

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672

5623 HOUSE COMMUNITY & REGIONAL AFFAIRS

27

Sec. 18.08.088. Penalty. A person who violates a provision of this chapter is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than \$1,000, or by imprisonment for not more than 90 days, or by both. Each violation is a separate offense. (S 2 ch 78 SLA 1978)

Cross references. — For sentences for misdemeanors, see AS 12.55.135.

Sec. 18.08.090. Definitions. In this chapter,

(1) "advanced life support" means emergency care techniques provided under the written or oral orders of a physician that include, but are not limited to, electric cardiac defibrillation, administration of antiarrhythmic agents, intravenous therapy, intramuscular therapy, or use of endotracheal intubation devices;

(2) "ambulance" means any publicly or privately owned means of conveyance intended to be used and maintained or operated for the transportation of persons who are sick, injured, wounded, or otherwise helpless;

(3) "commissioner" means the commissioner of health and social services;

(4) "consumer of emergency medical services" means a person who is not a provider of emergency medical services as defined in this section;

(5) "department" means the Department of Health and Social Services;

(6) "emergency medical care" means the services utilized in responding to the perceived individual needs for immediate medical care in order to prevent loss of life or aggravation of physiological or psychological illness or injury;

(7) "emergency medical service" means the provision of emergency medical care and transportation of the sick and injured;

(8) "emergency medical services system" means a system that provides for the arrangement of personnel, facilities and equipment for the effective and coordinated delivery of health care services under emergency conditions, occurring either as a result of the patient's condition or of natural disasters or similar situations, and that is administered by a statewide network that has the authority and resources to provide effective administration of the system;

(9) "emergency medical technician" means a person trained in emergency medical care and certified in accordance with the regulations prescribed under AS 18.08.080;

(10) "provider of emergency medical services" means a person whose occupation or profession is, or has been, the delivery or administration of emergency medical services; a person who has a fiduciary position with, or has a fiduciary interest in, a health activity, facility

or other health agency, or a legal or financial interest in the rendering of any component of emergency medical services;

(11) "Statewide Health Coordinating Council" means the council created under AS 18.07.011, (§ 1 ch 100 SLA 1977; am § 3 ch 78 SLA 1978)

Revisor's notes. — Reorganized in 1986 to alphabetize the defined terms.

Chapter 10. Health Units and Districts.

Section

- 10. Local health unit and health board
- 20. Health unit in incorporated city
- 30. Health units in native villages and communities

Section

- 40. Health districts
- 50. Commissioner of department to supervise local health boards
- 260. Definitions

Collateral references. — 39 Am. Jur. 2d, Health, §§ 4-7.

39A C.J.S., Health and Environment, §§ 7-15.

Delegation to board or officer of police power to require vacation, destruction, or repair of individual building deemed by such officer or board unsafe or unsanitary, apart from noncompliance with specific regulations. 114 ALR 446.

Extension of police power of municipal corporation beyond territorial limits. 14 ALR2d 103.

Validity of construction of statute requiring establishment of "need" as precondition to operation of hospital or other facilities for the care of sick people. 61 ALR3d 278.

Sec. 18.10.010. Local health unit and health board. Each community or settlement outside an incorporated city is a health unit. In each health unit there shall be a board of health composed of the president of the school board and two citizens of the unit selected by the school board. At least one of the members of the health board must, where practicable, be a licensed physician. In a health unit where there is no school board, the commissioner of the department shall appoint three residents of the unit to the local board of health, at least one member of which must, where practicable, be a licensed physician. (§ 1 ch 118 SLA 1949)

Cross references. — For transitional measures as to local governments, see Alaska Const., art. XV, § 3.

Sec. 18.10.020. Health unit in incorporated city. AS 18.10.010 applies to an incorporated city unless the city otherwise provides for the establishment and maintenance of a local board of health or a health officer. (§ 1 ch 118 SLA 1949)

former paragraphs (7) and (8) into present paragraph (7), added "and" at the end of paragraph (7), redesignated former paragraphs (9) and (10) as present paragraphs

(8) and (9), respectively, and made internal reference changes in paragraphs (5) and (5).

Chapter 87. Hospital and Medical Service Corporations.

Section	Section
10. Applicability	150. Hospital service agreements
20. Purpose and interpretation	160. Subscriber's contracts
30. Provisions exclusive	170. Minimum service benefits
40. Incorporation and certificate of authority required	180. Filing and approval of agreements and contracts
50. Incorporation, approval of articles and amendments	190. Charges and rates
60. Name of corporation	200. Reserves
70. Qualifications for certificate of authority	210. Surplus fund
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90. Issuance or refusal of certificate of authority	230. Records and accounts
100. Continuance or expiration of certificate of authority	240. Annual statement
110. Suspension or revocation of certificate of authority	250. Examination
120. Services and benefits which may be provided, medical service corporations	260. Taxation
130. Services and benefits which may be provided, hospital service corporations	270. Joint operations
140. Medical service agreements	280. Combined corporation
	290. Contracts covering workers' compensation risks
	300. Annual adjustment of service payments
	310. Fidelity bond
	320. Fee and licenses
	330. Definitions
	340. Other provisions applicable
	350. Existing certificates of authority

Collateral references. — 44 Am. Jur. 2d, Insurance, § 1842 et seq.; 61 Am. Jur. 2d, Physicians, Surgeons, and Other Healers, §§ 153, 156.

44 C.J.S., Insurance, § 15. Validity and nature of group medical and hospital service plans, 167 ALR 322.

Sec. 21.87.010. Applicability. (a) This chapter applies to every individual, person, firm, corporation, association, or organization of any kind hereafter engaging or purporting to engage in the provision of all or part of a health care service as defined in AS 21.87.330 for its subscribers in exchange for periodic prepayments in identifiable amount by or as to the subscribers.

(b) This chapter does not apply to

(1) insurers or fraternal benefit societies authorized to transact the kind of insurance involved under other chapters of this title;

(2) fraternal and other organizations exempted from AS 21.24;

(3) health care services provided by an employer to employees and their dependents, with or without contribution to the costs thereof by the employees, through health care service facilities owned, employed, or controlled by the employers;

(4) infrequent instances of prepayment by or for the patient direct to the physician or hospital for specific services thereafter rendered to the patient by the physician or hospital. (§ 1 ch 120 SLA 1966)

Sec. 21.87.020. Purpose and interpretation. (a) It is the purpose of this chapter to regulate in the public interest the formation and operation of prepaid health care service organizations, in order that the services may be made available upon a basis of fair and equitable contracts through state-licensed nonprofit organizations meeting reasonable standards as to administration, reserves, and financial soundness.

(b) This chapter shall be liberally interpreted to effectuate the purpose declared in (a) of this section. (§ 1 ch 120 SLA 1966)

Sec. 21.87.030. Provisions exclusive. A provision of this title does not apply to a health care service corporation unless contained or referred to in this chapter. (§ 1 ch 120 SLA 1966)

Sec. 21.87.040. Incorporation and certificate of authority required. A person otherwise subject to this chapter may not engage or purport to engage in the provision of any part or all of a health care service for its subscribers in exchange for periodic prepayments in identifiable amount unless it is a service corporation incorporated under the laws of Alaska, and currently authorized as such a service corporation under a certificate of authority issued by the director under this chapter. (§ 1 ch 120 SLA 1966)

Sec. 21.87.050. Incorporation, approval of articles and amendments. (a) A service corporation shall be formed as a nonprofit, nonstock medical service corporation, or hospital service corporation, or a combination medical and hospital service corporation, consistent with the applicable requirements of this chapter under the statutes of Alaska governing the formation of nonprofit, nonstock corporations in general.

(b) Before the articles of incorporation of the proposed corporation formed after July 1, 1966, are filed with the commissioner of commerce and economic development, they shall be submitted to the director, and the commissioner may not file the articles unless the director's approval is endorsed thereon. The director shall approve the articles unless the director finds that they do not comply with law. If not approved, the director shall return the proposed articles of incorporation to the incorporators together with a written statement of particulars of the reasons for nonapproval.

(c) An amendment may not be made to the articles of incorporation unless the director approves, the director shall return the proposed articles of incorporation together with a written statement of the reasons for nonapproval.

Sec. 21.87.060. A service corporation may not have or use a "certificate of authority" or "insurance," "certificate of authority" or other terms describing the incorporation may not be used to describe a corporation transition was formed by this chapter. (§ 1 ch 120 SLA 1966)

Sec. 21.87.070. The director may not act as a service corporation following qualification.

(1) it must be a medical service corporation or a combined medical and hospital service corporation.

(2) it must intend to operate as a nonprofit corporation.

(3) if a hospital is located in the area, the corporation shall furnish the hospital with the hospital service corporation to its subscribers.

(4) if a medical service corporation has agreements with subscribers' residences and facilities, the corporation shall provide services provided or facilities provided to subscribers.

(5) if a newly formed corporation has working funds to start a new business and or medical service corporation following the date of formation or \$100,000, which

amount unless it is a service corporation incorporated under the laws of Alaska, and currently authorized as such a service corporation under a certificate of authority issued by the director under this chapter.

History.—§ 1, ch. 120, SLA 1966.

§ 21.87.050 Applicability of nonprofit corporation statutes; filing and approval of articles of incorporation

(a) A service corporation shall be formed as a nonprofit, nonstock medical service corporation, or hospital service corporation, or a combination medical and hospital service corporation, consistent with the applicable requirements of this chapter under the statutes of Alaska governing the formation of nonprofit, nonstock corporations in general.

(b) Before the articles of incorporation of the proposed corporation formed after July 1, 1966, are filed with the commissioner of commerce and economic development, they shall be submitted to the director, and the commissioner may not file the articles unless the director's approval is endorsed thereon. The director shall approve the articles unless the director finds that they do not comply with law. If not approved, the director shall return the proposed articles of incorporation to the incorporators together with a written statement of particulars of the reasons for nonapproval.

(c) An amendment of the articles of incorporation of a service corporation may not be filed with the commissioner unless it is first submitted to and approved by the director, and bears the director's approval endorsed on it. The director shall approve the amendment unless the director finds that it was not lawfully adopted or that the articles of incorporation as amended would be unlawful. If not approved, the director shall return the proposed amendment to the corporation together with a written statement of the particulars of the reasons for nonapproval.

History.—§ 1, ch. 120, SLA 1966.

§ 21.87.060 Corporate name

A service corporation may not have or use a corporate or business name which includes the words "insurance," "casualty," "surety," "health and accident," "mutual," or other terms descriptive of an insurer or insurance business. A service corporation may not have or use a name so similar to that of another corporation transacting business in

this state when the service corporation was formed that it would tend to confuse or mislead the public.

History.—§ 1, ch. 120, SLA 1966.

§ 21.87.070 Qualifications for certificate of authority

The director may not issue or permit to exist a certificate of authority to be or act as a service corporation to a corporation which does not fulfill the following qualifications:

(1) it must be incorporated as provided in AS 21.87.050, as either a medical service corporation, or as a hospital service corporation, or as a combined medical and hospital service corporation;

(2) it must intend to and actually conduct its business in good faith as a nonprofit corporation;

(3) if a hospital service corporation, it must have in force at all times while so authorized, service agreements with participant hospitals located in the areas of the subscribers' residences, convenient as to location and sufficient as to capacity and facilities reasonably to furnish the hospital services provided or proposed to be provided by the corporation to its subscribers;

(4) if a medical service corporation, it must have in force service agreements with participant providers located in the areas of the subscribers' residences convenient as to location and sufficient in numbers and facilities reasonably to furnish the medical and surgical services provided or proposed to be provided by the corporation to its subscribers;

(5) If a newly formed corporation, it must possess sufficient available working funds to pay all reasonably anticipated cost of acquisition of new business and operating expenses, other than payment for hospital or medical services, for a period of not less than the six months following the date of issuance of the certificate of authority, if issued, or \$100,000, whichever amount is greater;

(6) it must fulfill all other applicable requirements of this chapter.

History.—§ 1, ch. 120, SLA 1966; § 3, ch. 40, SLA 1981.

§ 21.87.080 Application for certificate

(a) Application for a certificate of authority to transact business as a

service corporation shall be made to the director, on forms as prepared and furnished by the director and requiring the information relative to the applicant, its directors, officers, and affairs as the director may reasonably require consistent with this chapter.

(b) The application shall be accompanied by the following documents which are not already on file with the director:

(1) one copy of the applicant's articles of incorporation and of all amendments, certified by the commissioner;

(2) one copy of the applicant's bylaws, certified by its corporate secretary;

(3) if a medical service corporation, a copy of each form of service agreement entered into or proposed to be entered into with participant providers, together with a list showing the name, residence and office addresses, and date of execution of the service agreement by each participant provider;

(4) if a hospital service corporation, a copy of each service agreement entered into with participant hospitals certified by the applicant's corporate secretary;

(5) a copy of each form of subscribers' contract proposed to be offered;

(6) a schedule of the rates proposed to be charged subscribers;

(7) a financial statement of the applicant as of a date not more than 30 days before the filing of the application, showing among other things the amount of working funds available to the applicant, the source of the funds, and accompanied by a copy of the agreement under which the funds were contributed to or provided for the applicant;

(8) a copy of any other relevant document reasonably requested by the director.

(c) At the time of filing the application the applicant shall pay to the director the application fee and the fee for issuance of the certificate of authority set under AS 21.06.250.

History.—§ 1, ch. 120, SLA 1966; § 4, ch. 40, SLA 1981; § 26, ch. 26, SLA 1985.

§ 21.87.090 Issuance or refusal of certificate

(a) If, after the application for certificate of authority is completed,

the director finds that the applicant is fully qualified for a certificate of authority in accordance with this chapter, and that the service agreements, subscribers contracts, schedule of rates are in compliance with the applicable provisions of this chapter, the director shall issue to the applicant a certificate of authority as a medical service corporation or as a hospital service corporation, or as a combined medical and hospital service corporation, as the case may be.

(b) If the director does not so find, the director shall refuse to issue a certificate of authority and shall give the applicant written notice setting out the particulars of the reasons for the refusal, accompanied by return of the fee tendered for issuance of the certificate of authority.

(c) The director shall either issue or refuse to issue the certificate of authority within a reasonable time after the filing and completion of application.

History.—§ 1, ch. 120, SLA 1966.

§ 21.87.100 Continuance or expiration of certificate

(a) A certificate of authority issued to a service corporation shall continue in force as long as the corporation is entitled to it under this chapter, and until suspended or revoked by the director or terminated at the request of the corporation; subject, however, to continuance of the certificate by the corporation each year by

(1) payment, before June 30, of the continuation fee set under AS 21.06.250;

(2) filing by the insurer of its annual statement for the preceding calendar year as required under AS 21.87.240.

(b) If not continued by the service corporation, its certificate of authority shall expire at midnight on the June 30 following the failure of the insurer to continue it in force. The director shall promptly notify the insurer of the occurrence of a failure resulting in impending expiration of its certificate of authority.

History.—§ 1, ch. 120, SLA 1966; § 27, ch. 26, SLA 1985.

§ 21.87.110 Suspension or revocation of certificate

(a) The director shall suspend or revoke the certificate of authority of a service corporation that the director finds, after a hearing, is no longer qualified under this chapter.

working capital to the corporation, the payment to be prorated on a uniform basis among all the outstanding contributions; or

(3) to reduce the rates thereafter to be charged subscribers, or to expand the services or benefits thereafter to be provided under subscription contracts.

History.—§ 1, ch. 120, SLA 1966; §§ 18, 19, ch. 40, SLA 1981.

§ 21.87.310 Fidelity bonds

Each service corporation shall procure and maintain in force a fidelity bond or bonds, with authorized corporate surety, covering every officer or employee entrusted with the handling of its funds, in an amount, but not less than \$5,000, which may be fixed by its board of directors.

History.—§ 1, ch. 120, SLA 1966.

§ 21.87.320 Repealed. § 30, ch. 26, SLA 1985

§ 21.87.330 Definitions

In this chapter

(1) "health care service" means a service rendered to an individual for diagnosis, relief, or treatment of an injury, ailment or bodily condition;

(2) "hospital service corporation" means a service corporation that principally provides hospital services;

(3) "medical service corporation" means a service corporation that principally provides medical or surgical services;

(4) "nurse midwife" means a registered professional nurse who is certified as an advanced nurse practitioner under AS 08.68.410(1) and authorized to practice as a nurse midwife under regulations adopted in accordance with AS 08.68;

(5) "participant hospital" is one which has entered into a service agreement with a service corporation;

(6) "participant provider" means a provider who has entered into a service agreement with a service corporation;

(7) "physician" includes also "surgeon";

MEMORANDUM

State of Alaska

TO: Parties interested in starting
a new domestic insurer

DATE: Updated
July 31, 1989

FILE NO:

TELEPHONE NO:

THRU:

SUBJECT: Relevant Laws

FROM: Eugene W. Furman CPA
Insurance Financial Examiner

From time to time the Department of Commerce and Economic Development, Division of Insurance, is approached by parties interested in starting a new domestic insurer. This memorandum is a non-exhaustive outline of the more important laws dealing with the start up of a domestic insurer.

This memorandum is not intended to substitute for competent legal advice or feasibility studies and economic research normal to the start up of any new business endeavor. There are risk elements in any new business, many of which are magnified for a new domestic insurer due to the size of Alaska's population, lack of a domestically available insurer management pool, lack of a pool of trained insurer employees and many other factors. Perceived high cost of current insurance, lightness in one or more lines of available insurance coverage or enthusiasm by independent promoters and/or insurance sales people should not be considered to represent an available economic opportunity.

As a newly organized entity a new domestic insurer has no operating history. It is likely that there will be no secondary market for its shares or other securities. Accordingly, the securities of a newly formed domestic insurer are likely to be illiquid. Certain provisions of Alaskan law will operate to impair the newly formed domestic insurer's ability to realize the full value of its assets in the event of a voluntary or involuntary liquidation of its assets. An investment in a newly formed domestic insurer is not appropriate for all investors and no assurances can be given that the objectives of the newly formed domestic insurer can be achieved.

This memorandum is intended for the personal use of the organizers of domestic insurers for their informational purposes only. There are other requirements of Alaskan law not contained in the statutes dealing with insurance such as the anti-fraud and disclosure rules of the securities laws which organizers need to consider.

THERE CAN BE NO ASSURANCES BY THE STATE OF ALASKA, ITS EMPLOYEES OR ITS AGENTS AS TO THE ACHIEVEMENT OF THE OBJECTIVES OF THE ORGANIZERS OF A DOMESTIC INSURER. THERE IS NO APPROVAL OR DISAPPROVAL OF ANY PROSPECTUS OR OFFERING CIRCULAR PREPARED USING THIS MEMORANDUM AS A GUIDELINE. FURTHER, THERE IS NO APPROVAL OR DISAPPROVAL OF ANY SECURITIES OFFERED THRU USE OF THIS MEMORANDUM AS A GUIDELINE BY ORGANIZERS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE GOVERNED BY VARIOUS FEDERAL SECURITIES LAWS.

Scope of Insurance Laws

All persons transacting a business of insurance in Alaska, or relative to a subject resident, located or to be performed in Alaska, shall comply with the applicable provisions of Alaskan law, namely, Title 21 - Insurance. (AS 21.03.010) The activity performed by a domestic insurer is considered the transaction of the business of insurance in Alaska. Accordingly, Title 21 applies as do many of the provisions of Title 10, Chapter 05 Alaska Business Corporation Act dated July 1, 1989.

Specifically with respect to Title 21 a person may not act as an insurer and an insurer may not transact insurance in Alaska except as authorized by a valid certificate of authority issued by the director of the Division of Insurance. (AS 21.09.010) Domestic insurers may be incorporated stock insurers, incorporated mutual insurers or reciprocal insurers. (AS 21.09.040) Domestic stock insurers should refer to AS 21.09, while domestic mutual insurers and domestic reciprocal insurers should refer respectively to AS 21.59 and AS 21.75 in addition to AS 21.09.

Application Process

To apply for an original certificate of authority an insurer shall file with the director its application (accompanied by the applicable fees set under AS 21.06.250) showing the information and including the documents called for in AS 21.09.110. A forms packet is available from the Division's Licensing Supervisor in Juneau, (907) 465-2545. Additionally, it is the policy of the division to require complete biographical histories and a listing of business activities of organizers and proposed directors and investigate same under AS 21.09.100 and other provisions of Alaskan Insurance Laws.

Before organizers may advertize, solicit funds, make agreements or generally take any action with respect to organizing a domestic insurer a solicitation permit must be applied for and received from the director. The rules for this process are covered in AS 21.59.060 thru .260. There is a surety bond or cash deposit requirement of the organizers contained in AS 21.60.140. During the organization process and afterwards the director must be appointed as a domestic insurer's attorney to receive service of legal process issued against it in Alaska. (AS 21.09.180 and .190) It is strongly suggested that organizers be very familiar with AS 21.69 which covers organization, corporate procedures and the important concept of bulk reinsurance in sections .610 and .620. Further attention is directed to AS 21.35.360 (c), fraudulent insurance acts associated with forming an insurer and the requirement for pre-approval of insurance contract forms in AS 21.42.120.

If the director finds that the applicant has met the requirements for and is entitled to a certificate of authority under Alaskan Insurance Law, the director will issue a proper certificate specifying the kinds of insurance the

insurer is authorized to transact. This certificate remains at all times the property of the State. If the director does not find that the requirements have been met, the director will issue an order refusing the certificate. (AS 21.09.120)

It would also be important for the organizer to understand the concepts of continuation, amendment and termination of the certificate of authority. These concepts are covered in AS 21.09.130 to .180.

Required Capital

A domestic corporate insurer issuing capital stock applying for its original certificate of authority is required to possess the basic minimum paid-in-capital stock and additional funds in surplus as outlined in AS 21.09.070. In addition to the rules in AS 21.09.070, the required initial minimum surplus for a domestic mutual insurer is governed by AS 21.60, primarily section .220, while the required initial minimum surplus for a domestic reciprocal insurer is governed by AS 21.75, primarily AS 21.75.050 and .055. The amount of surplus is controlled by the types of insurance to be written. Generally, \$1,000,000 of basic capital or surplus and additional surplus for a total of \$2,000,000 is required for a life and disability insurer with \$1,500,000 of basic capital or surplus and additional surplus for a total of \$3,000,000 being required for a property and casualty insurer. Higher initial amounts of additional surplus is a subject which organizers should be prepared to discuss. Generally, organizers should concern themselves with capital in addition to the minimum requirements whenever their business plan filed with the application calls for the new domestic insurer to accept the risk of loss on any single occurrence in excess of \$50,000 to \$100,000.

Organizers should note that a business plan is an item of additional information that the director requires under AS 21.09.110. Domestic insurers desiring to assume reinsurance liabilities should be thinking in terms of \$20,000,000 or greater total initial surplus. Finally, on the subject of initial minimum surplus, there is an important prohibition in AS 21.12.110 requiring any insurer to not retain a risk on any one subject of insurance in an amount exceeding 10% of its surplus to policyholders.

Trust Deposits

All insurers other than title insurers are generally required to have a trust deposit of at least \$300,000 deposited with the director under AS 21.24.030.

Additional Items

The following additional items are a partial list of the concepts with which organizers should become familiar before committing to a decision concerning organizing a domestic insurer:

Additional
Items (Cont.)

SUBJECT	REFERENCE
Reports - Annual Statement	AS 21.09.200
- Premium Tax Report	AS 21.09.210
Records	AS 21.09.390 and .400
Limit of Risk	AS 21.12.010
Reinsurance	AS 21.12.020
Definitions of Coverages	AS 21.12.040 to .110
Assets and Liabilities	AS 21.18, particularly Sections .010 and .030
Investments	AS 21.20, particularly Sections .020, .050, .250, .300 and .321
Holding Companies	AS 21.22, particularly Sections .010, .020 and .060
Insider Trading	AS 21.40
Dividends	AS 21.22.100, AS 21.09.080 (h) AS 21.09.480 to .510 and AS 21.75.240 and .250
Trade Practices	AS 21.36 Particularly Sections .090, .100, .120, .130, .190 and .360
Rates	AS 21.39
Insurance Contracts	AS 21.42 and AS 21.09.110 (9)
Unauthorized Business	AS 21.09.250
Stock of Subsidiaries	AS 21.21.180
Investments Prohibitions	AS 21.21.250 and .321

Addresses and
Phone numbers

Juneau - State of Alaska
 Department of Commerce and Economic Development (907) 465-2515
 Division of Insurance (907) 465-3041 (fax)
 P. O. Box D
 Juneau, Alaska 99811

Delivery address: 333 Willoughby Street
 Juneau, Alaska 99801

Anchorage - State of Alaska
 Department of Commerce and Economic Development (907) 562-3626
 Division of Insurance (907) 562-0048 (fax)
 3601 C Street, Room 740
 Anchorage, Alaska 99503

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act relating to ambulance and emergency medical services provided by municipalities
 Sponsor: Labor & Commerce Committee
 Requestor: Senate Judiciary Committee
 Agency Affected: Commerce & Economic Dev.
 BRU: Insurance
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No impact in FY 90

Prepared by: Joan Brown, Administrative Officer Phone: 465-2597
 Division: Insurance Date: 3/27/90
 Approved by Commissioner: Larry Mercurieff *(Signature)* Date: 3/27/90
 Agency: Department of Commerce & Economic Development

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SJR

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FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "Relating to community action agencies."
Sponsor: Sen. Adams, Zharoff, Binkley etc
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Jim Plasman

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: 3/7/89

Approved by Commissioner: Mark C. Kelly Date: 3-7-89
 Agency: Community & Regional Affairs

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Information for Legislative
CITATION.

WHAT HAS RURAL CAP DONE?:

1) TRAINING - CITIZENS PARTICIPATION

* Enabled human resources to be developed which trained the target population in the skills needed to participate and be involved in the decisions affecting their lives:

Started the Regional Non-Profits

- * AFN - original funds to support AFN came from Rural CAP
- * CEDC - today a multi-million dollar organization providing valuable services to promote the economic development of rural Alaska -- started with funds provided by Rural CAP;
- * Regional non-profits (Kawerak, Maniilaq, AVCP, KANA, CRNA,) were all started by Rural CAP - Rural CAP provided training and development to these regional non-profits -- who then were supported to be spun-off and self-responsible.
- * Alaska Village Electric Cooperative - electricity generation to rural Alaska

-- Rural CAP trained village people from around the State gave them practical experience in dealing with government, boards, and a complex western system. Rural CAP was the first to divide the state into "quasi-governmental" regionals and the organizations started by Rural CAP developed into nine of the regional non-profits in existence today: Kawerak, Maniilaq, KANA, AVCP, Copper River Native Association, etc. Rural CAP provided funding and training so that decisions could be made at the local level. The non-profits became effective providers of service. These corporations spun off and became strong regional non-profits.

-- Rural CAP provided funds to establish CEDC, AFN, and Alaska Legal Services. Rural CAP also started the Alaska Village Electric Cooperative which through a string of tiny generators stretched across the bush and brought electricity to homes and villages where there had never been any before.

-- Rural CAP provided funds and support for AFN which assisted AFN to launch its drive toward the settlement of the Alaska Native land claims. At that time there were no rich Native organizations and poverty money was used for poor people in one of the most important ethnic political group movements in the history of our state.

2) - Leadership Development

- * Trained leaders
- * Village Participation Conference
- * Hired as staff to gain experience
- * Project Grass Roots
- * Board - volunteers from villages - gain experience

-- Native people received training through RurAL CAP programs which gave them the skills needed to begin work with the legal and governmental establishment of Alaska/US. Project Grass Roots - an innovative program of leadership training

-- Others trained through RurAL CAP were John Sackett, Frank Ferguson, Al Adams, Mike Harper, Nels Anderson, John Shively, Willie Hensley, Jonathon Solomon, Bill Barr, Al Ketzler, Tony Vaska, Charlie Edwardsen, Sheldon Katchatag, Andy Ebona, Anna Phillip, Charlie Kairaiuk, Willie Kasayulie, Byron Mallott, Phil Smith all either have been actively involved in some of its programs or a staff member of RurAL CAP.

Rural Alaskans most of whom are below poverty income guidelines are provided the opportunity to meet in forums like the Village Participation Conference. This annual event sponsored by RurAL CAP enables villagers to access resources, gain information, and share successes. It is a training ground for village leaders.

3) Innovative, Cost-Effective Programs

- * RurAL CAP started national Weatherization Program
- * Bulk Fuel Buying -- for villages
- * Fuel Loan Program
- * Project Grass Roots - leadership training
- * Head Start - RurAL CAP brought Head Start to the villages

WEATHERIZATION AND ENERGY CONSERVATION

- * RurAL CAP was the originator of the national weatherization programs now administered by states as a cost effective and innovative approach to cold and drafty homes in rural Alaska and for other states as well;
- * Continues to be the top weatherizing agency in the state - hiring locally to insure total participation and involvement by those whom it serves;
- * Last year did a needs assessment on rural housing which resulted in the HUD allocating another \$3 million to Alaska to rural Alaskans;
- * Fuel Loan Programs
- * Bulk Fuel Buying
 - these were innovative programs started by RurAL

enabled villages to obtain money necessary to purchase fuel and later to pay the loan back. In the end, it cost the government nothing.

Emergency funds were provided to pay for fuel to be flown into villages in crisis situations.

- Bulk Fuel Buying obviated emergency situations regarding fuel -- storage tanks large enough provided savings to villagers who had to pay exorbitant amounts for fuel -- bulk buying saved money

HEAD START

- * RurAL CAP was the first to bring Head Start to rural Alaska a preschool program intended to give three- and four-year olds from disadvantaged families a boost before entering elementary school. National statistics prove that every dollar spent on Head Start results in \$7 saved from costs for social and judicial costs later in life.
- * Otitis Media - through RurAL CAP Head Start programs attention was brought to devastating epidemics of tooth decay and ear infection (otitis media). Hundreds of rural children have been brought to Anchorage for corrective ear surgery, and parents taught about the dangers of excessive sweets.
- * Today - RurAL CAP is acknowledged as the foremost trainer in Head Start - Head Start programs are administered in 35 villages - over half of the rural children attend Head Starts administered by RurAL CAP. RurAL CAP Head Start continues to bring issues affecting rural families and children to the forefront of attention -- most recently the lack and gaps in preventive health care for rural Alaskans

Funds channeled into villages through RurAL CAP exceed \$1 million dollars in teacher, aide, cook salaries -- a significant sum of money into rural economies;

ALCOHOL/DRUG ABUSE PREVENTION

- * RurAL CAP was first to start counselor training program in villages -- later formed a training institute to provide alcohol counselor training;
- * Today in the forefront of the "Sobriety Movement" - first to bring outside resources/information -- about Alkali Lake into Alaska;
- * Promotes one of the most effective approaches to alcohol abuse in villages: the Community Development - which assists the local community to take responsibility

through stages of Personal Development - Family - Village Development -- based on values of the Native community - has proven to be more successful than any other approach thus far;

- * Continues to provide youth leadership training - through the Rural Providers Conference - supports young people to take positive responsibility for leading healthy lives -- provides hope and support--by building community with other young people

SUBSISTENCE & NATURAL RESOURCE PROTECTION

Subsistence and Natural Resource Protection are of vital concern to rural Alaskans who depend on the subsistence resources for life. Rural CAP has continued to enable rural Alaskans to meet in such citizen advisory committees as: the Rural Alaska Resource Association, the Sea Otter Commission, plus Rural CAP provides support to the Eskimo Walrus Commission as well as Indigenous Survival International.

Through the years Rural CAP has joined with villagers to protect the subsistence use of wildlife over other forms of hunting and fishing. In the bush, subsistence is not merely a lifestyle. It was and is life; cultural and spiritual life as well as physical life.

Native Allotment Act - spearheaded efforts to enable more Native allotments which ensured more land would be under Native control in addition to lands allowed for selection once ANCSA was reached.

Rural CAP has brought issues to the forefront in Alaska which have needed to be addressed:

- * Land Claims
- * Native Allotments
- * Bulk Fuel Loans
- * Weatherizing homes in rural Alaska
- * Head Start for Village Children
- Leadership training for villagers
- * Project Grass Roots
- * Subsistence and Natural Resource Protection
- *

assisted rural Alaskans and the Native community to become land owners and as participants in the economic system

Workshops, trainings, and conferences - to enable villagers to take control at the local level in decision making - to become effective providers of services

ability to be one step ahead of the curve, to see issues developing which affect bush Alaska before anyone else does and then to take action.