or more state,  
15 federal, or private agencies which provide emergency service communi-  
16 cations to the same geographic area. An emergency services communications  
17 center established under this chapter ~~shall~~ <sup>may</sup> be organized and operated  
18 as a public nonprofit corporation under AS 10.20.

19 (b) A nonprofit corporation organized to operate an emergency  
20 services communications center under this section shall be governed by  
21 a board of directors ~~(consisting of the head of each emergency service~~ <sup>(or that person's designee)</sup>  
22 ~~agency participating in the operation of the center; a member repre-~~ <sup>as established in the bylaws of the corporation.</sup>  
23 ~~senting each participating municipality appointed by the chief executive~~  
24 ~~officer of the municipality, and a member representing each participat-~~  
25 ~~ing state agency appointed by the director of that agency. The board~~  
26 ~~may adopt bylaws which provide for the appointment of additional board~~  
27 ~~members.~~ Members of a board of directors created under this section  
28 serve without compensation but are entitled to per diem and travel  
29 expenses authorized by law for boards and commissions under AS 39.20.-

1 180. A member of a board of directors under this section may not be  
2 employed by a nonprofit corporation which operates an emergency services  
3 communications center.

4 (c) An emergency services communications center shall assess the  
5 feasibility and desirability of providing emergency services communi-  
6 cations for the geographic area in which it is located through one  
7 central office. An emergency services communications center may

8 (1) combine or coordinate the existing emergency services  
9 communications programs of the participating municipalities and agen-  
10 cies;

11 (2) operate a dispatch center to receive all requests for  
12 emergency services and dispatch those services;

13 (3) study the need for improvement in the timely delivery of  
14 emergency services to residents of the participating municipalities;

15 (4) hold public hearings to obtain information concerning  
16 the timely delivery of emergency services;

17 (5) apply for and accept federal, state, municipal, and pri-  
18 vate money, property, or assistance for use in providing the timely  
19 delivery of emergency services;

20 (6) enter into contracts to carry out the provisions of this  
21 chapter;

22 (7) employ personnel necessary to carry out the provisions  
23 of this chapter.

24 (d) In this section

25 (1) "emergency services" means services provided by law  
26 enforcement agencies, fire departments, ambulance services, and other  
27 organizations which are intended to respond to emergency situations of  
28 imminent danger to life or property;

29 (2) "emergency service agency" means an agency which provides

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emergency services;

(3) "state agency" means a department, division, or office  
in the executive branch of state government.

*Unified  
Municipalities*

*a clear but debatable "victory" with the popular initiative "Proposition 13" in California, government had encouraged and initiated many economy measures in its operations. Even in the essential public safety services sector, efficiency with effectiveness has long been sought and in many cases achieved. Northern New Jersey's Sussex-Morris Regional Police Communications Network is one such example of achievement.*

LAW AND ORDER

VOL. 27. NO.2  
FEBRUARY 1979

# Regionalized Police Communications: Economical, Efficient and Effective

by Chief **ESKIL S. DANIELSON**  
Byram Twp. Police Dept.  
Stanhope, N J  
Reading Time 10 min.



Photos by Det. Bruce C. Bidgood, Byram Twp. P.D.

## Historical Perspective

Greater use should be made of inter-jurisdictional agreements whereby one system can provide complete radio communications for two or more jurisdictions.'

Over a decade ago, this recommendation aimed at police communications came down from the President's Commission on Law Enforcement and Administration of Justice. Followed by funding through the Law Enforcement Assistance Administration implemented by the New Jersey State Law Enforcement Planning Agency (SLEPA) this recommendation was strongly considered by several communities in New Jersey's "Lakeland Region" contiguous to Lake Hopatcong, the Garden State's largest lake.

Plagued by the ineffectiveness of citizens having to use alternate phone numbers in emergencies and by expensive long-mileage extension-off-premises (EXOP) telephone lines prone to storm and accident disruption of service, five communities actively encouraged application to SLEPA to help finance a regional network which would mitigate their problems and enhance economy, efficiency and effectiveness.

Application for funding was made by Hopatcong Borough Police Chief Howard Karl Jr. in early 1972 in the name of his community and for two sister Sussex County communities, Stanhope Borough and Byram Township, and adjoining Morris County communities of Netcong and Mount Arlington. The former three communities were then being serviced by Morris County Police Radio nearly 19 miles away and the latter two by 10 mile distant Dover Police Department which could offer emergency service only. Fire and rescue dispatch was even further disjointed being operated variously from these centers, an airport, a service station and even private homes.

The five communities cover 39 square miles which had a combined 1970 population census of 23,132 year round residents. Summertime population estimates ranged then to 40,000 due to the

'Task Force Report: The Police, President's Commission On Law Enforcement and Administration of Justice, U.S. Government Printing Office, Washington, D.C., 1967, pp. 88.

Sussex-Morris Regional Police Comm. Chief Dispatcher Philip Serkin and Senior Dispatcher Charles Delaney answering both in-coming lines at once.

Byram Twp. Police Officer George Hickler assisting at scene of a recent fatal accident using hand-held radio.



many lake resort communities. Sussex County was and is the second most rapidly growing county in New Jersey and for this reason the 1978 population of the five communities is over 40,000 with seasonal peaks up over 55,000 people.

## Early Operations

In late spring 1972 the grant approval was received from SLEPA and plans were undertaken to administer and operate the fledgling Sussex-Morris Regional Police Communications Network.

A bi-cameral governing body was formed consisting of an executive committee and an operations committee. The executive committee consisted of the mayors of the five towns who were responsible for fiscal policy and personnel management. An operations committee was established for day-to-day operations consisting of the five police chiefs. Howard Karl became director and managed the acquisition of equipment and other financial matters under the grant. FCC approval of operating frequencies was sought and received.

Dispatching began in September of 1972 in a room adjacent to Hopatcong

Police Headquarters. The dispatch center was equipped under the grant with the following:

- a. two fully functional switchboards
- b. two fully functional radio communicator positions
- c. teletype
- d. multi-channel 24 hour tape (Dictaphone) recorder for all radio and telephone messages
- e. color coded map with vehicle status board
- f. alarm console
- g. multi-band radio scanner
- h. two dual-channel police radio bases
- i. time recorder clock (Simplex)

Also, under the grant the five participating police departments received the following:

- a. a new dual-channel scan 100 watt mobile radio (General Electric) for each car
- b. a 4 watt hand held portable dual channel radio (TEK) for each car
- c. a multi-channel scanner for each headquarters
- d. partial reimbursement for installa-

*Continued on next page*

### Regionalized Comm. from 51

tion of new EXOP telephone lines based on volume.

A renewal grant in 1973 supplied an instant play-back telephone recorder and a portable playback unit for the 24 hour multi-channel tapes at network headquarters as well as new mobile and portable radios for each of the five towns adding patrol vehicles to their fleet that year.

Fire department, emergency squad and road department radio facilities were added at the expense of the municipalities thus bringing all public safety services into centralized dispatch.

Five full-time dispatchers were initially hired and supplemental part-time personnel were also trained. All incoming complaints or requests for service were recorded on I.B.M. incident cards and time-stamped for times received, dispatched, vehicle arrival and call completion. In addition, color coded I.B.M. cards coordinated with the status map colors were distributed to all patrol officers for their tours of duty, time-stamped for all assignments and reliefs. The incident cards were sent to a computer firm each month for key punch and readouts.

### The Present Administrative Structure

In 1975 there became a need to more clearly establish the network as a truly regionalized facility and to become more independent of the administrative operations of the Borough of Hopatcong which, although a major advantage in obtaining the SLEPA grants, now had become a liability in dealing with personnel since a quirk of New Jersey Civil Service Law (Title II) placed the network employees under the sole jurisdiction of the Hopatcong Borough Council rather

than the Sussex-Morris executive board.

Reorganization began under the New Jersey Inter-Local Government Services Act (N.J.R.S. 40:8A-1) in 1975. Resolutions were passed by each municipal governing body and the Sussex-Morris Regional Police Communications Network was legally incorporated as a separate public agency in 1976.

The executive board remained the

same but the operations committee was expanded and now consists of seven members. Added to the original police chiefs were one representative each from two informal groups that formed to provide effective input for their services, the fire chiefs and chief emergency squad officers of those agencies served. Dispatch services are now rendered to several other communities on a fee basis. These are as follows:

Municipality	County	Service	Agency
Andover Borough	Sussex	Police Dispatch	Boro Constable
Green Township	Sussex	Fire Dispatch	Green Twp. F.O.
Green Township	Sussex	Ambulance Dispatch	Allamuchy-Green First Aid Squad
Green Township	Sussex	Road Dispatch	Green Twp. Road Dept.
Allamuchy Twp.	Warren	Ambulance Dispatch	Allamuch-Green First Aid Squad

The Sussex-Morris Network therefore now serves parts of three counties including agencies in eight municipalities.

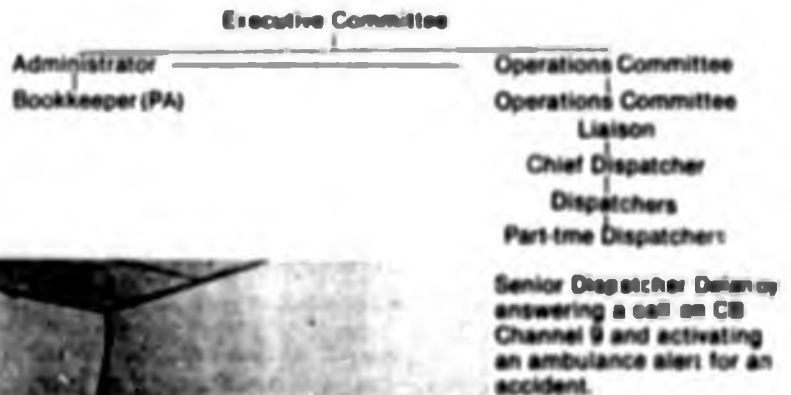
Administrative continuity between the executive and operations boards is obtained by the executive board selection of a network administrator from among the police chiefs who oversees the book-keeping and fiscal matters which are audited by certified public accountants annually.

Day-to-day operations are directed by a chief dispatcher who in turn has a

liaison chief on the operations committee to resolve most routine problems. Serious personnel matters are channeled through the operations committee to the executive board when necessary. There are presently six full-time and a corps of about eight substitute part-time dispatchers serving 24 hours a day, eighteen hours with two people on duty.

Executive and operations committee members and the administrator serve *ex-officio* and without compensation.

### Organization Chart Sussex-Morris Regional Police Communications Network 1978



## Fiscal Operations

From its inception in 1972 the municipalities of the Sussex-Morris Regional Police Communications Network have operated with sound fiscal policy on a well-planned formula.

Certain essential aspects of network operations are considered to be equally shared costs equivalent to the equally shared executive-administrative responsibility. These costs include:

- a. rental of the communications room from Hopatcong Borough
- b. bookkeeping/secretarial costs
- c. accountant/auditor fees
- d. legal fees

When possible, these are assessed annually but, as is the case with legal fees, sometimes the bill is shared as rendered.

The operational expenses and salaries and wage budget is apportioned to the towns based on a formula which includes both population and use criteria. Sixty percent of the entire budget is assessed to each town based on the percentage of the five-town population they represented in the most recent decennial census.

The remaining forty percent of the entire budget is assessed to each community based on the workload generated by that community for the network in a recent base year.

Thus, taking a budget of \$100,000 for example, a community with 30% of the area population and 25% of the work load would be calculated as follows:

Population Assessment:

$$\$100,000 \times 60\% \times 30\% = \$18,000$$

Workload Assessment:

$$\$100,000 \times 40\% \times 25\% = \$10,000$$

**TOTAL ASSESSMENT = \$28,000**

Plus Shared Costs 800

**TOTAL \$28,800**

Presently the gross assessment percentages are as follows:

Hopatcong Borough	42%
Byram Township	17%
Netcong	14%
Mouat Arlington	14%
Stanhope Borough	13%
	100%

The reasoning behind the 60/40 assessment differentials is the intended compensation on the one hand for

variously changing population bases, especially seasonal which affects only three of the towns, and on the other hand the heavier commercial workload generated by the other two towns. Neither population nor workload alone at this time can be used as a single criterion.

The budget for 1979 including shared expenses will be about \$92,000, a very economical figure considering that over 30,000 incidents are handled each year by the network.

## Present Services Rendered Police Dispatch

On January 1, 1977 the five Sussex-Morris municipal police departments began to operate on the New Jersey Law Enforcement Internal Records System (L.E.I.R.S.) developed by the New Jersey State Police in cooperation with the New Jersey State Association of Chiefs of Police.<sup>1</sup>

Each of these towns supply the Sussex-Morris network with an adequate supply of pre-consecutively numbered four-part, carbonless paper, I.B.M. size incident cards which replaced the former cards. They are used in sequence and time-stamped by Simplex clock as the former cards were. All basic information is written on the cards by the dispatcher and the cards are forwarded at midnight via patrol to their respective towns after the fourth page is separated and retained as the network log.

Each day the individual departments then double-check the sequential order, code all the information according to L.E.I.R.S./U.C.R. codes and separate the cards into chronological order, nature of incident and patrol sector filing thus eliminating a log book in the departments. The preprinted sequential numbering and the network's copy of the incident card give the system a level of integrity at least equal to a log book. Investigating officers make full investigations as necessary on other L.E.I.R.S. designed forms.

Duty tour cards remain unchanged from 1972 but additional cards have been initiated to log motor vehicle inquiries not covered by L.E.I.R.S. protocol.

Continued use of the 24 hour multi-channel tape system and instant playback have proven their considerable value in reconstructing messages and circumstances that would remain unclear

<sup>1</sup>For information write: Uniform Crime Reporting Unit, New Jersey State Police P.O. Box 98, Trenton, N.J. 08625.

otherwise. All routine telephone calls are immediately transferred to the respective headquarters during normal business hours. All emergency calls are handled by the dispatcher directly with patrol personnel without individual headquarters involvement.

## Fire and Emergency Medical Services

The Sussex-Morris Regional Police Communications Network dispatches fire and emergency medical services also. Equipped with two fire radios and two emergency medical radios the dispatchers are responsible to dispatch over two dozen fire trucks, one dozen ambulances, three heavy rescue units and one underwater recovery unit. This in addition to two dozen police cars. Fire and medical emergencies dispatched numbered over 500 and 3,000 respectively in 1978.

All fire and medical emergencies are dispatched through tone-alert radio equipment in the various volunteers' homes.

## Road Departments

Although to a considerably lesser degree than the other services, some dispatch service is rendered to the road departments of the five contract towns and Green Township. These services are required generally during severe weather conditions, heavy rains, snow and winds and aid in the coordination with other emergency services.

## Changes Ahead?

The Sussex-Morris Regional Police Communications Network has proven its value in many ways.

It has been an economical agency eliminating prior costly dispatch methods and mitigating the need for local dispatch in each of the five towns.

It has been efficient in that wasted duplication of effort has been minimized and interagency and interservice coordination has been increased.

And it has been effective since dispatch time from receipt of call can be measured in seconds thereby reducing overall response time to the lowest possible level for each community.

Future engineering studies may call for a further upgrading of radio hardware and computerized data processing may be just around the corner. Continued sound management will keep the Sussex-Morris Regional Police Communications Network viable in its vital role for the Lakeland area. END

# Soldotna Police Department

P. O. Box 2499  
Soldotna - Alaska 99669



**L. W. Christensen**  
Chief of Police

March 4, 1981

The Honorable Hugh Malone  
The House of Representatives  
Alaska State Legislature  
Pouch v  
Juneau, Alaska 99811

Dear Representative Malone,

Enclosed is the proposed budget for the Emergency Services Communication Center.

The capital expenditures portion of the budget will provide a good working system with all participating agencies compatible with the center.

A more detailed outline of the system hardware is being prepared and can be provided at your request.

I thought it important to get this bottom line figure to you as soon as possible.

I am available at any time to clarify any questions you may have.

Respectfully,

A handwritten signature in cursive script, appearing to read "L. W. Christensen".

L. W. Christensen  
Chief of Police

Enclosure

LHC/na

# Central Peninsula General Hospital

Box 1268

SCLDOTNA, ALASKA 99669

OPERATED BY

LUTHERAN HOSPITALS AND HOMES SOCIETY  
FARGO, NORTH DAKOTA 58103

To Whom It May Concern:

The Central Peninsula Hospital fully supports any effort that is to be placed into updating the emergency communication system within the Hospitals Service Area.

Sincerely,



Gary T. Hermanson  
Administrator

NIKISKI FIRE SERVICE AREA  
BOARD OF DIRECTORS

RESOLUTION #81-02

WHEREAS, the citizens and taxpayers of the Nikiski Fire Service Area inhabit a very spread out area where time is of the essence when requiring fire or medical services; and

WHEREAS, the area has a significant population percentage of tourists, itinerant construction workers and fishermen and people with no private telephone; and

WHEREAS, other areas of the country have developed the "911" call number for fire, ambulance and police protection; and

WHEREAS, this area no longer has local telephone company operator assistance dialing service; and

NOW THEREFORE BE IT RESOLVED BY THE NIKISKI FIRE SERVICE AREA BOARD OF DIRECTORS: that the Nikiski Fire Service Area Board request that the Chief proceed with all possible efforts towards obtaining a "911" capability for the Nikiski Area; and

BE IT FURTHER RESOLVED: that should the Chief find that there are costs and other practical reasons why the Nikiski Area by itself cannot have the "911" service set up, the Chief is herewith empowered to develop for the board's consideration a joint approach with other emergency services in the central Peninsula area for a joint "911" program

APPROVED BY THE NIKISKI FIRE SERVICE AREA BOARD OF DIRECTORS THIS 15th DAY OF January, 1981.

ATTEST:

Robert J. Williams  
Robert Williams, Chairman  
Nikiski Fire Service Area  
Board of Directors

Carl Kimzey  
Clerk