

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
5659 HOUSE HEALTH, EDUCATION & SOCIAL SERVICES

1 elementary or secondary school level in the state.

2 * Sec. 22. AS 14.43.650(a) is amended to read:

3 (a) To be eligible for a teacher scholarship loan, a student
4 must

5 (1) be a graduate of a public or private high school in the
6 state, with sufficient credits to be admitted to an accredited college
7 or university;

8 (2) be enrolled in or show evidence of intent to enroll in
9 a degree program directed at a teaching career at the elementary or
10 secondary school level;

11 (3) meet the conditions set by the student's local school
12 board with respect to the district's requirements for teachers in
13 particular subject areas;

14 (4) submit to the local school board an application provid-
15 ed by the commission [STUDENT FINANCIAL AID COMMITTEE] under AS 14.-
16 43.630(a)(2); an application may be submitted six months before grad-
17 uation from high school; and

18 (5) not have a past due child support obligation estab-
19 lished by court order or by the child support enforcement division
20 under AS 47.23.160 - 47.23.220 at the time of application.

21 * Sec. 23. AS 14.43.720(b) is amended to read:

22 (b) The commission [STUDENT FINANCIAL AID COMMITTEE CREATED
23 UNDER AS 14.43.095] may sell or assign notes and other instruments
24 evidencing family education loans to the Alaska Student Loan Corpo-
25 ration and enter into agreements with the corporation relating to
26 loans, the administration of the student loan fund created under
27 AS 14.42.210, and the payment of and security for bonds of the corpo-
28 ration. Proceeds from the sale or assignment of notes and other
29 instruments shall be deposited in the family education loan account.

1 * Sec. 24. AS 14.43.730 is amended to read:

2 Sec. 14.43.730. ADMINISTRATION. The family education loan
3 program shall be administered by the commission [STUDENT FINANCIAL AID
4 COMMITTEE (AS 14.43.095)] under regulations that it adopts [ADOPTED BY
5 THE COMMITTEE].

6 * Sec. 25. AS 14.43 is amended by adding a new section to article 9 to
7 read:

8 Sec. 14.43.990. DEFINITION. In this chapter, "commission" means
9 the Alaska Postsecondary Education Commission.

10 * Sec. 26. AS 14.43.095 and 14.43.160(2) are repealed.

11 * Sec. 27. This Act takes effect July 1, 1989.
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HB

2/2

FISCAL NOTE

REQUIS:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
 Title: An Act relating to the practice BRU: Occupational Licensing
of acupuncture.
 Sponsor: House HESS Components: All
 Requester: House HESS

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	2.9	2.9	2.9	2.9	2.9
TRAVEL	0	7.4	7.4	7.4	7.4	7.4
CONTRACTUAL	0	1.5	1.5	1.5	1.5	1.5
SUPPLIES	0	.1	.1	.1	.1	.1
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	11.9	11.9	11.9	11.9	11.9

CAPITAL	0	0	0	0	0	0
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REVENUE	0	3.0	1.5	5.3	1.5	8.3
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FUNDING: (Thousands of dollars)

GENERAL FUND	0	8.9	10.4	6.6	10.4	3.6
FEDERAL FUNDS						
OTHER (GF/PR)	0	3.0	1.5	5.3	1.5	8.3
TOTAL	0	11.9	11.9	11.9	11.9	11.9

POSITIONS:

FULLTIME	0	0	0	0	0	0
PARTTIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary.)

HB 212 will allow acupuncture services to be offered by all qualified individuals. Currently, only medical doctors can offer acupuncture services. The costs identified in this fiscal note are explained on the following page.

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
 Division: Occupational Licensing Date: 3/15/89

Approved by Commissioner: Larry Mercurieff, Commissioner Phone: 465-2500
 Agency: Department of Commerce & Economic Development Date: 3/15/89

Distribution (by preparer):

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

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 212

Last year, testimony on this bill revealed that very few acupuncturists currently reside in-state (2) and that only a few additional acupuncturists are expected to seek admission, should this legislation pass. For the purposes of this fiscal note, we have anticipated a maximum of ten licensees.

This fiscal note differs from previous fiscal notes on the subject in that a portion of overhead personal services costs which the program can be expected to cover are included. As with all licensing occupations, each program is attributed a portion of administrative expenses of the division based on the number of licensees divided by the total number of division licensees. In this case, ten licensees represents .04% of the administrative costs reflected primarily in personal services, contractual and supplies. The travel costs are based on a five-member board and staff to meet once in Anchorage and once in Fairbanks each year.

Because of the small number of practitioners, it would be unreasonable to establish a licensing fee which would require those few licensees to bear the entire cost of the licensing function. In such cases, the licensing costs must be supplemented by general funds or other licensing fees.

Revenues: The revenues projected are also based on ten licensees in the first year, paying a license fee of \$150.00 per year (\$300.00 biennially) and assuming a growth rate of five practitioners each year thereafter (which may be highly speculative).

HB 212: An Act relating to the practice of acupuncture.

The bill establishes a Board of Acupuncture composed of five members to regulate and license qualified individuals. The board is to meet twice each year. Currently, only licensed medical doctors are allowed to practice acupuncture in Alaska. The bill changes the current practice to allow individuals who meet the licensing requirements in Section 08.06.070 of the new bill to become licensed and offer their services.

Information collected indicates there are 22 states, in addition to Alaska, which provide for licensing, registration or certification of acupuncture. Alaska is currently the only state in which the practice is required to be performed by a licensed medical doctor. At this time, the number of physicians presently in Alaska who could seek licensure under this bill or whose practice would be affected by the bill is not known precisely; however, it appears that there were two (2) licensed physicians who may still be practicing acupuncture in the state.

HB 212 may increase the health care services available to consumers by allowing qualified individuals to practice acupuncture. However, the department is not presently aware of any public concern for the currently licensed acupuncturists, nor are we aware of a substantially unmet public demand for acupuncture services. In addition, most of the testimony presented on this bill last year was given by practitioners outside of Alaska. The department, therefore, questions the need for a board to regulate the occupation and suggests that licensing could be administered in a more cost-effective manner by department staff without a board.

Housekeeping amendments were proposed to the latest version of the bill last year which do not appear in HB 212. The department recommends that the reference to National Council as found in Section 08.06.070(3)(A) and (4) and Section 08.06.080(2) be changed to read "National Commission."

The department does not oppose the licensing of acupuncture and only raises a concern regarding the creation of a board to regulate a profession that may have very few licensed professionals.



Larry Merculieff, Commissioner

Date: 3/15/89

HB

215

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act Imposing a School Tax
Sponsor: Swackhammer
Requestor: _____

Agency Affected: Revenue
BRU: Income & Excise Audit
Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
OPERATING						
PERSONAL SERVICES	349.0	349.0	349.0	349.0	349.0	349.0
TRAVEL	40.0	40.0	40.0	40.0	40.0	40.0
CONTRACTUAL	52.0	52.0	52.0	52.0	52.0	52.0
SUPPLIES	10.0	10.0	10.0	10.0	10.0	10.0
EQUIPMENT	65.0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	516.0	451.0	451.0	451.0	451.0	451.0
CAPITAL	0	0	0	0	0	0
REVENUE	8700.0	17400.0	17400.0	17400.0	17400.0	17400.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	516.0	451.0	451.0	451.0	451.0	451.0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	516.0	451.0	451.0	451.0	451.0	451.0

POSITIONS:

FULL-TIME	9	9	9	9	9	9
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached page.

Prepared By: Steven E. Kettel
Division: Income and Excise Audit

Phone: (907) 465-2320

Date: March 29, 1989

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: March 29, 1989

Distribution (by preparer):

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

HR 215

Prepared by Steven E. Kettel
March 29, 1989

ANALYSIS

1. The starting point for these estimates is the number of workers, resident and nonresident, working in Alaska in 1987. The source of these figures is an Alaska Department of Labor publication, Nonresidents Working in Alaska in 1987.
2. Estimates were adjusted by the inclusion of several groups not covered in the above report. These groups are federal employees and seafood harvesting employees. No reliable estimates for another group, the self-employed, were available and potential tax collections from that group are not included in the revenue estimates.
3. Figures were reduced for the number of workers in 1987 who were less than 19 years of age. No data was available on workers earning less than \$200 annually. It is probable that this group is relatively small in number and their inclusion would not significantly influence the estimates.
4. The analysis assumes that employment levels for the next several years will approximate those of 1987.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Imposing a school tax
 Sponsor: Swackhammer
 Requestor: House HESS
 Agency Affected: Education
 BRU: K-12 Support
 Components: Foundation

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						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Mary Hakala Phone: 465-2800
 Division: Commissioner's Office Date: 3/28/89
 Approved by Commissioner: William G. Demmert Date: 3/28/89
 Agency: Education

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

REPRESENTATIVE
C.E. "SWACK" SWACKHAMMER

Alaska State Legislature



House of Representatives

SOLDOTNA
312 TYEE STREET
SOLDOTNA, ALASKA 99809
(907) 262-7841

JUNEAU
BOX V
JUNEAU, ALASKA 99811
(907) 405-2689

SECTIONAL ANALYSIS FOR HOUSE BILL 215

Section 1. Findings and purpose section.

(a) Under constitutional mandate, (Article VII, sec. 1), the legislature is required to establish and maintain a system of public schools. This constitutional duty requires that public schools receive additional maintenance and repair work which is not being accomplished by existing funding levels.

(b) The purpose of this act is to provide additional state funds to make urgent health and safety related repairs to the state's public schools.

Section 2. Amends AS 43 by adding a new chapter.

AS 43.45.011. A school tax of \$50 is imposed upon each person 19 years of age and older and employed. A person who earns less than \$200 in a calendar year is exempt from the tax.

AS 43.45.021. The imposed tax will be paid before April 16 of the calendar year following the year it is imposed. An employer will deduct the tax from an employee's salary upon the first payroll after March 1 or on the first payroll after employment. A deduction may not be made in the salary or compensation of a person who is casually employed until the amount earned exceeds \$200 or if the employee provides proof a deduction has already been paid through previous employment.

AS 43.45.031. An employer who is withholding a school tax shall furnish to the employee, upon request, a record of the amount of tax withheld. The department will provide a form for that purpose.

AS 43.45.041. The Commissioner of Administration will separately account for money collected that the department deposits in the general fund. The legislature may use the estimated account balance to make appropriations for school construction grants.

Section 3. Effective date of the bill is January 1, 1990.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

P. O. Box 7, State Capitol
Juneau, Alaska 99811-3100
Mail Stop 3100
(907) 465-3991

January 24, 1989

MEMORANDUM

TO: Representative C. E. Swackhammer

FROM: Gretchen Keiser *G. Keiser*
Legislative Analyst

RE: State School Tax
Research Request 89.132

You asked us to provide information regarding a proposed state school tax of \$50 to be paid annually by all employed persons in Alaska, including the self-employed and nonresidents. Individuals would be allowed a tax credit toward school tax liability for paying municipal/borough property taxes earmarked for support of local schools. Specifically, you asked us to

- estimate the potential revenues and administrative costs of a school tax, and
- discuss the credit for local property taxpayers in the near and long term in relation to the schedule of municipal school debt retirement.

POTENTIAL REVENUES AND ADMINISTRATIVE COSTS OF A STATE SCHOOL TAX

Available data indicate that 290,340 Alaskans and 67,309 nonresidents were employed in Alaska in 1986.¹ According to federal income tax records maintained by the Alaska Department of Revenue, 222,941 tax returns were filed by Alaskans in 1986. Of those filing, about 142,200 taxpayers itemized deductions, with mortgage interest payments being the most likely reason for itemizing deductions.² Using this estimate of taxpayers who itemized as a

¹These employment figures include all resident and nonresident employees reported in Nonresidents Working in Alaska in 1986, Alaska Department of Labor, January, 1988; and 1986 seafood harvesting employment data computed from information supplied by the Commercial Fisheries Entry Commission.

²Mary Ellen Frank, Research Section, Alaska Department of Revenue, personal communication, January 13, 1989. The figure includes 44,481 individuals, 96,412 married persons (filing 48,206 joint returns), 31 married persons (filing separate returns), and 1,277 persons as head of households.

proxy for those paying local property taxes (and assuming that property owners pay at least \$50 in local property taxes to support schools), I estimate the revenue potential of a state school tax as follows:³

Residents

• Tax Levy (290,340 employees x \$50 tax)	\$14,517,000
Property Tax Credit (142,201 taxpayers x \$50 credit)	- 7,110,000
Estimated Gross Tax Revenues	<u>\$ 7,406,950</u>
Percent of Total	69%

Nonresidents

• Estimated Gross Tax Revenues (67,309 employees x \$50 tax)	\$ 3,365,450
Percent of Total	31%

Net State Revenues

• Estimated Gross Tax Revenues	\$10,772,400
Estimated Administrative Costs ⁴	100,000
Net Tax Revenues	<u>\$10,672,400</u>

STATE SCHOOL TAX AND MUNICIPAL SCHOOL DEBT RETIREMENT

You asked for a discussion of how the property tax credit allowed under the proposed school tax would be affected as municipal school debt is retired. The credit would apply only to the extent that property owners continue to pay taxes in support of local schools. As municipalities retire their existing school construction debt, it is unlikely that mill levies for school support would decline and enough to eliminate the value of the credits applied to the state school tax.

³This assumption probably overestimates the number of property taxpayers eligible for the school tax exemption. Alaska Taxable 1987 reports relatively low mill levies for educational support in Cordova (0.2397 mill), Pelican (0.26), and Wrangell (0.45), and individual property taxpayers might not pay \$50 in school property taxes.

⁴Steve Kettel, Director, Income and Excise Tax Division, Alaska Department of Revenue, personal communication, January 13, 1989. This rough estimate assumes that employers would be responsible for withholding the \$50 school tax and submitting the tax receipts with currently required quarterly reports.

According to Department of Education (DOE) records, total annual debt service (i.e., principal and interest payments) for existing school debt statewide will decline from about \$130 million in FY 89 to less than half--about \$46 million--by FY 97 (Attachment A). However, the specific timeframe for decline in the annual debt service varies among individual school districts. Several districts, including Anchorage, Fairbanks, Juneau, Kenai Peninsula, Ketchikan, Mat-Su, Petersburg, and Valdez, will experience only slight declines in debt service obligations in the immediate future but significant decreases sometime during the 1993 - 1997 period.⁵ A few districts--Kodiak Island, North Slope, and Sitka--will see a decrease in annual debt service sooner. The remaining districts--Bristol Bay, Haines, Nome, Unalaska and Wrangell--will experience little decline in annual payments until the debt is retired from three to 16 years in the future. In most cases, existing school debt is retired by 2003. In summary, the retirement schedule for existing school debt in most districts suggests that the need for municipal support through property taxation should decrease by the mid-1990s.

However, the six-year capital improvement plans submitted to the Department of Education by Alaska's school districts indicate that there is considerable need for additional expenditures for public schools between FY 90 and FY 95 (Attachment C). Identified capital improvements by municipal school districts for the top priorities of 1) health/life safety, 2) unhoused students (i.e., school space), and 3) protection of structure were as follows:

---Municipal School Districts Capital Improvement Plans (in millions)---						
FY90	FY91	FY92	FY93	FY94	FY95	Total
\$33.0	\$20.4	\$14.4	\$50.3	\$32.5	\$62.4	\$217.4

Given state revenue projections, it is unlikely that the state will be able to fund these priority capital improvements, and likely that school districts will seek local support--through the capital budget or bond issuance. Funding under a local capital improvements budget or bond issue translates into a tax burden likely to fall primarily on property taxpayers.

In addition, state revenue projections suggest that state general fund support for the operation of public schools through the foundation program is unlikely to increase--and may decline--in the future. As student population grows and education costs increase, the primary source of additional operational support will undoubtedly be local governments. Absent significant increases in local sales tax revenues, the municipalities will rely on property tax revenues to pay the school bills.

⁵Although annual interest payments will decline in the future, a number of school districts will experience increases in principal payments during the next few years. Terms and conditions of school bonds vary considerably, but several districts have larger principal payments coming due on specific bonds in the future. Attachment B provides DOE summary tables of annual principal and interest payments for Alaska's schools.

Representative Swackhammer
January 24, 1989
Page 4

In summary, although existing school debt will decline significantly by the mid-1990s, the likelihood of new local school bonds or capital appropriations to finance capital improvements and the need for additional local support of school operations suggest that local property taxes paid for education will not decline in most communities. Thus, local property taxpayers would continue to benefit from the credit toward a state school tax. Property owners would support the schools locally through their property taxes, whereas other Alaska and nonresident workers would provide some school support through their annual \$50 tax under your state school tax proposal.

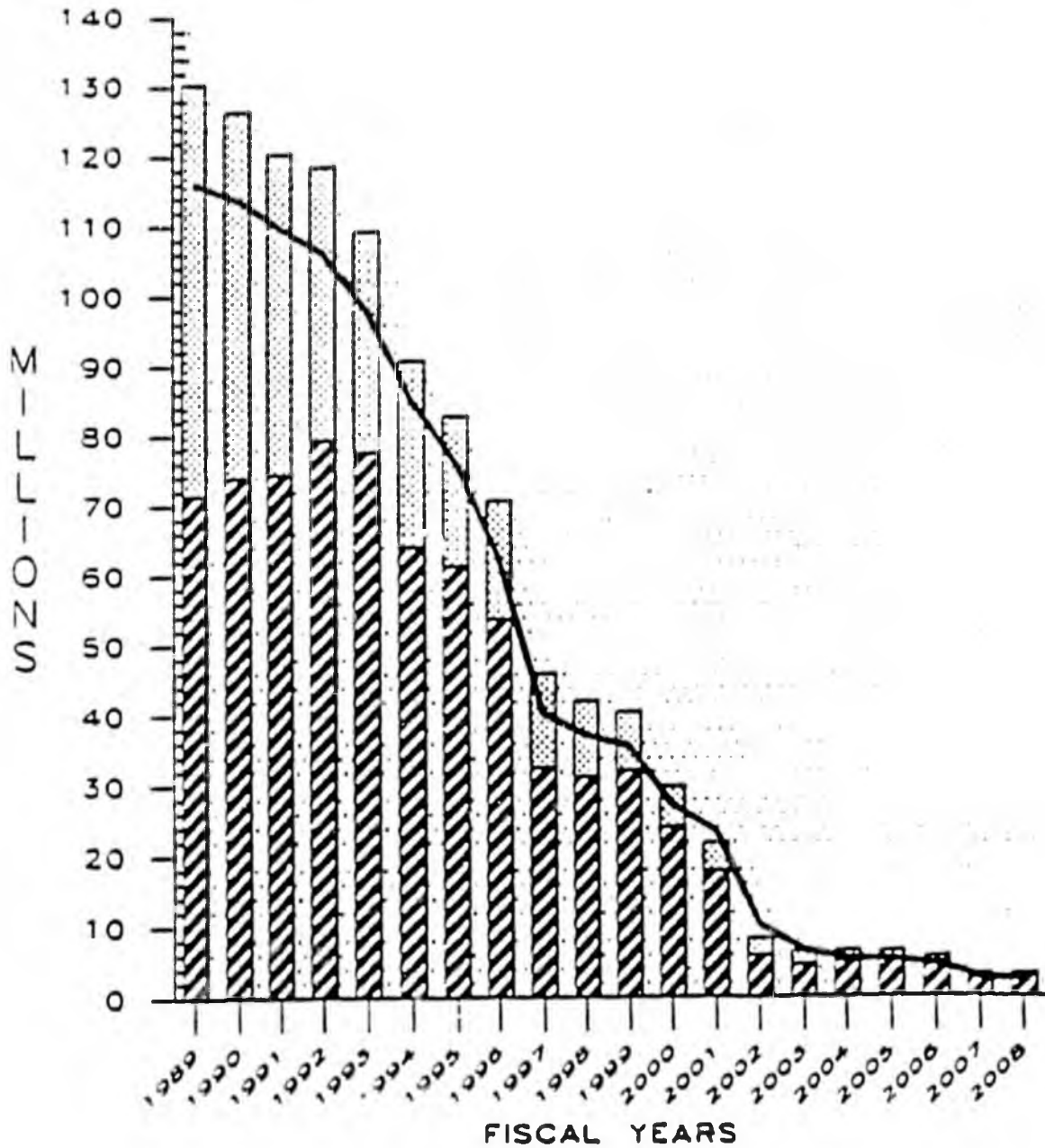
Please call me if you have any questions.

Attachments

ATTACHMENT A

Debt Reimbursement for School Construction

DEBT RETIREMENT FOR SCHOOL CONSTRUCTION TOTAL PRINCIPAL AND INTEREST WITH STATE LIABILITY PER AS 14.11.100



 PRINCIPAL
 INTEREST

 STATE LIABILITY

DOE 10/28/88

ATTACHMENT B

Outstanding Principal & Interest Payments for School Construction Debt

DEPARTMENT OF EDUCATION
 STATEWIDE SUMMARY SHEET (FOR RETIREMENTS)
 WITH OUTSTANDING PRINCIPAL
 UPDATED 10/24/88

DISTRICT PAYMENT YEAR	AVERAGE TOTAL PRINCIPAL	BRISTOL BAY TOTAL PRINCIPAL	FAIRBANKS TOTAL PRINCIPAL	HAINES TOTAL PRINCIPAL	JUNEAU TOTAL PRINCIPAL	KENAI TOTAL PRINCIPAL	KETCHIKAN TOTAL PRINCIPAL	KOOTENAI TOTAL PRINCIPAL	MAT-SU TOTAL PRINCIPAL	MUW TOTAL PRINCIPAL	NORTH SLOPE TOTAL PRINCIPAL	PETERSBURG TOTAL PRINCIPAL	SITKA TOTAL PRINCIPAL	UNALASKA TOTAL PRINCIPAL	VALDEZ TOTAL PRINCIPAL	WRANGELL TOTAL PRINCIPAL	TOTAL OUTSTANDING PRINCIPAL	DISTRICT PAYMENT YEAR
1989	813,855,000	8170,000	87,698,400	870,000	84,388,573	816,150,000	81,850,000	83,765,000	813,505,000	8670,000	87,000,000	8455,000	81,844,355	840,000	81,750,000	8260,000	871,451,328	1989
1990	814,820,000	8185,000	86,198,400	875,000	84,818,424	815,485,000	82,020,000	83,970,000	814,680,000	8670,000	86,700,000	8355,000	81,859,194	840,000	81,770,000	8275,000	873,921,018	1990
1991	815,860,000	8195,000	86,536,400	880,000	85,236,540	817,095,000	82,195,000	82,380,000	815,810,000	8670,000	84,000,000	8370,000	81,831,452	845,000	81,895,000	8300,000	874,499,392	1991
1992	817,000,000	8210,000	87,098,400	885,000	85,668,902	819,010,000	82,400,000	81,895,000	816,760,000	8670,000	84,000,000	8385,000	81,661,290	850,000	81,910,000	8335,000	879,338,592	1992
1993	817,810,000	8225,000	87,573,400		83,808,902	820,605,000	82,610,000	81,960,000	817,945,000	8670,000		8400,000	81,668,548	850,000	82,035,000	8365,000	877,725,850	1993
1994	819,180,000	8240,000	88,098,400		8570,519	810,635,000	82,845,000	81,680,000	816,140,000	8670,000		8420,000	81,673,387	855,000	81,460,000	8400,000	864,067,306	1994
1995	820,665,000	8260,000	87,098,400		8567,466	818,650,000	8410,000	81,735,000	817,310,000	8670,000		8435,000	81,550,000	860,000	81,495,000	8435,000	861,340,866	1995
1996	822,750,000	8275,000	84,723,400		8622,466	816,205,000	8200,000	81,795,000	812,350,000	8670,000		8455,000	81,600,000	865,000	81,620,000	8475,000	853,785,866	1996
1997	811,520,000	8300,000	85,023,400		8685,587	816,700,000		81,860,000	814,010,000			8185,000		870,000	81,760,000	8525,000	832,638,982	1997
1998	811,365,000	8320,000	84,675,000		8745,582	817,215,000		81925,000	813,755,000			8185,000		875,000	81,535,000	8575,000	831,600,582	1998
1999	812,140,000	8340,000	85,075,000		848,698	817,840,000		81,000,000	813,465,000					885,000	81,640,000	8630,000	832,263,698	1999
2000	814,800,000	8365,000	85,550,000		848,698	818,490,000		81,080,000	811,520,000					890,000	81,650,000	8550,000	824,144,698	2000
2001	82,000,000		83,125,000		848,698	819,200,000		81,165,000	811,640,000					895,000		8605,000	817,878,698	2001
2002			83,400,000		856,815				811,780,000							8670,000	83,906,815	2002
2003			83,675,000		864,931											8740,000	84,479,931	2003
2004			84,025,000		864,931											8815,000	84,904,931	2004
2005			84,375,000		873,048											8780,000	85,228,048	2005
2006			84,750,000		881,164												84,831,164	2006
2007			82,800,000														82,800,000	2007
2008			83,050,000														83,050,000	2008
2009																	80	2009
2010																	80	2010
2011																	80	2011
2012																	80	2012
2013																	80	2013
2014																	80	2014
2015																	80	2015
2016																	80	2016
2017																	80	2017
2018																	80	2018
2019																	80	2019
TOTAL	8183,945,000	83,085,000	8104,548,400	8310,000	827,599,939	8151,310,000	814,550,000	825,210,000	8140,670,000	85,340,000	821,700,000	83,625,000	813,488,276	8870,000	820,520,000	88,735,000	825,656,769	

DEPARTMENT OF EDUCATION
 STATE PRIMARY SHEET II (CBI RETIREMENT)
 WITH OUTSTANDING INTEREST
 DATED 10/24/88

DISTRICT PAYMENT YEAR	ANCHORAGE TOTAL INTEREST	BRISTOL BAY TOTAL INTEREST	FAIRBANKS TOTAL INTEREST	IMMERS TOTAL INTEREST	JUNEAU TOTAL INTEREST	KENAI TOTAL INTEREST	KETCHIKAN TOTAL INTEREST	KODIAK TOTAL INTEREST	MAT-SU TOTAL INTEREST	NIPE TOTAL INTEREST	NORTH SCOPE TOTAL INTEREST	PETERSBURG TOTAL INTEREST	SITKA TOTAL INTEREST	UNALASKA TOTAL INTEREST	VALDEZ TOTAL INTEREST	WRANGELL TOTAL INTEREST	TOTAL OUTSTANDING INTEREST	DISTRICT PAYMENT YEAR
1989	813,157,131	8266,800	19,340,351	820,853	82,495,290	812,807,785	81,218,468	81,807,007	810,829,193	8368,835	82,964,900	8313,695	81,015,538	863,290	81,465,075	8845,392	858,960,802	1989
1990	812,291,210	8223,200	18,585,705	816,163	82,048,265	811,490,800	81,046,113	81,559,505	89,527,929	8303,510	82,049,900	8278,370	8873,443	859,690	81,354,751	8817,692	852,536,546	1990
1991	811,247,864	8218,400	17,924,059	811,138	81,615,708	89,902,690	8879,718	81,281,555	88,417,286	8263,980	81,160,000	8265,208	8731,128	856,248	81,242,612	8782,432	845,980,026	1991
1992	810,105,643	8202,800	17,240,338	85,738	81,136,626	87,989,010	8696,083	81,128,093	87,221,234	8223,110	8540,000	8212,602	8596,840	852,280	81,127,501	8750,678	839,229,076	1992
1993	88,915,211	8186,000	16,501,671		8623,384	86,395,723	8493,255	8980,073	84,922,913	8180,230		8178,520	8466,274	849,093	81,007,413	8723,344	831,623,054	1993
1994	87,507,671	8168,000	15,710,958		8323,663	85,129,375	8269,734	8838,803	84,511,948	8136,010		8142,740	8335,280	845,140	8887,388	8685,988	826,692,518	1994
1995	85,945,438	8148,800	14,873,945		8275,182	84,354,620	821,788	8704,481	83,248,680	891,120		8105,230	8204,000	840,725	8797,038	8647,813	821,460,860	1995
1996	84,286,925	8128,000	14,324,007		8224,272	83,269,870	85,000	8564,200	82,019,780	845,560		886,115	880,000	835,800	8705,088	8608,120	816,862,737	1996
1997	83,086,680	8106,000	13,892,444		8168,068	83,273,470		8418,000	81,262,695			837,000		830,400	8602,063	8567,495	813,424,315	1997
1998	82,257,330	882,000	13,456,550		8106,568	82,730,770		8296,600	8990,770				818,500	824,600	8316,075	8519,267	810,299,030	1998
1999	81,425,961	856,400	13,007,925		839,326	82,136,680		8219,600	8725,140					818,200	8195,000	8473,142	88,297,372	1999
2000	8511,000	829,200	12,592,675		835,185	81,485,960		8136,400	8469,300					811,200	868,625	8409,106	85,768,651	2000
2001	8274,800		12,152,675		831,045	8772,800		846,600	8324,900					83,800		8350,740	83,917,310	2001
2002			11,906,775		826,561				8162,100							8279,500	82,381,936	2002
2003			11,659,500		821,387											8214,900	81,895,787	2003
2004			11,390,550		815,868											8131,450	81,537,868	2004
2005			11,096,000		810,003											852,375	81,159,178	2005
2006			1773,875		83,449												8772,324	2006
2007			1424,125														8424,125	2007
2008			1221,125														8221,125	2008
2009																	80	2009
2010																	80	2010
2011																	80	2011
2012																	80	2012
2013																	80	2013
2014																	80	2014
2015																	80	2015
2016																	80	2016
2017																	80	2017
2018																	80	2018
2019																	80	2019
TOTAL	880,992,863	81,805,600	177,065,153	853,892	89,199,948	172,239,553	84,630,159	89,980,917	854,641,068	81,612,355	86,714,800	81,548,000	84,502,503	8490,966	89,770,625	88,860,234	8343,958,636	

ATTACHMENT C

Alaska School Districts' Six-Year Capital Improvement Plans

ALASKA SCHOOL DISTRICTS CAPITAL IMPROVEMENT PLANNING
SIX-YEAR CAPITAL IMPROVEMENT PLANS SUBMITTED AUGUST 1, 1988
 (cost in thousands)

<u>Priority Type</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>TOTALS</u>
R 1	18,451.7	1,500.0	1,500.0	1,500.0	1,640.0	1,500.0	26,091.7
M 1	17,917.1	2,000.0	2,077.3	2,000.0	2,000.0	2,000.0	27,994.4
R 2	16,150.7	9,820.0	4,285.0	1,562.0	0.0	1,384.0	33,201.7
M 2	15,095.4	2,000.0	12,000.0	48,371.0	26,076.5	60,307.0	163,849.9
R 3	3,805.2	622.0	100.0	100.0	2,100.0	256.0	6,983.2
M 3	4,219.3	16,460.0	350.0	0.0	4,485.0	135.0	25,649.3
Sub Total	75,639.4	32,402.0	20,312.3	53,533.0	36,301.5	65,582.0	283,770.2
R 4	13,550.0	486.0	3,465.0	8,115.4	5,785.0	4,551.0	35,952.4
M 4	55,772.0	9,940.2	13,890.2	9,870.2	590.0	90.0	90,152.6
R 5	9,133.3	3,922.0	1,195.0	230.0	0.0	0.0	14,480.3
M 5	46,753.4	7,816.9	6,752.5	2,345.0	460.0	0.0	64,127.8
Sub Total	200,848.1	54,567.1	45,615.0	74,093.6	43,136.5	70,223.0	488,483.3
R 6	36,010.3	13,905.1	15,751.0	10,668.0	6,345.7	1,736.6	84,416.7
M 6	135,389.9	66,416.7	80,663.0	23,482.6	19,580.0	18,065.0	343,597.2
R 7	1,450.0	75.0	2,365.0	730.0	960.0	364.0	5,944.0
M 7	27,880.6	18,160.0	10,502.0	2,211.0	24,370.6	31,467.0	114,591.2
R Total	98,551.2	30,330.1	28,661.0	22,905.4	16,830.7	9,791.6	207,070.0
M Total	303,027.7	122,793.8	126,235.0	88,279.8	77,562.1	112,064.0	829,962.4
TOTAL	401,578.9	153,123.9	154,896.0	111,185.2	94,392.8	121,855.6	1,037,032.4

R = Regional Education Attendance Area School District (REAA)
 M = Municipal School District

Priority Types: 1 = Health/Life Safety, 2 = Unhoused Students, 3 = Protection of Structure, 4 = Operating Cost Savings, 5 = Code Upgrade, 6 = Functional Upgrade, 7 = Other, any situation not covered by categories 1 thru 6.



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

ANCHORAGE REGIONAL OFFICE

1411 W 33RD AVENUE
ANCHORAGE, ALASKA 99503
(907) 274-0536

JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302
JUNEAU, ALASKA 99801
(907) 586-3090

FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456-4435

March 27, 1989

To: Representative Johnny Ellis, Chair
Members, House HESS Committee

Re: House Bill No. 215: "An Act imposing a
school tax; and providing for an effective
date."

NEA-Alaska supports the concept of HB 215 and encourages your favorable consideration.

Public education in Alaska has been significantly underfunded in recent years at both the state and local levels.

It is essential that sources of funding be established to provide for essential maintenance and repairs so that these costs will not have to come from the operating funds needed for basic programs and services for students.

It is reasonable for the State to expect its citizens to share in the cost of providing its most essential service, public education.

Thank you for your consideration of our position.

Respectfully submitted,

Bob Manners
Executive Secretary

Judy Salo
President

cc: Representative Swackhammer



KODIAK ISLAND BOROUGH SCHOOL DISTRICT

722 Mill Bay Road
Kodiak Alaska 99615
(907) 486-3131
March 29, 1989

REC'D APR 03 1989

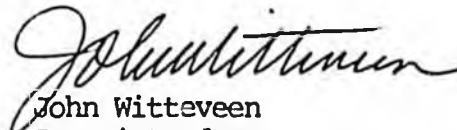
Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Representative Ellis:

At its regular meeting on March 27, 1989, the Kodiak Island Borough School District Board of Education adopted the attached Resolution No. 889-8 supporting a school tax. At the March 18 budget workshop in Kodiak sponsored by the Governor's office, the people in attendance said they would be willing to pay taxes to support schools.

Please consider this resolution in your deliberations.

Sincerely,


John Witteveen
Superintendent

p1

Encl

*Jim
bill file*



Kodiak Island Borough School District

RESOLUTION #889-8

SCHOOL TAX

WHEREAS, according to the Constitution of the State of Alaska, the Alaska Legislature is required to establish and maintain a public school system, and

WHEREAS, the State of Alaska is experiencing declining revenues from oil production, and

WHEREAS, revenue reductions will have a significant impact on school district budgets, and

WHEREAS, Alaska formerly had a school tax, and

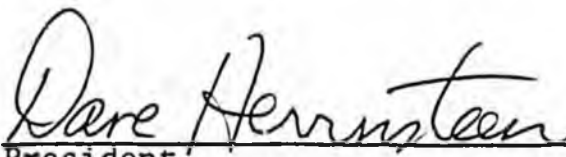
WHEREAS, the Kodiak Island Borough School District Board of Education believes people are willing to pay for quality education, and

WHEREAS, legislation has been introduced by Representative C. E. Swackhammer imposing a school tax,

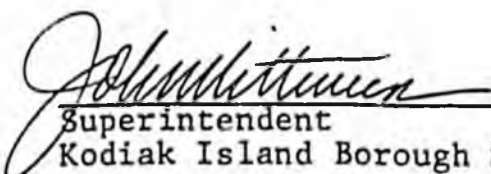
NOW, THEREFORE BE IT RESOLVED, that the Kodiak Island Borough School District Board of Education supports the imposition of a school tax in Alaska to enhance, not to supplant, foundation funding made available from the general fund, and

FURTHER BE IT RESOLVED, that should the Alaska Legislature fail to impose a school tax that local communities be given the option to impose their own school tax to be used for school operation.





President
Kodiak Island Borough School Board



Superintendent
Kodiak Island Borough School District

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-463-3800

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. HESS 3-29-89

H. HESS 4-3-89

HB

216

Amendments to HB 216;

Page 3, line 6;

The election shall be made in writing on a form provided by the board and approved by the Commissioner of the Department of Administration for the State.

Page 3, line 15;

ployee is participating in the program. In the event of an election for transfer of assets under (d), the employee forfeits all rights to reclaim the corresponding service if that employee reemploys under the state retirement system.

Page 5, line 14;

account under 14.25 (AND SUPPLEMENTAL CONTRIBUTIONS MADE UNDER AS 14.25.055, IF ANY,)

Page 5, line 29;

* Sec. 4 AS 39.35.120 is amended to read:

Sec. 39.35.120. COMMENCEMENT OF PARTICIPATION. (a) (UNLESS AN EMPLOYEE HAS ELECTED TO PARTICIPATE IN THE OPTIONAL UNIVERSITY RETIREMENT PROGRAM UNDER AS 14.40.661 - 14.40.799, AN) An employee of the state shall be included in this system upon commencement of employment with the state, or on January 1, 1961, whichever is later. Unless an employee has elected to participate in the optional university retirement program under AS 14.40.661 - 14.40.799, an (AN) employee of a political subdivision or public organization that becomes an employer shall be included in the system on the effective date of the employer's participation or the date of the employee's commencement of employment with the employer, whichever is later.

Amend AS 14.25.220 (40) (C);

(C) a full-time or part-time teacher of the University of Alaska, not covered by the optional university retirement plan under AS 14.20 or a person occupying a full-time administrative position at the University of Alaska which requires academic standing, not covered by the optional university retirement plan under AS 14.20; the approval of the administrator must be obtained before an administrative position qualifies for membership in the system;

Alaska State Legislature
Representative Niilo Koponen

Pouch V
Juneau, Alaska 99811
(907) 465-4992

House District 21

119 N. Cushman, Suite 207
Fairbanks, Alaska 99701
(907) 466-8172

SPONSOR STATEMENT FOR HB 216

House Bill 216 provides for an effective means for the University of Alaska to compete in the national academic market to attract and retain qualified professionals, with no additional cost to the State.

House Bill 216 would allow the Board of Regents to adopt an optional defined contribution retirement plan for U.S. faculty and a small number of administrative officers. A choice of retirement plans is currently available to faculty and administrative officers in publicly supported institutions in thirty-six states and the District of Columbia, and in over 1,000 private colleges and universities.

In a defined contribution retirement plan the retirement benefits provided by the plan are fully and immediately vested in individual participants. Faculty and administrative officers would not then be constrained by pension considerations from moving within institutions of higher education within the country. Because an optional defined contribution plan eliminates the concern for future funding liability the University's pension obligation is discharged concurrently with the termination of employment.



Brian Rogers

University of Alaska
College of Business Administration

March 28, 1989

The Honorable Johnny Ellis
Chairman of the Health, Education
and Social Services Committee
P. O. Box V
Juneau, Alaska 99811

RE: Fiscal Note on HB 216

Dear Representative Ellis:

Enclosed is the University of Alaska's fiscal note for House Bill 216, "An Act establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges; and providing for an effective date."

If you have any questions concerning this fiscal note, please do not hesitate to call me or Marsha Hubbard at 474-7593.

Sincerely,

Brian Rogers
Vice President for Finance

Enclosure

cc: Jim Nordline, Health, Education & Social Services Committee
Alison Elgee, Div. Director for Office of Management & Budget
Gina Spartz, Admin. Assistant for Legislative Finance Div.
Representatives Koponen, Boyer, Ulmer, Ellis, Collins, Gruenberg,
and Hudson

FISCAL NOTE

REQUEST:

Revision Date: 3/22/89 Agency Affected: University of Alaska
 Title: "An Act establishing an optional
university retirement program for certain
employees of the University of Alaska and
certain members of the legislature and providing
for an effective date." BRU: All
 Components: _____
 SPONSOR: Kaponeen, Beyer, Ulmer, A. O. (Bill)
Gruenberg, and Hudson

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) The cost of the alternative optional university retirement program is projected at zero. It is the university's intent to establish rates for the optional retirement program at levels which will result in no additional cost. The optional retirement program will, however, increase the university's competitiveness in recruiting faculty and top administrators.

Prepared by: Jim Lynch Phone: 474-6573
 Division: Controller and Associate Vice Presidents Date: 3/22/89
 Approved by Commissioner: Brian Roberts Date: 3/28/89
 Agency: Vice President for Finance

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: "An act establishing an optional university retirement program." BRU: Retirement and Benefits
 Sponsor: Koponen Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

See attached financial implication statement.

Prepared By: Sally Smith Phone: 465-4470
 Division: Retirement and Benefits Date: 5/29/89

Approved by Commissioner: John M. Andrews Date: 3/29/89
 Agency: Department of Administration

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

House Bill 216
Analysis of Fiscal Implications to the Retirement Funds
Prepared by Division of Retirement & Benefits
Department of Administration
March 23, 1989

Analysis: This bill would allow the University of Alaska to establish an additional retirement system for its faculty and administrator positions. Participation in this system would be optional and provide an alternative to participating in the appropriate Public Employees' (PERS) or Teachers' (TRS) Retirement System. The election will be irrevocable.

There would not be an adverse impact on the actuarial soundness of either the PERS or the TRS funds. The increase in the unfunded liability and the decrease in the funding ratio in each would be negligible.



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

ANCHORAGE REGIONAL OFFICE

1411 W. 33RD AVENUE
ANCHORAGE, ALASKA 99503
(907) 274 0536

JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302
JUNEAU, ALASKA 99801
(907) 586 3090

FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET
FAIRBANKS, ALASKA 99701
(907) 456 4435

March 27, 1989

To: Representative Johnny Ellis, Chair
Members, House HESS Committee

Re: House Bill No. 216: "An Act establishing an optional university retirement program for certain employees of the University of Alaska and certain community colleges; and providing for an effective date."

NEA-Alaska supports the basic concepts and purposes of HB 216 and encourages favorable consideration by the Committee.

This legislation would be valuable to the University as it seeks to recruit and attract faculty in that it gives faculty the option to have greater mobility within higher education vis a vis their retirement programs and planning.

Presently a person is not vested in the Teachers' Retirement System until after eight years of membership service. In the event a faculty person does not receive tenure within the University system they have no vested retirement benefit.

The relatively modest and low pay scales of the University of Alaska combined with the fact of no raises in recent years makes recruitment and retention of faculty more difficult each year.

The implementation of HB 216 would provide faculty with the option to utilize other retirement systems such as the TIAA/CREFF which is generally available to them in other institutions of higher education through-out the country. Therefore, service at the University of Alaska would not be a deterrent to their retirement planning.

Thank you for your consideration of our position.

Respectfully submitted,

B. Manners

Bob Manners
Executive Secretary

Judy Salo

Judy Salo
President

cc: Representative Niilo Koponen

Uncertainty Is Rampant as Colleges Begin to Brace for Faculty Shortage Expected to Begin in 1990's

Some institutions stockpile professors, while many worry about the supply of high-quality candidates

By CAROLYN J. MOONEY

At a gathering of deans from across the country, an administrator from the University of Rhode Island was describing his futile attempts to persuade a top student to consider an academic career.

With private industry offering jobs with starting salaries of \$34,000, higher education never stood a chance. Richard J. Gelles, the university's dean of arts and sciences, told the group.

"Without a doubt, this student had the potential to become a world-class economist," he said. "I kept whispering in her ear, 'Things will change. You'll want something more in your life.'"

Such whispers may become louder and more frequent in the coming years, as colleges and universities brace for a faculty shortage that is expected to occur as a large proportion of the professoriate nears retirement age. By most estimates, more than one third of the nation's faculty members are older than 50, and many are expected to retire over the next 10 to 15 years. Most were hired during the 1950's and 1960's, when American higher education expanded rapidly to meet the needs of the baby-boom generation.

The expected wave of retirements will come at a time when many institutions are concerned about a decline in the number of American doctoral-degree recipients, a drop in many disciplines in the proportion of recipients planning academic careers, heavy pressure to increase the number of minority faculty members, and waning faculty morale compounded by tight budgets.

Hiring Before Openings Occur

Colleges and universities that can afford to do so are stockpiling young faculty members—hiring them before openings actually occur—while others are using a variety of creative approaches to lure the strongest candidates. But even after years of little momentum in the faculty job market, some observers of hiring trends are questioning whether there will be enough high-quality candidates to fill the vacancies.

"It's a daunting challenge," says Calvin C. Moore, associate vice-president for academic affairs at the University of California system, whose nine campuses expect to hire more than 10,000 new faculty members over the next 17 years. "It's going to be an increasingly competitive environment."

Mr. Moore and his counterparts elsewhere say that higher-education institutions need to make a major effort to publicize the advantages of an academic career. At the same time, many will be scrutinizing the academic culture to try to determine why potential faculty members are turning away.

Money, it appears, is not the only issue. As more and more institutions are learning, the prospect of a widespread faculty shortage has implications that go far beyond the economic principles

of supply and demand. Already it is causing many of those involved in faculty recruiting to re-examine a broad range of issues—from personnel benefits to tenure and promotion criteria to the public's perception of academic life.

Among the concerns:

• The quality of future faculty members may not be as high, since all but the most elite institutions will be forced to compete more fiercely for a shrinking pool of American scholars. Some report that they are already seeing weaker and shallower applicant pools.

• The hard-to-hire disciplines that must compete most intensely with private indus-

try for job candidates—such as business, engineering, mathematics, and the sciences—simply won't have enough full-time faculty members to fill their needs if current trends continue. Some departments may be forced to pay significantly higher salaries and rely even more heavily on adjunct professors and foreign scholars.

• Not enough minority scholars are in the graduate-school pipeline to meet the ambitious affirmative-action goals outlined by many institutions, and there is little indication that the situation is improving. Consequently, some universities may decide to hire their own minority graduate students as faculty members—something considered taboo by many in the past—or prepare for lengthy searches.

• Besides making salaries more competitive, institutions will have to do more to address quality-of-life issues such as affordable housing, day care, and jobs for spouses, which have become increasingly important to young faculty members. Those that do so will have an enormous advantage in recruiting.

• Colleges and universities are not making a sufficient effort to promote the advantages of academe, or to encourage potential scholars to seek academic careers early on.

An Early Warning

One of the earliest and strongest warnings about a future faculty shortage was issued in *American Professors: A National Resource Imperiled*, a book published in 1986 by Howard R. Bowen and Jack H. Schuster. It concluded that half a million new faculty members would be needed over the next 25 years—most of the nation's approximately 700,000-member professoriate. It also cited studies projecting that the mean age of the professoriate would continue to rise between 1980 and 2000—from 48 to 55 for tenured professors, and from 45 to 49 for all faculty members.

For many institutions, though, the heightened interest in faculty planning has been building only recently—for several reasons. First, planning has been complicated by the fact that colleges and universities don't yet know what will happen when the mandatory-retirement age for professors is eliminated, as expected, in 1994. At that time, professors can no longer be required to retire at age 70. A few states have already dropped the cap.

Until recently, the impending end of the mandatory-retirement age raised concerns that colleges would face not a shortage of faculty members but a surplus of elderly scholars who would stay on after they were no longer productive, delaying promotion opportunities for younger professors. Those fears led to a proliferation of early-retirement plans at many institutions.

Another complicating factor is uncer-



U. of Rhode Island's Richard J. Gelles: "You can't clone a doctorate at age 27; you have to do it at age 12."



U. of California's Calvin C. Moore: "It's a daunting challenge. It's going to be an increasingly competitive environment."

CONT'D

lainty over future enrollment. Institutions don't yet know whether enrollment will drop over the next few years, reflecting a decline in the traditional college-age population, or grow because of rising participation rates by that group and by older and part-time students, the case during the current academic year.

And many colleges simply cannot afford to hire more faculty members to protect themselves against a shortage that has not yet hit.

Yet another unknown is the elasticity of the job market. After years of hearing about Ph.D. recipients who worked as janitors because they couldn't get academic jobs, many institutions are concerned that it will take time to spread the message that the situation is improving. So far, the faculty job market hasn't opened up dramatically, and when it does the improvement is expected to come only gradually.

Meanwhile, although the number of doctorates earned at American universities appears to be rising slightly after a decade of stability, the proportion of degrees earned by U.S. citizens has been declining—from 85.6 per cent in 1962 to 72.3 per cent in 1986, according to the National Research Council. The proportion of foreign students receiving doctoral degrees is especially high in some fields, such as mathematics, computer science, and engineering, in which only half or fewer of the doctoral degrees earned in 1986 went to U.S. citizens.

"People are only now realizing the possibility of a shortage," says G. Gregory Lozier, executive director of the office of planning and analysis at the Pennsylvania State University. A year ago, Mr. Lozier helped conduct a study of 24 research universities, which concluded that certain academic disciplines could face acute faculty shortages in the future.

Another study, completed a year ago by the Consortium on Financing Higher Education, found that most institutions had done little planning on the issue. It concluded that making retirement more attractive to all faculty members by offering fringe benefits and perquisites would help institutions either way: In the event of a shortage, retired faculty members could teach part time; in case of a glut, professors could be better eased into retirement if they could keep strong ties to their institutions.

Some new studies that higher-education officials hope will improve planning are now in the works. The

U.S. Department of Education and the National Endowment for the Humanities are collecting information for a national comprehensive faculty survey. With the help of higher education's largest pension companies, the Teachers Insurance and Annuity Association and the College Retirement Equities Fund, Mr. Lozier and several colleagues are expanding their earlier survey on the age distribution and retirement patterns of faculty members. And the Association of American Universities has commissioned a national research project to examine the condition of doctoral education in the United States.

More and more institutions, meanwhile, are doing their own analyses and looking at ways to address a potential faculty shortage.

Some, particularly two-year colleges, expect to rely more heavily on part-time instructors, while others anticipate hiring more foreigners.

Another potential pool of scholars—people who received doctoral degrees in the 1970's but never got into the crowded academic pipeline—is not expected to be a significant source of future professors, say most of those interviewed on the subject. Many members of this "lost generation" of scholars, they say, have not remained active enough in their disciplines to be strong candidates at four-year institutions, but some might be absorbed by two-year colleges.

Offers to Two-Career Couples

At the State University of New York at Binghamton, where enrollment jumped from 1,500 to 7,500 during the 1960's, officials are trying to be as creative as possible when it comes to recruiting. The decade of

rapid growth led to a flurry of faculty hiring at that time. As a result, a university survey found that 42 per cent of Binghamton's 511 faculty members—and 61 per cent of tenured professors—were older than 50 in the fall of 1987.

Sidonie A. Smith, dean of Binghamton's college of arts and sciences, says a tight state budget has made advanced planning difficult. However, she says the university tries to be creative in other ways, such as negotiating with two-career couples, and, in one recent case, with a homosexual scholar and the scholar's companion. The candidate ended up going elsewhere.

"We've just tried to be as aggressive as we can," Ms. Smith says. "I would have hoped to think carefully

about planning in departments where the supply of faculty is becoming critical, but now I just don't have the [financial] flexibility."

Other institutions are also bracing:

■ Rensselaer Polytechnic Institute expects to replace up to 160 of its 394 faculty members by 1994, and add an additional 20 professors.

■ At Michigan State University, nearly 40 per cent of all faculty members—and nearly half of those in the humanities—will be 65 years old by the turn of the century.

■ The University of Rhode Island expects nearly a fourth of its 322 tenure-track faculty members to retire by the year 2000. However, some departments, like English—where nearly a third of the faculty members will be retiring in the next five years—will be hit much harder, officials there say. Administrators are permitting some departments to hire

promising scholars—especially minority scholars—before positions actually open up.

■ Purdue University also expects 25 per cent of its faculty members to retire by 2000, with the crunch coming between 1992 and 1996, says Varro E. Tyler, vice-president for academic affairs. Like many institutions, Purdue is concerned about finding enough minority-group members. "We prefer not to hire our own Ph.D.'s, but we will if we have to," Mr. Tyler says.

Hard-to-Hire Disciplines

They may. Nationwide, only 820 blacks earned doctoral degrees in 1986, according to the research council. The proportion fell from 4.2 per cent of all doctorates in 1976 to 3.6 per cent in 1986. The problem is especially acute in hard-to-hire disciplines: Of the 804 doctorates in math-

ematics that were awarded by American institutions in 1987-88, for example, only four went to blacks, according to the American Mathematical Society's annual survey.

To increase the flow of minority-group members into the academic pipeline, some institutions are taking part in state and federal programs aimed at giving minority youngsters an early taste of campus life. In what may prove to be the ultimate recruiting tool, for example, minority high-school students attend special state-financed summer programs in the sciences at Binghamton and other New York institutions.

Some historically black colleges, which expect that larger institutions may come knocking on their doors for scholars more often than they already do, have taken the "grow your own" approach. Benedict College and Johnson C. Smith University pay

(CONT'D)

for professors already on the faculty to earn doctoral degrees. In return, they agree to return to teach for a certain period.

So far, however, efforts like those haven't been enough.

Says Mr. Gelles of the University of Rhode Island: "There's a lot of networking and stealing going on. We're in the first stages of building up minority enrollment at the undergraduate level . . . and we're hoping everyone else will do the same, with a net increase.

"You can't clone a doctorate at age 27; you have to do it at age 12."

Negative Messages to Students

Indeed, the need to inspire potential scholars of all races at an early age is rapidly becoming clear.

Says Mr. S. . . . , the co-author of the 1986 book on faculty members and a professor of education and pub-

lic policy at the Claremont Graduate School: "The real challenge is, are we doing what we should to encourage high-quality undergraduates to be thinking about academic careers?" That is difficult to accomplish, he adds, when "the evidence suggests that there are a lot of faculty members who are disturbed about their circumstances."

Professors who are bitter about earning less than they might elsewhere or who feel under heavy pressure or think their jobs aren't respected send negative messages to undergraduates, agrees Jules B. LaPidus, president of the Council of Graduate Schools in the United States. "It's more than a public-relations problem," he says. "You really have to change the culture."

One young faculty member at a comprehensive university, who decided against going to a more elite

institution because it expected tenure candidates to publish two books, puts it this way: "We have the anxiety of job pressure to get tenure as well as financial anxiety. That kind of dual anxiety makes you want to say, Forget academe.

"I don't think anybody expects to live as you would in the corporate world, but money should not be such a source of anxiety for people who have gone to school as long as we have," the faculty member adds.

Most administrators agree that faculty salaries must continue to increase. Faculty members of all ranks earned an average of \$37,000 in academic 1987-88, while assistant professors earned an average of \$29,200, according to an annual survey conducted by the American Association of Professors.

They also agree that institutions must do more to help young faculty

members find affordable housing and day care, and to make graduate school less of a financial burden. The University of California system, for example, thinks its new "stop-the-clock" policy, which allows new parents to stop the tenure clock for up to a year, will be helpful.

Research institutions will need to help their young professors find better ways to balance research and teaching. A few observers have suggested that some may even revise their tenure criteria to stress quality rather than quantity by limiting the scholarship to be considered during tenure review.

Less publicized are the rewards of academic life—the chance, as Provost David Giltitz of the University of Rhode Island puts it, "to follow your own marching orders."

"A lot of it has to happen on a one-on-one basis," Mr. Giltitz says. "Professors have to identify really bright undergraduates before they get sidetracked and infect them with the enthusiasm of academic life."

Involving undergraduates in research and letting them know just what faculty members' jobs involve can help, says Mr. LaPidus of the graduate-schools council. "For the most part, people just don't know what scholars do," he says. "They have the opportunity to pursue an interest as far as it can be pursued, but that message isn't being put across fast enough."

David W. Breneman, president of Kalamazoo College, now tries to deliver that message when he lectures Kalamazoo's Phi Beta Kappa members. "I began to realize that we weren't as a college promoting graduate school," he says.

More Long-Term Planning

Despite their concerns about a faculty shortage, some administrators say it could also spawn positive change.

A shortage, they say, could give colleges and universities a chance to reshape overly specialized academic departments and hire more faculty members on an interdisciplinary basis. And predictions about a shortage are already forcing two-year and four-year institutions to do more long-term planning.

Some institutions are exploiting unlikely strengths more aggressively than ever. Mohave Community College, concerned about recruiting faculty members from its sparsely populated surroundings, is hoping that its location near the Grand Canyon will be a major attraction.

"We push the quality of life, the recreational opportunities," says Roland J. Chapdelaine, the college's vice-president. The college, which expects to lose a fourth of its faculty to retirement over the next 10 years, also has become more aggressive about recruiting professionals to teach on a part-time basis and training them, he says. But he acknowledges that two-year colleges must retain a balance between part-time and full-time instructors.

Ms. Smith, the Binghamton dean, suggests that a faculty shortage might mean that academic departments could become less important in the future. "Much of the interesting work is being done at the intersections of disciplines," she says. "Each appointment may have to serve two or three areas intellectually. Is that going to have an impact on the way scholarship is organized?"

She isn't sure. This much she knows, however: "The shortage hasn't hit yet. But I've spent a lot of time thinking about it.

"I think we're all worried."

For Washington Policymakers, a Host of Problems

The nation's pressing health problems are now on the political agenda of President Bush and the 101st Congress. What is likely to be accomplished this year?

The Bush Administration

A starting point for Bush's people is the budget that President Reagan delivered on Jan. 9 for the fiscal year that starts in October.

Reagan proposed cutting \$5.6 billion from projected Medicare outlays—what outlays would be if continued at current levels—by reducing payments to hospitals and doctors. He proposed cutting \$1.4 billion from projected Medicaid grants to the states for care of some 22 million poor people. The cuts, said Reagan Administration budget officials, would not affect care. But Dr. Otis Bowen, Reagan secretary of Health and Human Services, called it "unrealistic" to expect the states to absorb the Medicaid reductions.

Bush's responses are not known and are in fact still incomplete. He may go along with the Medicare cuts as part of his proposed "flexible freeze," and also try to steer more Medicare patients into "managed care" organizations that limit choice of doctors and otherwise seek to control costs.

He is expected to reject any cuts in Medicaid. And, according to campaign and transition-period plans, he could recommend something like a \$200 million fund to expand coverage for pregnant women and young children, as well as another \$200 million, perhaps, this year or next, to begin letting low-income adults "buy in" to Medicaid, adding their own modest contributions.

As part of his campaign promise of "access to health care for all Americans," he might recommend tax benefits to encourage people to buy long-term care insurance, though most such insurance plans now go only part of the way toward financing the years of care that some of the aged ultimately need.

The Congress

There will be (read all this as reasonable prediction, not certainty) much talk this year of two subjects: expanding health coverage for the uninsured, probably by mandating more employer coverage, and finding ways to pay for long-term care of the aged.

Legislative action is at least possible on health coverage, but highly unlikely on the huge expense of long-term care.

However, Congress' first priority will not be health care, say many Congressional sources, but "deficit reduc-

tion, deficit reduction, deficit reduction." Any increased expenditures may depend on deficit reduction and on some signal, however muffled, from the Bush lips on new taxes.

Congress will inevitably do some squeezing of Medicare payments to doctors and hospitals, though probably not to the Reagan budget's extent. Any Medicaid cuts are probably "dead on arrival," in the unobvious words of Chairman Leon Panetta (D-Calif.) of the House Budget Committee.

Rep. Fortney (Pete) Stark (D-Calif.), chairman of the House Ways and Means health subcommittee, wants to tie payments for hospital building or equipment to hospital occupancy, now only 60 to 75 percent in many hospitals. "Why should we waste money keeping inefficient or underutilized hospitals open?" he repeatedly asks.

A cut is likely, as in the Reagan budget, in payment to hospitals for "education"—meaning salaries—of the interns and residents who give most of the

Runaway Medicare costs are likely to result in a Congress that will continue cutting hospital payments "until they see blood on the floor."

Ron Kovener
Healthcare Financial Management Association

care in major medical centers. These hospitals have been making too much money, it's said. If applied with a meat axe, such cuts could mean fewer doctors at patients' bedsides. But such are runaway Medicare bills, predicted Ron Kovener, vice president of the Healthcare Financial Management Association, that Congress will continue cutting hospital payments "until they see blood on the floor."

Doctors' fees will get much discussion. A Physician Payment Review Commission is required to suggest reforms to Congress early this year. Key members like Stark and Rep. Henry Waxman, still another California Democrat who heads another House health subcommittee, as well as Rep. Dan Rostenkowski (D-Ill.), House Ways and Means chairman, have called physician payment reform a priority.

But serious reform may not come easily, since there is no agreed method on the horizon, except for cuts—or

further cuts—in some heavily used services that many observers consider overpriced, including heart surgery, cataract surgery, radiology, anesthesiology, EKGs and colonoscopy, the exploration of the colon to look for cancer.

Stark also will be pushing for a law to limit doctors' investments in profit-making medical equipment or other endeavors where they give the care. This is a complex issue. Every doctor who collects a fee has a conflict of interest, for the more he or she does, the more the profit. But doctors' investments have been on the increase, there are stories of cases of resulting overuse, and Stark wants to get a vote on a bill.

Sen. Edward Kennedy (D-Mass.), chairman of the Senate Labor and Human Resources Committee, Waxman and Stark are backing "mandated benefits" proposals to require employers to cover uninsured workers, just as Massachusetts has started to do on Gov. Michael Dukakis' initiative. Several members have talked about tax benefits to encourage employers to cover workers. Another heavy hitter on health issues, Senate Finance Committee Chairman Lloyd Bentsen (D-Tex.), wants to use the tax code to encourage more health insurance for care of children.

Any extensive congressional action to expand coverage of the uninsured could carry a huge price tag, if the government as well as employers share the financial burden. Watch Bush's lips.

Congress meanwhile may have to deal with a growing backlash by unhappy seniors against the new Medicare expansion to cover "catastrophic" hospital, doctor and drug bills, all to be phased in over the next four years. The cause of what Republican Senator Robert Dole (Kan.) has called a "near revolt" of the elderly—an exaggeration, so far—is the fact that those over 65 must bear nearly all of the cost. They will do so partly in annual premiums and partly in an income-based income tax surcharge that together will reach a \$1,561 maximum for the most affluent by 1993.

About 60 percent of the aged will pay only an extra \$122 a year by 1993. But all those covered will also be required to pay considerable "deductibles" before the new insurance pays the rest of the bills, and some members are calling for delay or reconsideration of the 1988 legislation.

The 30-million-member American Association of Retired Persons supported the bill, though reluctantly swallowing the charges on the elderly. A new poll this month indicated that two-thirds of those over 65 favor the law as is. Bentsen vows that there will be no change.

—Victor Cohen

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
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POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
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Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. HESS 3-28-89

H B

2 2 2

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 15, 1989

FURTHER REFERRALS:

Date of Committee Action: 4/5/90

The HEALTH, EDUCATION, & SOCIAL SERVICES Committee considered: HB 222

HOUSE BILL NO. 222 [OPTOMETRISTS & PHARMACEUTICALS]
"An Act relating to optometrists and opticians."

RECOMMENDATIONS:

- be replaced with 5 HB 222 (HESS) the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:
(Date/Dept)

- fiscal impact _____
- zero fiscal note DCED
- zero with analysis _____

- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

[Signature]

[Signature]

[Signature]

SIGNING:
(Check approp. column)

	Do Not Pass	No Rec	Amend

<u>[Signature]</u>		X	

[Signature]

Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act relating to optometrists and opticians.
 Sponsor: House HESS Committee
 Requestor: House HESS Committee

Agency Affected: Commerce & Economic Dev.
 BRU: Occupational Licensing
 Components: ALL

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

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	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jennifer Strickler, Admin. Officer Phone: 465-2144
 Division: Occupational Licensing Date: 2/5/90

Approved by Commissioner: Larry Merculieff Date: 5 Feb 90
 Agency: Commerce and Economic Development

Distribution (by preparer):

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

JEFFREY A. GONNASON, O.D.

Doctor of Optometry
Medical Park Eye Care
2211 E. Northern Lights - Suite 202
Anchorage, AK 99508

— — —
Telephone: (907) 276-2080

2-16-90

HOUSE HESS COMMITTEE:

Enclosed is a draft of a CS for HB 222.

The revised bill is shorter and deletes the 2 sections mentioned as possibly questionable by the position paper from the Dept. of Commerce & Economic Development.

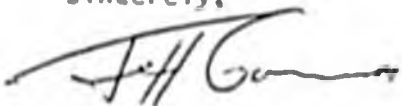
This bill is a very limited therapeutic authorization. It allows

- (1) the use of 2 more categories of topical drugs,
- (2) the removal of superficial foreign bodies, which is already performed, but clarifies that this is not a restricted surgery,
- (3) removes restrictions on certain drugs listed under cycloplegics and mydriatics from our original pharmaceutical authorization.
(pupil dilating agents)

This bill is a small but important step in providing much more accessible and affordable primary eye care for all Alaskans, and in moving toward the goal of ending discrimination against optometry in Alaska. This will bring us more in line with the federal government position and the other states.

Thank you for your support.

Sincerely,



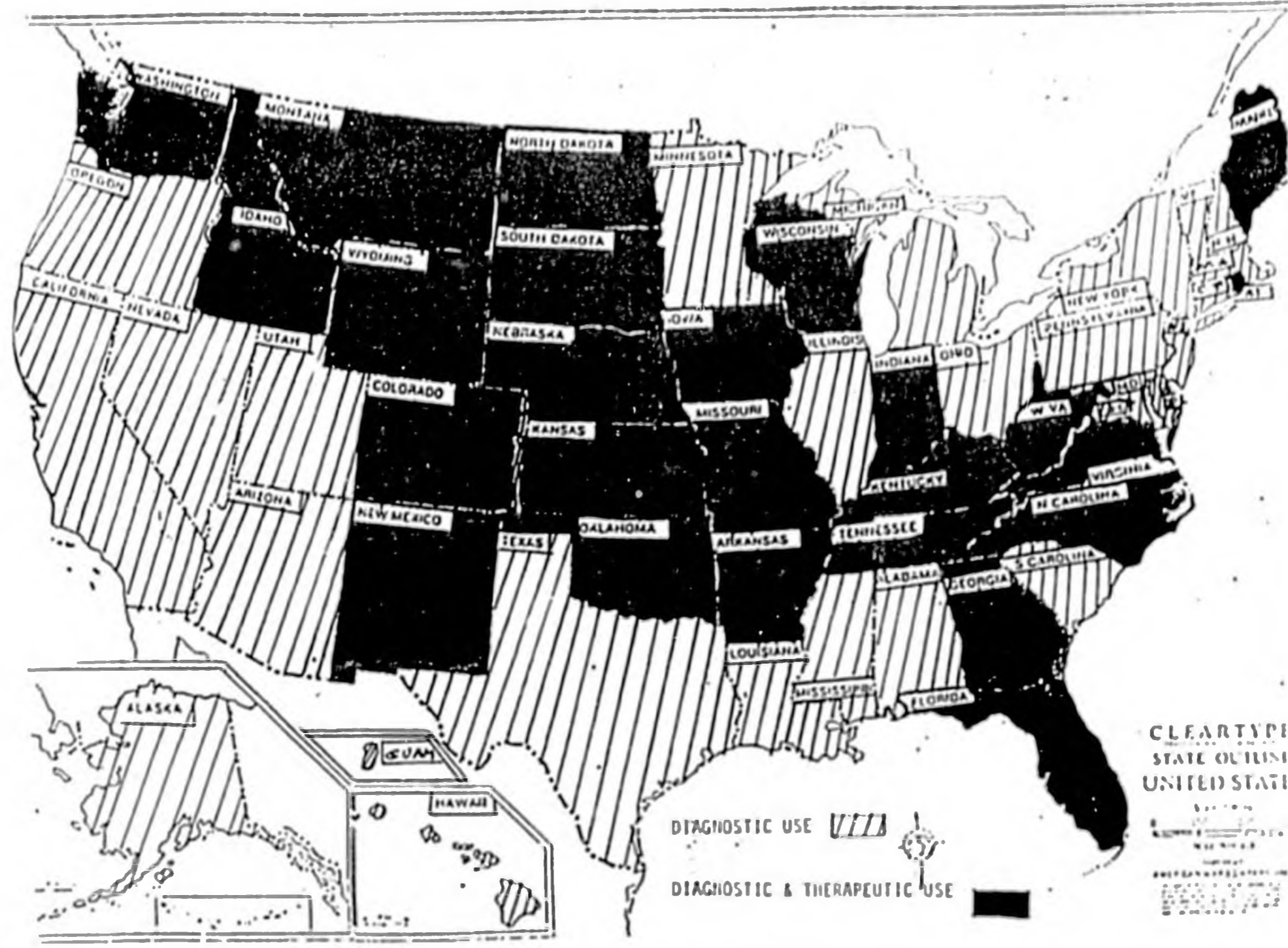
Jeffrey A. Gonnason, O.D.



American Optometric Association

August 3, 1989

STATUS OF PHARMACEUTICAL LEGISLATION



CLEAR TYPE
STATE OUTLINE
UNITED STATES

DIAGNOSTIC USE [diagonal lines]
DIAGNOSTIC & THERAPEUTIC USE [solid black]

AMERICAN PHARMACEUTICAL ASSOCIATION
WASHINGTON, D.C. 20038
1-800-368-7673

WHAT IS THE PURPOSE OF THIS LEGISLATION?

1. The purpose of this legislation is to license Doctors of Optometry to administer, dispense, and prescribe drugs for the treatment of common eye diseases.
2. Optometrists would also be allowed to remove superficial (non-intraocular) foreign bodies from the eye and adnexa.
3. Optometrists would not be allowed to perform eye surgery.

WHY THIS LEGISLATION IS NEEDED

1. Health care practitioners have an obligation to provide their patients with the highest level of care consistent with their education and training.
2. Changes in Montana statutes have lagged behind the advances and expansion of optometric training and education. The present law denies optometrists the full exercise of their training and responsibility.
3. Optometry is a primary care profession.
4. The level of today's optometric education provides the necessary skills to treat simple and common eye diseases. General practitioners now routinely treat these conditions with much less training in eye disease than optometrists. In addition, optometrists' offices have better instrumentation to manage these problems than the general practitioners' offices.
5. It is more cost effective for the patient to receive treatment from the primary care doctor. Studies are available showing that utilizing the optometrist to provide basic diagnosis and treatment can lower the cost of eye care significantly.
6. It has been shown by other states that the use of drugs by qualified optometrists to the consumer is safe and beneficial.
7. Presently, optometrists are legally required to diagnose eye disease. Treatment is a logical extension of this requirement.
8. In many locations the only health professional specifically trained and appropriately equipped to diagnose and treat eye disease is the optometrist. Optometrists are well distributed throughout the state of Montana, whereas eye surgeons are concentrated in the larger cities. There are approximately 130 optometrists and 40 eye surgeons practicing in Montana.



Employee Benefits Division
Medicare Claim Administration
P. O. Box 1998
Portland, Oregon 97207-1998
Telephone No. (503) 222-6831

Form Approved
OMB No. 0938-0222

Medicare

10/14/87

FOO 511

SS05

JEFFREY A GONNASON OD
2211 E. -NORTHERN LGHT
ANCHORAGE, AK 99504

CORRESPONDENCE NO. 807264800C3000

WE RECEIVED YOUR LETTER ABOUT A RECENT MEDICARE NEWSLETTER ARTICLE
PERTAINING TO OPTOMETRISTS .

THE NEWSLETTER ARTICLE WAS IN ERROR REGARDING THERAPEUTIC TREATMENT
OF EYE DISEASES OR DISORDERS BY OPTOMETRISTS.

EFFECTIVE 4/1/87, A DOCTOR OF OPTOMETRY IS CONSIDERED A PHYSICIAN WITH
RESPECT TO ALL SERVICES THAT THE OPTOMETRIST IS AUTHORIZED TO PERFORM
UNDER STATE LAW. IF STATE LAW AUTHORIZES THERAPEUTIC TREATMENT BY AN
OPTOMETRIST, MEDICARE CAN CONSIDER THE CHARGE FOR PAYMENT.

SINCERELY,

S. Risner
MEDICARE CLAIMS ADMINISTRATION
AETNA LIFE INSURANCE COMPANY

YOU WILL HEAR

You have heard or will hear a number of reasons why the use of therapeutic drugs by optometrists is dangerous. Let me consider some of these.

YOU WILL HEAR that optometrists are not properly trained to use pharmaceuticals for therapy. This is simply not true. The course of study in this area is the same as that of medicine and more extensive than that of dentistry. Not only are the hours of pharmacology the same for medicine and optometry, but it should be noted that the medical student must study all organs equally, whereas, the optometry student can specialize in the eye once general pharmacology is completed. The drug interactions and systemic effects of the drugs administered for ocular conditions are studied in great detail. Students see numerous patients with pathology which requires pharmaceutical therapy. These students are supervised by ophthalmologists. So when other ophthalmologists say our students do not receive appropriate clinical instruction they are providing misinformation, by reacting emotionally not rationally.

YOU WILL HEAR that a profession which is non-medical should not be allowed to use drugs. Yet dentistry and podiatry are non-medical and use therapeutic drugs, and surgery in the course of their professional practice and no harm has come to the public. The real issue here is not whether optometrists are medical or non-medical; the fact is that optometrists are well trained health-care professionals.

YOU WILL HEAR that these therapeutic pharmaceutical agents can have systemic effects, effects on other parts of the body, and that there could be interactions with other drugs a patient may be taking. These are true statements and optometrists along with physicians, dentists, podiatrists and pharmacists study these areas and responsibly incorporate it into their practice. The information necessary for responsible use of these agents is in the public domain and accessible to all health professionals, not just to physicians. It was the result of scientific investigations and is not exclusively "medical"

Southcentral Foundation



March 27, 1987

Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Legislator:

Southcentral Foundation a non-profit health agency under Cook Inlet Region Incorporated would like to take this time to encourage your support for proposed legislation allowing the use of diagnostic and therapeutic drugs by our optometrist within the State of Alaska.

We feel that these professionals that have been trained to utilize this type of care should be able to offer the same services that is currently legislated in 48 other states and should not be limited by the State position.

We encourage that you take this opportunity to put Alaska's eye care in present standards.

Respectfully,

SOUTHCENTRAL FOUNDATION

P.J. Overholtzer
Health Department Manager

PJO/nl

February 27, 1987

Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Legislator:

Recently I have become aware of proposed legislation allowing optometrists in the state of Alaska to increase the scope of their practice to include the use of therapeutic and diagnostic medications. I am strongly in favor of such legislation.

Being a health professional trained in the diagnosis and treatment of eye diseases, the optometrist is an asset in the medical community that the Alaskan public cannot fully utilize.

The optometrists of Alaska are efficiently trained and skilled professionals. Their education in the treatment and diagnosis of eye disorders exceeds that of most physicians. However, unlike physicians, they are not authorized to use therapeutic or diagnostic medications in their practice. This inequity makes the optometrist an under-utilized medical asset.

The passing of such legislation will increase the availability and help control the cost of optical care without affecting its quality. Again, I am strongly in favor of the passing of this legislation.



JOHN E. COTTER, R.Ph.

Tacoma, WA
(Pierce Co.)
Tacoma News Tribune
(Cir. D. 108,436)
(Cir. S. 120,490)

APR 19 1989

Allen's P. C. B. 14 1144

Governor signs bill allowing optometrists to apply drugs

W-2-1
The Associated Press

OLYMPIA — Gov. Booth Gardner signed into law Tuesday one of the most controversial bills of this legislative session, one that pitted optometrists against the medical profession.

The governor's health adviser, Bob Crittenden, a physician, said he had told his boss that he had contacted all 23 states that have similar laws on the books and found there had been no problems.

The measure, Senate Bill 5193, will allow optometrists to treat eye problems with drugs. Currently they can use drugs only for diagnostic purposes.

During debate on the bill, Rep. Art Sprenkle (D-Snohomish), a physician, said that provision was "like letting the fox design the hen house."

The governor also signed into law a bill boosting the penalty for disturbing an Indian grave or cairn to an maximum of five years in jail and a \$10,000 fine. The measure, SB 5807, sponsored by Sen. Kent Pullen (R-Kent), takes effect July 1.

The penalty was sought by Washington tribes, whose leaders said grave robbing and vandalism are on the rise.

Gardner vetoed a bill that would have permitted manufacturers, im-

porters and wholesalers of alcoholic beverages to wine and dine retailers and their employees.

The bill would have repealed sections of the state's "Tied House" law that prohibits any connection between distillers and distributors of alcoholic beverages and retail establishments.

Several other bills were sent to the governor Tuesday for his signature. Those included:

■ A proposal that would have the state hold developmentally disabled offenders in special facilities and more carefully monitor their furloughs.

The measure drew impetus from the state's inability to deal with a developmentally disabled sex offender named Gary Lee Minnix. The man, described by authorities as having the intelligence of a 5-year-old, has been held since 1984 in Western State Hospital for a series of rapes in Seattle's Beacon Hill neighborhood. During a Christmas furlough, he raped a Steilacoom woman, authorities say.

■ A proposal to let voters decide next fall whether to constitutionally guarantee rights for crime victims, under a measure approved by the Senate on Tuesday.

Among other things, the amendment would provide that the victim has as much right as the defendant

to be informed of trial and all other court proceedings.

■ A measure aimed at protecting elderly, developmentally disabled, and mentally ill adults from sexual and economic predators.

The House-amended Senate measure, sponsored by Sen. Linda Smith (R-Hazel Dell), would expand a system now in place permitting businesses and government agencies to learn criminal backgrounds of people hired to work with children.

■ A proposal to allow judges the freedom to give lighter sentences to victims of abuse who injure or kill their long-time tormenters, under a bill sent to the governor on Tuesday.

The Senate measure, amended by the House before winning unanimous Senate approval, was inspired by the case of Delia Alaniz, a Sedro-Woolley woman who hired a man to kill her husband after she and her children suffered what was said to be 17 years of severe abuse.

OPTOMETRISTS

Gov. Booth Gardner has signed into law one of the most controversial bills of the legislative session, one that pitted optometrists against the medical profession.

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The measure, SB5193, will allow optometrists to treat eye problems with drugs. Currently they can use drugs only for diagnostic purposes.

Under the bill signed by the governor Tuesday, the Optometry Board will determine what drugs optometrists can use.

Tanana Valley Clinic

Family Medical Care
Since 1959

February 23, 1987

ODONTOLOGY

Lawrence L. Dunbar, M.D.
Richard C. Hays, M.D.
Robert S. Wally, M.D.
Walter B. Bragg, M.D.
Jim Bragg, D.D.

PHYSICIAN

David Lee, M.D.

ORTHODONTIC SURGEON

Robert Chapman, M.D.
Robert L. Lippman, D.D.

OPHTHALMOLOGIST

Richard J. Hayes, M.D.
Dana S. Morgan, M.D.
Jonathan R. Scott, M.D.

PHYSICIAN

Marvin E. Bergeson, M.D.
J. Pauline Farns, M.D.
Richard C. Hays, M.D.
Henry J. Schultz, M.D.
Mark H. Brault, M.D.
James M. Clark, R.T., F.A.C.

FAMILY PRACTICE

Harold Anderson, M.D.
James K. Lundquist, M.D.
Donald E. Thomson, M.D.
John M. W. Ferguson, M.D.
Charles Bauer, M.D.
David L. Lewis, Ph.D.
Thomas H. Wilson, Ph.D.

DERMATOLOGY

Thomas F. Bauer, M.D.

ADMINISTRATION

Bob Smith, Administrator
Jan Wilson, Book Mgr.
Barbara J. Farmer, Counselor

Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

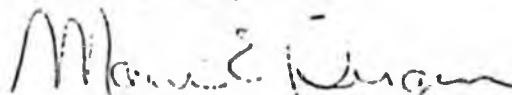
Dear Representative

I am writing to you requesting support for the proposed legislation allowing optometrists in the State of Alaska to practice at a level consistent with their training which would include the use of diagnostic and therapeutic drugs. I worked for many years in the military which utilized optometrists and allowed them to use the drug as both diagnostic and therapeutic agents. I found that the optometrists I worked with were very confident and judicious in the use of these therapeutic agents.

There are only three ophthalmologists in Fairbanks and none in the remainder of the Interior, however, there are many optometrists. Allowing optometrists to treat diseases of the eye within their spectrum of expertise would allow many more Alaskans to be adequately taken care of. Optometrists are trained for 4 years after completing a Bachelor of Arts degree and, in most cases, this training includes 150 hours of Pharmacology. Currently 50 states out of the 50 allow optometrists to use drugs in a diagnostic area and 25 of the states also allow to use drugs therapeutically.

Alaska with its vast land area and remoteness of villages and cities would certainly benefit by allowing optometrists to use their clinical expertise with the use of diagnostic and therapeutic drugs.

Sincerely yours,



Marvin E. Bergeson, M.D.
Pediatrics

MEB/dr

1001 Noble Street • Fairbanks, Alaska 99701
(907) 452-1611



Valley Eye and Laser Center

March 13, 1989

House of Representatives
Legislative Building, Room #
Olympia, Wa. 98504

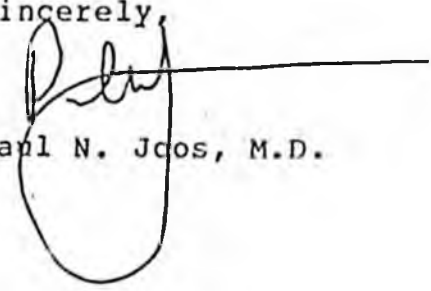
Dear Representative

I am writing to express my strong support for Senate Bill #5193. I have been practicing medicine as an ophthalmologist, specializing in eye disease and surgery for the past ten years.

I have reviewed the proposed change in Legislation carefully, and find it is a reasonable approach for expanding the scope of optometric practice. My experience with optometrists has shown me that they are very competent, careful, and ethical practitioners.

Please support this bill and move the issue out of the political arena, so all ophthalmologists and optometrists can get back to our main concern, the care of eyes.

Sincerely,



Paul N. Jacobs, M.D.

Donald R. Schieve, M.D.
5220 Neil Road Suite 110
Reno, Nevada 89502

April 24, 1989

Senator Ray Shaffer
Legislative Building
401 S. Carson Street
Carson City, NV 89710

Dear Senator Shaffer,

As an Ophthalmologist and practicing M.D. for over 25 years, I strongly support S. B. 296. The passage of this bill will *definitely benefit* the citizens of our State.

My credentials are as follows: (i) After residency, I practiced as a Board Certified Pathologist for 16 years in Reno; (ii) I then took a second residency in Ophthalmology and practiced in Morgantown, WV for 9 years, prior to my return to Reno in 1988, where my Ophthalmology practice is now located.

During my 9 years as an Ophthalmologist in West Virginia, I was able to observe first hand the *positive results* of the passage of a bill very similar to S.B. 296.

In all the cases I observed the patient was: (i) better served and treated; (ii) more efficiently referred, when needed, to the correct specialist; and (iii) enjoyed a lower medical cost.

As I am sure you are aware, West Virginia was the first of twenty-four states that have passed legislation similar to S.B. 296 during the last fourteen years.

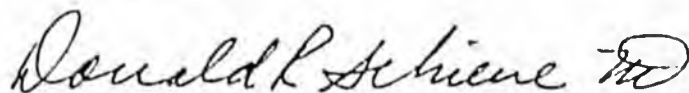
As an Ophthalmologist, I am aware of the opposition some of my fellow Ophthalmologists may place before you. These objections are generally voiced by a small group of Doctors who believe their practices are being infringed upon, "a turf battle".

Medicine, science, and technology continue to bring forth new frontiers. We cannot practice medicine as we did twenty years ago. Status quo in medicine does not benefit the patient.

We must continue to grant rights to Doctors to treat their patients in areas in which they are properly trained, even though these Doctors do not carry the title "M.D."

I urge you, and your fellow committee members, to vote in favor of S.B. 296 and continue the advancement of proper and economical medical care for the people of Nevada.

Sincerely yours,



Donald R. Schieve, M.D., Ophthalmologist



NORTHWEST EYE CENTER

State of the Art Technology
and Old Fashioned Care

February 8, 1989

State Senator Gary Nelson
106-A Inst. Building
Olympia, WA 98504


Dear Senator Nelson:

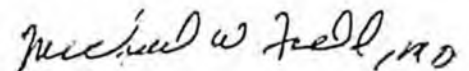
We are three ophthalmologists practicing in Seattle. We are writing in support of Senate Bill 5193, and feel that Doctors of Optometry should be allowed to use topical therapeutic drugs. We have had the opportunity and pleasure of sharing in the care of many patients with optometrists in your legislative district: Doctors Michael Medin and David Ross. These doctors provide excellent care. They have shown good judgment in their patient care decisions. We feel they will continue timely and proper care with therapeutic drug use. In the past two years we have participated in educational courses with these doctors. We have encountered a high level of interest and enthusiasm in these endeavors.

It is our hope that passage of this therapeutic bill will result in a greater unity between optometrists and ophthalmologists and ultimately our patients will be the beneficiaries.

If you have any questions or concerns, we would be happy to discuss them with you.

Yours very truly,


J. Stephen Brown, Jr., M.D.



Michael W. Field, M.D.


William E. Hancock, M.D.



RECEIVED APR 25 1989

COMMONWEALTH OF KENTUCKY
BOARD OF OPTOMETRIC EXAMINERS

1000 W. MAIN STREET
GEORGETOWN, KENTUCKY 40324

803-8810
AREA CODE 602

April 24, 1989

Sen. Robert Ney
State House
Columbus, Ohio 43266-0604

Dear Sen. Ney:

I am happy to give you the following progress report since the passage of SB 104 which went into effect in Kentucky on July 15, 1986.

There has been no increase in complaints from the general public since the passage of this Bill, and there has not been any complaints dealing with the use of therapeutic drugs. Insurance rates for our optometrists have actually decreased. One of the main advantages of this legislation is that, due to the large amount of rural areas in Kentucky, the public has been saved countless numbers of miles and dollars.

When this Bill went into effect the board required each TPA certified O.D. to keep a drug log setting out specific information on each patient prescribed for. The following information was turned in to our office in December, 1987.

Number of Rx's written - 37,817
Number of patients prescribed for - 36,493
Number of conditions treated collectively - 2,158
Number of different conditions treated - 62
Miles saved - 843,368
Dollars saved - \$1,115,086.00

I have enclosed a copy of SB 104 for your information. Please contact us if we can be of any help.

Sincerely yours,

J. C. Schertzinger, O.D.
President

cc: Darlene Eakin
Earl K. Green

JCS/at

WEST VIRGINIA BOARD OF OPTOMETRY

DALE E. PALMER, O.D.

SECRETARY-TREASURER

WEST VIRGINIA BOARD OF OPTOMETRY

POST OFFICE BOX 67
NOTTER FORT, WEST VIRGINIA 26001
1AM1874 5317



October 16, 1986

Dan J. Lex
P.O. Box 2186
Cheyenne, Wyoming 82003

Dear Mr. Lex:

This letter is in response to your inquiry of October 8, 1986, regarding the therapeutic drug experience. For the sake of brevity, I will answer each question by number:

(1) Law became effective March, 1976.

(2) Therapeutic alone would probably be in the neighborhood of 250,000 to 400,000. Combined with diagnostics, the number would be 1,300,000 based on 100 doctors using diagnostics on 1,200 patients per year. Therapeutic figure is conservative estimate of four cases per week, per doctor times 10 years. Actual numbers could double this.

(3) No cases of misuse of therapeutic drugs have been reported to our board, and no cases have come to court involving misuse of therapeutic drugs.

(4) Based on an average of \$20.00 office visit for therapeutic patient verses average of \$40.00 for ophthalmology, a savings of \$5,000,000 to \$8,000,000, and I would consider this conservative.

(5) The cost of malpractice insurance has not been adversely affected by therapeutic drug use at all.

Sincerely,

A handwritten signature in cursive script that reads "Dale E. Palmer".

Dale E. Palmer, O.D.
Secretary-Treasurer

DEP:jj

"Having been involved both with the training of optometric students and residents, as well as working closely with optometrists for quite sometime, I feel it is imperative that the optometric profession be extended the rights and responsibilities that go along with therapeutic use of medication for ocular disease. My experience has been that the optometrist is in a much better position than the general medical person to treat and manage many of the problems that are seen in the general practitioner's office related to the eye."

Jon Weston, M.D., F.A.C.S. Ophthalmologist
American Eye Institute
Marion, Illinois



Illinois Optometric Association
312-573-8012

BRITT A. BUCKLEY, M.D.

Eye Physician and Surgeon

February 5, 1988

Rep. Kathy Williams
Capitol Building
200 E. Colfax
Denver, Colorado 80203

Dear Representative Williams,

I am writing you to state my support for the optometric drug bill legislation that is currently being written. As an eye surgeon in Colorado Springs I am constantly in contact with the area optometrists in regards to patient care. I have been very impressed with the ability of the optometrists clinically in our area, and feel that with the appropriate pharmacologic background and training which they are receiving that this will enable them to proficiently treat anterior segment eye diseases.

I have been impressed in the past at how well the diagnostic drug legislation has improved patient care in this state. It has enabled the optometrist to become more clinically adept, and I have seen better working relationships between the optometrists and the ophthalmologists in overall clinical care. Although I am aware of certain optometrists who are not clinically current, these are the individuals who are electing not to update their license for either the diagnostics or the training for therapeutics. For this reason, I have not found that these certain individuals have been a problem in the clinical care of patients now that pharmacologics are available.

Once again, I would like to lend my support for the optometry therapeutics legislation, and I hope to see it enacted in the near future.

Sincerely yours,

Britt A. Buckley

Britt A. Buckley, M.D.

cc: T.W. Clyde, O.D.

BAB/pb

ARIS M. SOPHOCLES, JR., M.D.
3331 FOREST STREET
DENVER, COLORADO 80207
Telephone (303) 320-8325

FEB 17 1988

February 10, 1988

Representative Sam Williams
Colorado State Capitol
Denver, CO 80203

Dear Sam,

I hope this note finds you and Gladys well. I'm writing because Dale Lervick has told me the optometrists are running into considerable resistance over HB 1155. As a physician who has practiced in both rural and urban communities, I'd like to add my 2 cents.

Optometrists serve a valuable function in Colorado. They practice in small communities and capably diagnose eye disorders. Their training is thorough and comprehensive, and exceeds the training most family physicians get in the study of visual disorders. For these reasons they should be granted permission to use certain pharmaceutical agents for the treatment of eye disease.

Basically, the optometrists are requesting legislation to allow the use of drops that fight bacterial and viral infections, cortisone-related drugs to use for allergic reactions or abrasions, and antiglaucoma agents, and the right to remove foreign bodies that become imbedded in the cornea. With proper training, which schools of optometry provide, these agents and procedures will be correctly employed.

ROBERT J. TELLO M.D.
GROSBOLL CLINIC
232 WEST 4TH STREET
LOVELAND, CO 80537
(303) 667-3565

Representative Kathy Williams
State Capital Building
Denver, CO 80216

Dear Representative Williams:

I am a board certified physician practicing internal medicine in Loveland, Colorado for the past years. I recently learned that the optometrists in our state are attempting to pass a law which would allow them to use certain pharmaceutical agents in the treatment of anterior segment disease and glaucoma. I have been asked to write this letter to show that I support them in their efforts, and do so for the following reasons.

First, I know optometrists are more widely distributed throughout Colorado than ophthalmologists. I was surprised to learn that optometrists maintain full time practices in 33 of Colorado's 63 counties, while ophthalmologists have full time practices in only 18. The major reason for this is that ophthalmologists specialize in ocular surgery and for them to function at their highest level of training they need a fully staffed, modern hospital. This dictates that their office be located in or very near a major city.

It is apparent that the citizens of rural Colorado would be better served if optometrists could handle their minor ocular problems through the use of therapeutic agents. This would not only save the time, and the expense involved in traveling to a major city, but possibly prevent needless, permanent vision loss due to delays in treatment.

Secondly, I know these medications to be relatively safe and effective products with few systemic side effects. They are used on a routine basis by nurse practitioners, physician's assistants, and general physicians with good success and without the aid of a slit lamp or extensive training in ocular disease. It is hard to rationalize why the optometrist, who possess the specialized equipment and have the extensive training in ocular disease, aren't already providing these services to the citizens of Colorado.

Since 1979 Colorado state law specifically states that optometrists are required to diagnose ocular disease. I strongly feel that Colorado state law should be expanded to give the optometrists the right to use the agents they need to better serve the people of Colorado.

Sincerely,

Robert J. Tello, M.D.

JEFFREY A. GONNASON, O.D.

Doctor of Optometry
Medical Park Eye Care
2211 E. Northern Lights - Suite 202
Anchorage, AK 99508

Telephone: (907) 276-2080

Jan. 6, 1990

Updating Alaska's Optometry Law:

As of August 1989, 25 States allow O.D.'s to use Therapeutic Pharmaceutical Agents. Washington and Wisconsin were the most recent, with Washington passing one of the best laws in the country.

13 States, including Alaska, are currently working on passage of similar TPA legislation.

Discrimination against optometry by the medical profession, at the expense of available, quality eyecare to the people of Alaska, must be eliminated.

The enclosed information and evidence from across the nation and Alaska, is a sample of the material available to support this needed legislation.

The current Alaska Bill, is very weak and restrictive, only adding 2 drug categories to our current allowable list. This was done in hope of swift passage with minimum controversy. A less restrictive law like Washington State would be better, but Alaska's O.D.'s are willing to accept a smaller step if it will help insure legislative passage to get our State out of the dark ages of health care.



American
American Optometric Association

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to optometrists and opticians.
Sponsor: House HESS Committee
Requestor: House HESS Committee

Agency Affected: Commerce & Economic Dev.
BRU: Occupational Licensing
Components: All

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						
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REVENUE	0	0	0	0	0	0
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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	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jennifer Strickler, Admin. Officer Phone: 465-2144
Division: Occupational Licensing Date: 2/5/90

Approved by Commissioner: Larry Mercurieff Date: 5 Feb 90
Agency: Commerce and Economic Development

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

HB 222: "An Act relating to optometrists and opticians."

HB 222 amends the optometry statutes by providing the Board of Optometry with the authority to establish additional requirements by regulations for licensees to obtain an endorsement to use pharmaceutical agents within their practice. In addition, the bill provides that patients receiving optometry services may have their prescription filled either by a pharmacist or a pharmaceutical supplier upon presenting a signed prescription request from an optometrist who holds a license endorsement for pharmaceutical agents. The bill also expands the description of pharmaceutical agent to include anti-infectives and anti-inflammatories, drugs known to be "therapeutic" in nature. Finally, it repeals the prohibition against the use of pharmaceutical agents for other than diagnostic purposes.

In 1988, optometrists in Alaska obtained statutory authority to use certain pharmaceutical agents within their practice. The new law provides for a license endorsement allowing optometrists to use drugs for diagnostic purposes only. HB 222 expands on the scope of the license endorsement by including permission to use therapeutic drugs as well.

The department is not overly concerned with the limited use of therapeutic drugs allowed by this bill because optometrists must first prove their competency prior to being granted an endorsement on their license. Other professions, however, such as pharmacists and ophthalmologists, may express greater concerns.

Section 3 appears to attempt to make clear that a dispensing optician may not practice optometry. The department is somewhat unclear, however, as to the exact intent of this amendment. A licensed dispensing optician is authorized to practice only within the definition of the practice of opticianry defined in AS 08.71. To practice otherwise would be a violation of the dispensing optician licensing statutes and subject the licensee to disciplinary proceedings under AS 08.71 by the Board of Dispensing Opticians. This seems only another salvo in the continuing dispute between these two professions. We see no need for this amendment.

We are also very concerned that this bill allows pharmaceutical suppliers to provide drugs directly to patients, instead of through a pharmacist. We would appreciate clarification of the intent of Section 1, page 1, lines 22-28, as well.

In summary, the department does not generally oppose the bill but raises the concerns in Sections 1 and 3, as discussed above. We are, however, opposed to allowing a patient to fill a prescription directly from a pharmaceutical supplier instead of a pharmacist.


Larry Merculieff, Commissioner

Date: 2/7/90

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU ALASKA 99811
907 465 1800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 9, 1989

SUBJECT: Sectional Analysis
(Work Order No. 6-0893)

TO: Representative Johnny Ellis, Chair
Health, Education, and Social Services
Committee

FROM: Terri Lauterbach *TL*
Legislative Counsel

Following is a sectional analysis of Work Order No. 6-0893A, a bill relating to optometrists and opticians:

Section 1 amends AS 08.72.175(a) to allow the Board of Examiners in Optometry to set additional requirements by regulation for an endorsement that authorizes an optometrist to use pharmaceutical agents. The section also amends AS 08.72.175(b) to allow pharmacists or pharmaceutical suppliers to supply an optometrist's patient with pharmaceutical agents upon presentation of a signed prescription request from an optometrist who holds a license endorsement authorizing the use of pharmaceutical agents in the optometrist's practice.

Section 2 affects the types of pharmaceutical agents that can be used by an optometrist by amending the description of pharmaceutical agent in AS 08.72.272.

Section 3 clarifies that AS 08.72 does not affect the practice of an optician licensed under AS 08.71 except to the extent that the optician practices optometry.

Section 4 amends the definition of optometry.

Section 5 repeals AS 08.72.272(b), which reads:

(b) Except as provided in (a) of this section, a licensee may not use pharmaceutical agents for treatment of an eye disease or disorder or for any other therapeutic purpose.

TL:lmb
L7/027

STATE OF ALASKA THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY LEGISLATIVE REFERENCE LIBRARY

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

H. HESS

2-8-90

H. HESS

3-21-90

H. HESS

4-5-90

Original sponsor(s): HESS Committee by Request

1 IN THE HOUSE

BY THE HESS COMMITTEE

2 CS FOR HOUSE BILL NO. 222 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to optometrists."

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

8 * Section 1. AS 08.72.272(a) is amended to read:

9 (a) A licensee may use a pharmaceutical agent in the practice of
10 optometry if

11 (1) the pharmaceutical agent is

12 (A) a drug approved by the federal Food and Drug
13 Administration for topical application to the human eye [, USED
14 FOR EXAMINATION PURPOSES ONLY,] within the categories of

15 (i) topically applied ocular anesthetics, but not
16 including cocaine;

17 (ii) cycloplegics or mydriatics; [, BUT NOT IN-
18 CLUDING ATROPINE, HOMATROPINE, SCOPOLAMINE, EPINEPHRINE, AND
19 10 PERCENT PHENYLEPHRINE; OR]

20 (iii) anti-infectives;

21 (iv) anti-inflammatories; or

22 (B) a drug, within the category of miotics used, after
23 consultation with an ophthalmologist, for the treatment of an
24 inadvertently induced angle closure; and

25 (2) the person holds a license endorsement issued by the
26 board authorizing the use of pharmaceutical agents.

27 * Sec. 2. AS 08.72.300(3) is amended to read:

28 (3) "optometry" means the examination, diagnosis, and
29 treatment of conditions of the human eyes and visual system, other

1 than by use of laser, x-rays, surgery except removal of superficially
2 embedded foreign bodies, or pharmaceutical agents, other than those
3 permitted under AS 08.72.272; "optometry" includes the employment of
4 methods that a person licensed under this chapter is educationally
5 qualified to use, as established by the board;

6 * Sec. 3. AS 08.72.272(b) is repealed.
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HB

225

HOUSE COMMITTEE REPORT

(7)
Date Referred: March 17, 1989

FURTHER REFERRALS: LABOR & COMMERCE

Date of Committee Action: 4/19/89

The HEALTH, EDUCATION, & SOCIAL SERVICES Committee considered: HB 225

HOUSE BILL NO. 225 [PAYMENT OF DISABILITY INSURANCE CLAIMS]
"An Act relating to payment of disability insurance claims."

RECOMMENDATIONS:

- be replaced with CS HB 225 (HESS) the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

- ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Date/Dept)
- fiscal impact _____ fiscal note(s) _____
 - zero fiscal note Commerce zero fiscal note(s) _____
 - zero with analysis _____ zero fn/analysis _____

SIGNING DO PASS:

SIGNING:
(Check approp. column)

Mr. R. G. Muehlenberg
J. H. Ellis

	Do Not Pass	No Rec	Amend
<u>Chris Davis</u>		X	
<u>[Signature]</u>		X	

J. H. Ellis
Chairman's signature

State of Alaska

Committees

CO-CHAIR, HOUSE JUDICIARY
VICE CHAIR, HOUSE LABOR AND COMMERCE
HOUSE HEALTH, EDUCATION
AND SOCIAL SERVICES



P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4712
465-4968/4986
(SESSION)

914 CLAY COURT
ANCHORAGE, ALASKA 99501
(907) 276-6844

Representative Max F. Gruenberg, Jr.
District 11
Spenard, Upper Midtown Anchorage

April 12, 1989

MEMORANDUM

TO: Representative Johnny Ellis
Chair, House HESS Committee

FROM: Representative Max Gruenberg

RE: HB 225, Relating to Payment of Disability Insurance
Claims

HB 225 was drafted in response to concerns raised by the Alaska Dental Society. Under current law, patients that have received insurance payments that were supposed to be paid to a health care provider might not pay the bill. Under existing law, the health care provider would bear the cost rather than the insurance company, which mistakenly paid the patient.

Under HB 225 the insurance company loses the option (contained in current law) to disregard a patient's written instructions to pay the provider directly. In addition, the bill mandates that if an insurance company ignores the patient's directive, it remains liable to the provider.

These changes will make the insurance company, rather than the health care provider, bear the risk that a payment improperly sent to the patient will leave a medical bill unpaid.

An insurance company would retain the right to collect any amounts mistakenly paid to a patient from that person. Under current law a health care provider could collect from the patient in the same situation.

In addition to placing the risk of loss on the proper party, HB 225 adds a specific time limit within which medical bills must be paid.

Taken together, these changes in current law will make the Alaska insurance industry more responsive to consumers' needs and to their legitimate requests.

STATE OF ALASKA
THE LEGISLATURE

POORLY STAMPED
BUREAU ALASKA 928
907 465 8000

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 10, 1989

SUBJECT: Disability insurance claims - HB 225
TO: Representative Max Gruenberg
FROM: Michael F. Ford *M.F.*
Legislative Counsel

You have asked how the existing law under AS 21.51.120 and AS 21.54.020 is changed by HB 225. Existing law is changed by requiring payment of insurance claims 30 days after final billing, and by requiring that an insurer who pays the insured after receiving written notice that direct payment should be made to the service provider, must also make payment to the service provider. Finally, "dental" has been added to the list of service providers, in both sections of law.

I have also attached an amendment to HB 225 that will add "nursing" to the list of service providers, contained in AS 21.51.120. This term exists in present law and was inadvertently omitted in the repeal and reenactment of AS 21.51.-120.

Please contact me if you have further questions.

MF:kb
wkk3/084

Enclosure

A M E N D M E N T

OFFERED IN THE HOUSE

BY GRUENBERG

TO: HB 225

Page 1, line 22, after "hospital,":

Insert "nursing,"

A M E N D M E N T

OFFERED IN THE HOUSE

BY GRUENBERG

TO: HB 225

Page 2, line 13:

Delete "or blanket"

Page 2, after line 20:

Insert a new bill section to read:

"* Sec. 3. AS 21.54.050 is repealed and reenacted to read:

Sec. 21.54.050. PAYMENT OF BLANKET DISABILITY POLICY BENEFITS.
All benefits under a blanket disability policy shall be paid to (1) the person insured; (2) the designated beneficiary or beneficiaries of the person insured; (3) the estate of the person insured; (4) the parent, guardian, or other person actually supporting the person insured, if the person insured is a minor or otherwise not competent to give a valid release; or (5) the employer, if the entire cost of the insurance has been paid by the employer. An insurer may, and upon request of the covered person shall, within 30 days after receiving a proof of loss statement, pay benefits directly to the provider of the hospital, nursing, medical, dental, or surgical services. The policy may not contain a provision requiring that services be provided by a particular hospital or person. If the insurer pays indemnities to the insured after the covered person has given the insurer written notice of an election of direct payment of indemnities to the provider of the service, the insurer shall also pay those indemnities to the provider

of the service."

Renumber the following bill section accordingly.

A M E N D M E N T

OFFERED IN THE HOUSE

BY GRUENBERG

TO: HB 225

Page 2, after line 20:

Insert a new bill section to read:

"* Sec. 3. AS 21.87.340 is amended to read:

Sec. 21.87.340. OTHER PROVISIONS APPLICABLE. In addition to the provisions contained or referred to previously in this chapter, the following chapters and provisions of this title also apply with respect to service corporations to the extent applicable and not in conflict with the express provisions of this chapter and the reasonable implications of the express provisions, and for the purposes of the application the corporations shall be considered to be mutual "insurers":

- (1) AS 21.03
- (2) AS 21.06
- (3) AS 21.09, except AS 21.09.090
- (4) AS 21.18.010
- (5) AS 21.18.030
- (6) AS 21.18.040
- (7) AS 21.18.120
- (8) AS 21.21.321
- (9) AS 21.36
- (10) AS 21.69.400
- (11) AS 21.69.520

- (12) AS 21.69.600, 21.69.620, and 21.69.630
- (13) AS 21.78
- (14) AS 21.90
- (15) AS 21.42.345 - 21.42.365
- (16) AS 21.89.040
- (17) AS 21.89.060;
- (18) AS 21.51.120."

Renumber the following bill section accordingly.

A M E N D M E N T

OFFERED IN THE HOUSE

BY GRUENBERG

TO: HB 225

Page 2, line 11:

Delete "insured"

Insert "covered person"

Page 2, line 17:

Delete "insured" in both instances

Insert "covered person" in both instances

A M E N D M E N T

OFFERED IN THE HOUSE

BY GRUENBERG

TO: HB 225

Page 1, line 21:

Delete "complete and final billing"

Insert "proof of loss statement"

Page 2, line 12:

Delete "complete and final billing"

Insert "proof of loss statement"