

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6425 SENATE LABOR & COMMERCE

829

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of ^{24hr} ~~5-DAY~~ NOTICE 5/4/89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 5/6/89

4/28/89

Mr. President:

Labor & Commerce

Committee considered SR 11

Requesting the Governor to direct the Department of Revenue to delay implementation of charitable gaming regulations

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

FISCAL NOTE(S) attached ^{DC+ED 5/6/89} zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

[Handwritten signatures]

OTHER RECOMMENDATIONS

[Handwritten signature: Jan Fick No Rec]

[Handwritten signature]
Chair: signature and recommendation

Committee backup attached

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSR 11 (L&C)
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ Dev
Title: Requesting Gov. to direct DOR & DCED to include additional public participation during development of charitable gaming BRU: Occupational Licencing
Sponsor: Rodey et al. Components: Administration /regulations
Requester: Senate Labor & Commerce

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	0	0	0	0	0	0
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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						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The cost of any additional public hearings is expected to be absorbed in the division's FY 90 operating budget for the program.

Prepared by: Linda Wild Phone: 465-2500
Division: Commissioner's Office Date: 5-6-89

Approved by Commissioner: Larry Mercurieff Phone: 465-2500
Agency: Department of Commerce & Economic Development Date: 5-6-89

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

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ Dev
 Title: Requesting Gov. to direct DOR & DCEU to include additional public participation during development of charitable gaming
 BRU: Occupational Licensing
 Sponsor: Rodey et al. Components: Administration /regulations
 Requester: Senate Labor & Commerce

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	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of dollars)

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

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

The cost of any additional public hearings is expected to be absorbed in the division's FY 90 operating budget for the program.

Prepared by: Linda Wild Phone: 465-2500
 Division: Commissioner's Office Date: 5-6-89

Approved by Commissioner: Larry Mercurieff Phone: 465-2500
 Agency: Department of Commerce & Economic Development Date: 5-6-89

Distribution (by preparer):

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

This fiscal note is appropriate for the original resolution.

page 1 of 1

Annela Peterson
 Senate Labor & Commerce Committee

To:

Richard Eliason and Ben Grussendorf

Dear Dick,

On behalf of The American Legion, Sitka Post 13, we ask your support of Senate Resolution No. 11, introduced 4/26/89 and referred to Dept of Labor and Commerce. We feel that all the additional paper work and rules included in the Dept of Revenue proposed regulations will mean an increased hardship on all small non-profit organizations and will mean that the Dept in charge of regulating these additional rules will have to hire additional people, give more training sessions and even force some organizations to feel that maybe it wouldn't even be worth all the bother to use pull-tabs, raffles & etc. The way it is now, the organizations have had to spend twice the amount of time on just the last set of regulations and now they give us more. We realize that in some of the larger towns there is a problem but these regulations are like cutting off your nose to spite your face.

Would appreciate your support on behalf of rules and regulations that will allow our organization to continue to support projects that we feel benefit our entire community and children. We support baseball and softball, boys & girls state, scholarships to both Sitka and Mt. Edgecumbe schools, and assist our veterans and their families when needed.

American Legion & Auxiliary
 Ray & Lucille Perkins
 Box 13
 Sitka AK 99835

Adopted

Original sponsors: Donley, Boyer,
Brown, et al.

1 IN THE HOUSE

2 CS FOR HOUSE RESOLUTION NO. ^{SR} 71()
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Requesting the Governor to direct the
6 Department of Revenue and the Department
7 of Commerce and Economic Development to
8 include additional public participation
9 during their development of charitable
10 gaming regulations.

1 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

2 WHEREAS in 1988 the Fifteenth Alaska State Legislature adopted compre-
3 hensive legislation governing games of chance and contests of skill in the
4 form of the Alaska Gaming Reform Act; and

5 WHEREAS the Department of Revenue is currently responsible for adopt-
6 ing regulations implementing the Alaska Gaming Reform Act; and

7 WHEREAS responsibility for regulating charitable gaming activities in
8 the state will be transferred from the Department of Revenue to the Depart-
9 ment of Commerce and Economic Development July 1, 1989; and

10 WHEREAS the Department of Revenue released draft regulations on
11 April 4, 1989, with the stated intent of implementing the regulations
12 before the transfer of responsibility for regulating charitable gaming
13 activities to the Department of Commerce and Economic Development; and

14 WHEREAS the Department of Revenue and the Department of Commerce and
15 Economic Development have agreed to jointly conduct public hearings on the
16 proposed regulations and have agreed that the regulations will not be
17 implemented until after the Department of Commerce and Economic Development
18 assumes regulatory responsibility; and

19 WHEREAS the limited time frame and the extensive and complex nature of

1 the draft regulations will make it difficult for charitable gaming orga-
2 nizations to adequately review and reasonably participate in public hear-
3 ings on the draft regulations; and

4 WHEREAS it may be necessary for the Department of Commerce and Eco-
5 nomic Development to extend the public comment period in order for charita-
6 ble gaming organizations to more fully participate in the review process;
7 and

8 WHEREAS it is anticipated that it will be several months before the
9 draft regulations will be implemented after the public comment period
10 closes; and

11 WHEREAS the primary purposes of the 1988 Act were to encourage char-
12 itable gaming organizations to manage their own gaming permits, to estab-
13 lish strict licensing guidelines and accountability for operators that
14 charitable organizations choose to engage, to establish strict regulation
15 for all charitable gaming activities to provide protection to charitable
16 organizations, and to establish procedures for efficient regulation by the
17 department; and

18 WHEREAS current practices of the Department of Revenue and the draft
19 regulations may not adequately implement the intent of the legislature in
20 adopting the 1988 Act and may not extend the protections to charitable
21 organizations provided for under the Act; and

22 WHEREAS current practice of the Department of Revenue has permitted
23 certain entities to operate charitable gaming activities in a manner not
24 envisioned by the legislature in adopting the 1988 Act; and

25 WHEREAS the state's charitable gaming organizations provide essential
26 services to the state and to communities and are entitled to the full
27 protection of the law and assistance from agencies responsible for their
28 regulation and should, to the fullest extent possible, participate in
29 developing guidelines under which they will be regulated;

1 BE IT RESOLVED that the House of Representatives respectfully requests
2 the Governor to direct the commissioner of commerce and economic develop-
3 ment to hold additional public hearings after the July 1 transfer of re-
4 sponsibility for regulating charitable gaming activities, and to extend
5 the public comment period if necessary to assure reasonable and informed
6 participation by charitable gaming organizations; and be it

7 FURTHER RESOLVED that the Governor direct the commissioner of commerce
8 and economic development to work closely with charitable gaming organiza-
9 tions and members of the public to develop comprehensive regulations that
10 reflect both the letter and intent of the law adopted by the legislature so
11 that charitable organizations are adequately protected and that persons
12 working in charitable gaming activities are adequately regulated.

S R

17

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 2/12/90

FURTHER: C & R A
Judiciary
Finance

Date of 5-Day Notice: 2/15/90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2/26/90

L & C Committee considered SR 17

Relating to expansion of allowable forms of charitable gaming.

and recommended:

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted.

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

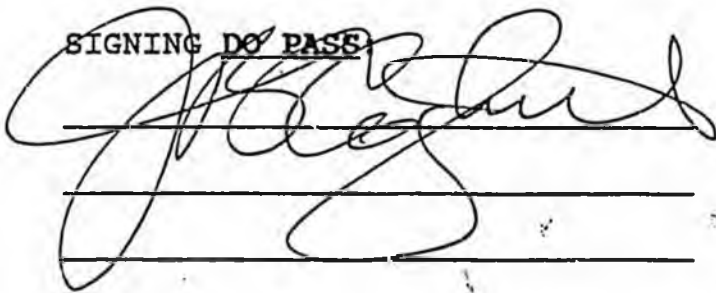
zero fiscal note(s) Dept of Commerce 2/22/90

appropriation-no fiscal note


Governor's bill w/fiscal note

SIGNING DO PASS

OTHER RECOMMENDATIONS:



Do not Pass
Regulate what we have
John Foley no rec.
Kenley no Rec

 *do pass*
Chair: Signature and Recommendation

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Relating to expansion of
allowing forms of charitable gaming
Sponsor: Senator Fischer
Requestor: Senate Labor & Commerce

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary) No fiscal impact in FY 90.

Prepared by: Randall P. Burns, Director Phone: 465-2534
Division: Occupational Licensing Date: 2/22/90
Approved by Commissioner: Larry Mercurieff Date: 2-22-90
Agency: Department of Commerce & Economic Development

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

Alaska State Legislature

SENATOR PAUL FISCHER, Chairman
SENATOR JIM DUNCAN, Vice Chairman
SENATOR AL ADAMS
SENATOR LLOYD JONES
SENATOR TIM KELLY



PO. BOX V
ROOM 508
STATE CAPITOL
(907) 485-3762

Senate Committee on Health, Education and Social Services

MEMORANDUM

TO: SENATOR DICK ELIASON, CHAIRMAN, SENATE LABOR AND
COMMERCE COMMITTEE.

FROM: SENATOR PAUL A. FISCHER *P.F.*

RE: SR 17 RELATING TO EXPANSION OF CHAIRTABLE GAMING.

DATE: FEBRUARY 21, 1990

THANK YOU FOR CONSIDERING THIS LEGISLATION IN SUCH A TIMELY MANNER.

THIS BILL IS INTENDED TO ADDRESS CONCERNS OVER THE TYPES OF GAMES THAT MAY BE OFFERED BY CHAIRTABLE ORGANIZATIONS UNDER 15 AAC 105.120. CURRENTLY, THROUGH ADMINISTRATIVE OVERSIGHT, THE DEPARTMENT OF COMMERCE AMENDED THEIR ADMINISTRATIVE CODES, AND DID NOT INCLUDE THE LIST OF GAMES NORMALLY ALLOWED UNDER 15 AAC 105.120. A TOTAL OF 11 GAMES WERE NORMALLY PERMITTED BY THE DEPARTMENT AS BEING PERMISSIBLE GAMES OF SKILL AND CHANCE.

AT THE PRESENT TIME, THE DEPARTMENT IS STILL USING THE OLD LIST OF GAMES AS A GUIDELINE FOR GAMES AT VARIOUS EVENTS. THIS LIST WAS DEVELOPED IN 1959, AND HAS NOT BEEN SIGNIFICANTLY ADDED TO SINCE THAT TIME. MANY FAIR OPERATORS IN THE STATE WOULD LIKE TO OFFER GAMES OTHER THAN THOSE ON THE LIST. FOR EXAMPLE, SINCE THE BASKET BALL TOSS IS NOT ON THE LIST, IT IS TECHNICALLY NOT ALLOWED.

I WILL NOT GO INTO THE LEGALITY OF THE DEPARTMENT ENFORCING REGULATIONS THAT THEY HAVE DELETED FROM THE ADMINISTRATIVE CODES. IT IS THE INTENT OF THIS LEGISLATION THAT THE DEPARTMENT EXAMINE THE OLD LIST OF GAMES, AND LOOK AT AUTHORIZING NEW GAMES SUCH AS THE BASKET BALL TOSS.

SENATOR PAUL FISCHER
SENATE RESOLUTION 17

HOPEFULLY, IN THE PROCESS OF EXAMINING THE LIST OF GAMES, THE DEPARTMENT WILL BE ABLE TO CLARIFY ITS ENFORCEMENT PRACTICES, AND DETERMINE WHAT GAMES WILL BE LEGALLY OFFERED.

THANK YOU.

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: MARY HAWINS
 TITLE: ASSOCIATED ALASKAN FAIRS
 ADDRESS: BOX 39172
 CITY: NINILCHIK, ALASKA ZIP: 99639
 PHONE: 567-3670
 BILL NO: SR 17

SUBJECT: TYPES OF CHARITABLE GAMING
 MESSAGE: WHEREAS THE FAIR ASSOCIATIONS THROUGH ALASKA AVAIL THEMSELVES OF THE GAMES OF SKILL AND CHANCE TO ADD TO THE FUND GENERATED AT ANNUAL FAIRS IN THEIR COMMUNITIES, AND WHEREAS THIS ACTIVITY GENERATES FUNDS FOR THE ASSOCIATIONS AS A SUPPLEMENT TO STATE GRANTS & WHEREAS THE CURRENT REGULATIONS HAMPER THE INNOVATIVE ABILITIES OF LOCAL FAIR PLANNING VOLUNTEERS, THEREFOR, WE, THROUGH OUR AAF REQUEST POSITIVE ACTION BY YOUR COMMITTEE ON SR17.THANK YOU

POMID: 13090246
 DATE: 02/23/90
 TIME: 09:02:46
 LIONAME: SOLOOTNA LIO

COPIES: SENATORS

RODEY
 FAIKS
 KERTTULA
 COGHILL

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: WILD BILL NELSON
 TITLE:
 ADDRESS: BOX 872969
 CITY: WASILLA ZIP: 99587
 PHONE: N/R-
 BILL NO:

SUBJECT: ALASKA ARCTIC MADNESS PART I (ALASKA POEM)
 MESSAGE: ICE AND COLD AND THIS DAMN SNOW. CHILL FACTORS, UNBEARABLE, WHEN IT STARTS TO BLOW. WOMEN NEVER TELL ARCTIC MEN TO JUMP OVER A CLIFF. THERE WORTHWHILE KEEPING, BEING FROZEN STIFF. ARCTIC MADNESS IS PURE HELL YOU SEE. YOU BECOME A CONTORTIONIST TO EVEN PEA. WOE UNTO HE, 4" OF CLOTHES, WITH A TWO INCH PETER. ANY TORTURE IN HELL IS CONSIDERED SWEETER. (SEE PART II)

POMID: 14090509
 DATE: 02/23/90
 TIME: 09:05:09
 LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
COLLINS	COTTEN	COGHILL
DAVIDSON	DAVI'S, C.	DUNCAN
DAVIS, M.	DON' EY	FAHRENKAMP
ELLIS	FIN'KELSTEIN	FAIKS
FOSTER	FUR'ACE	FISCHER
GOLL	GRUL'NBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOPONEN	KELLY
KUBINA	LARSON	KERTTULA
LEMAN	MACLEAN	PEARCE
MARTIN	MENARD	POURCHOT
MILLER	NAVARRE	RODEY
PETTYJOHN	PHILLIPS	STURGULEWSKI
RIEGER	SHARP	SZYMANSKI
SHULTZ	SWACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: PATRICIA BERGDahl

TITLE:

ADDRESS: 510 HAINES AVE.

CITY: FAIRBANKS

PHONE: 452-6409

ZIP: 99701

BILL NO: SR 12

SUBJECT: INFORMED CONSENT FOR DENTAL FILLINGS

MESSAGE: I SUPPORT THE CS FOR SR12. PLEASE REJECT ANY AMENDMENTS TO THE CS
RESOLUTION LANGUAGE. THE INTENT OF AN AMENDMENT IS TO REESTABLISH THE
ORIGINAL LANGUAGE OF THE RESOLUTION. SENATE HESS HAS EVALUATED THE ORIGINAL
SR12, TURNED IT DOWN AND UNANIMOUSLY PASSED THIS CS. PLEASE SUPPORT IT.

POMID: 07074911

DATE: 02/23/90

TIME: 07:49:11

LIONAME: FAIRBANKS LIO

COPIES: SENATORS

ADAMS
DINKLEY
COGHILL
DUNCAN
FAHRENKAMP
FAIKS
FISCHER
FRANK
HALFORD
JONES
KELLY
KERTTULA
PEARCE
POURCHOT
RODEY
STURGULEWSKI
SZYMAWSKI
UEHLING
ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: SENATOR ELIASON

NAME: VICTORIA STEIK

TITLE: PRES. KENAI PENIN. STATE FAIR ASSOC

ADDRESS: BOX 39257

CITY: NINIICHIK, ALASKA

PHONE: 567-3335

ZIP: 99639

BILL NO: SR 17

SUBJECT: TYPES OF CHARITABLE GAMING

MESSAGE: KENAI PENINSULA STATE FAIR REQUESTS YOUR POSITIVE ACTION BY YOUR COM-
MITTEE ON SR 17.

POMID: 13100903

DATE: 02/23/90

TIME: 10:09:03

LIONAME: SOLDOTNA LIO

COPIES: SENATORS

RODEY
FAIKS
KERTTULA
COGHILL

H B

5

SENATE COMMITTEE REPORT



FURTHER

FINANCE

2/22/89

DATE TURNED INTO OFFICE

3/13/89

Mr. President:

LABOR AND COMMERCE

Committee considered

HB 5

amending the composition and membership of the Correctional Industries Commission; efd

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published 1/25/89

MEMBERS SIGNING DO PASS

[Handwritten signature]

[Handwritten signature]

OTHER RECOMMENDATIONS

[Handwritten signature]

 Chairman signature and recommendation

Committee Backup attached

3/13/89

POSITION PAPER
DEPARTMENT OF CORRECTIONS

House Bill 5

The Department of Corrections supports passage of HB 5, "An Act amending the composition and membership of the Correctional Industries Commission; and providing for an effective date" by Representatives Swackhammer, Gruenberg and Donley.

The bill would increase the size of this Advisory Board from seven to eight by adding a representative of organized labor from the service industries, (the current organized labor member represents the building trades). The service trades unions feel left out of the planning for correctional industries and have been among the programs with vocal critics. HB 5 is an effort to formally bring them into the process to help guide the program into meaningful inmate work projects.

A zero fiscal note is attached because expenses for board members are paid from the Correctional Industries' revolving fund, not the general fund.

ALASKA CORRECTIONAL INDUSTRIES PROGRAM

COMMISSION MEMBERS

February 27, 1989

GOVERNMENT MEMBERS:

John M. Andrews, Commissioner Office: 465-2200
Department of Administration
P.O. Box C MS 0200, Juneau, Alaska 99811
(Chuck Taylor, Deputy Commissioner, DOA)

Susan Humphrey-Barnett, Commissioner Anch. Office: 561-4426
Department of Corrections Juneau Office: 465-3376
2200 E. 42nd Ave., Anchorage, Alaska 99508

Walter Majoros, Director, Statewide Programs Office: 465-3376
Fuller Bldg, 3rd Floor
4th & Harris, P.O. Box T, Juneau, Alaska 99811

LABOR REPRESENTATIVE:

James N. Carroll Fbx Office: 456-6960
Ironworker's Union
315 5th Ave., Fairbanks, Alaska 99701

BUSINESS REPRESENTATIVE:

Roger V. Lewis Juneau Office: 780-6900
635 Main St., Juneau, Alaska 99801

AGRICULTURE REPRESENTATIVE:

Joan Koponen Fbx Office: 479-6782
710 Chena Ridge, Fairbanks, Alaska 99709

PUBLIC REPRESENTATIVE:

Beverly Dunham Seward Office: 224-5623
P.O. Box 37, Seward, Alaska 99664

EX-OFFENDER REPRESENTATIVE:

James L. Hesson Juneau Office: 586-3434
601 West Willoughby, Juneau, Alaska 99801

REPRESENTATIVE
C.E. "SWACK" SWACKHAMMER

Alaska State Legislature



House of Representatives

SOLDOTNA
312 TYEE STREET
SOLDOTNA, ALASKA 99699
(907) 262-7841

JUNEAU
BOX V
JUNEAU, ALASKA 99811
(907) 465-2889

SECTIONAL ANALYSIS OF HB 5

"An act amending the composition and membership of the Correctional Industries Commission; and providing for an effective date."

Section 1 - Adds language to increase the members of the Correctional Industries Commission from seven to eight. The Governor will appoint six instead of five of these members. The appointed members criteria is amended to require that there be two representatives from organized labor; one from the building of trades and the other from the service industries.

Section 2 - Adds language that changes the number of members necessary to constitute a quorum from four to five.

Section 3 - Existing organized labor representative may continue to serve for the duration of his/her appointed term. It must be determined whether this representative was appointed from the building trades or the service industry.

Section 4 - The term of office for the new labor representative will be determined after the first labor represented has been designated and appointed. The Governor shall specify the appointed term of this representative, but may not extend this term beyond June 30, 1991.

Section 5 - Immediate effective date under AS 01.20.070 (c).

REPRESENTATIVE
C.E. "SWACK" SWACKHAMMER

Alaska State Legislature



House of Representatives

SOLDOTNA

312 TYEE STREET
SOLDOTNA, ALASKA 99699
(907) 262-7841

JUNEAU

BOX V
JUNEAU, ALASKA 99811
(907) 465-2689

MEMORANDUM

TO: Senator Dick Eliason, Chairman
Senate Labor and Commerce Committee

FROM: Rep. C.E. Swackhammer *Swack*

DATE: February 24, 1989

TOPIC: House Bill 5

This bill was introduced during the second session of the 15th Legislature and successfully passed through both houses without amendment. It was scheduled for hearing on the floor of the senate, but unfortunately the senate adjourned prior to being heard.

House Bill 5 is basically constructed to assure greater input from labor to minimize the opportunity for the Alaska Corrections Industry to compete with private enterprise; this is especially important during the economic downswing Alaska is currently facing.

Attached is a sectional analysis which specifically spells out how the Commission's membership will be increased by one additional member of organized labor. There is a zero fiscal impact on general funds, the expense of the added member will be borne by receipts of prison industries.

I respectfully request your support of House Bill 5.

CODE	TRAVEL AND MOVING CLASSIFICATION	PRIOR	CURRENT	BUDGET YEAR - FY 90		
		YEAR	YEAR	ADJUSTED	INCREMENT/ DECREMENT	AGENCY REQUEST
		FY 88 ACTUAL	FY 89 AUTHORIZED			
72240	Field Travel	2.8	4.7	3.2		3.2
72270	Administrative Travel	1.6	2.0	2.0		2.0
72300	Conventions and Meeting Travel	.4				
72330	Boards, Commissions and Legislators Travel	1.7	15.0	15.0		15.0
72360	Moving or Relocation Expense	2.0				
72390	Non-Employee Travel					
72500	Per Diem	8.2	8.3	8.3		8.3
72800	Honorarium/Stipends					
72000	TOTAL TRAVEL AND MOVING	16.7	30.0	28.5		28.5
	INTER-AGENCY TRANSFERS (NON-ADD)					

CODE	EXPLANATION	ADJUSTED BASE	INCREMENT/ DECREMENT
72240	Field Travel: Staff travel to develop new industries.	3.2	
72270	Administrative Travel: Staff travel to attend public hearings on the feasibility of various industries.	2.0	
72330	Boards, Commissions and Legislators Travel: Travel for members of the Prison Industries Commission to attend public hearings and quarterly meetings.	15.0	
72500	Per Diem: Per Diem for above travel.	8.3	

C200 TRAVEL AND
MOVING

AGENCY DEPARTMENT OF CORRECTIONS

BRU STATEWIDE OPERATIONS

COMPONENT CORRECTIONAL INDUSTRIES PRODUCT COST

FY 90

Page 1 of 1

Revised Date 12/1/88

000174

3/2/87

DEPARTMENT OF CORRECTIONS
 ALASKA CORRECTIONAL INDUSTRIES
 FINANCIAL DATA

FISCAL YEAR	PCNs	ADMINISTRATION COMP.		PRODUCT COSTS COMP.		REVENUES
		APPROPRIATED	EXPENDED	APPROPRIATED	EXPENDED	
FY82	(5)	\$ 147,900	\$ 59,434	\$ -0-	\$ -0-	\$ -0-
FY83	(5)	160,200	128,476	355,500	92,017	-0-
FY84	(7)	278,800	216,881	285,500	140,377	32,957
FY85	(12)	524,200	448,231	AMT. AUTH. TO SPEND ⁽¹⁾ 703,000	377,657	217,849
FY86	(12)	<u>540,100</u>	<u>485,369</u>	<u>871,600</u>	<u>562,124</u>	<u>498,389</u>
Total		<u>1,651,200</u>	<u>1,338,391</u>	<u>641,100</u>	<u>1,172,175</u>	<u>749,195</u>
FY87	(11)	571,600	PROJECTED 556,732	871,600	PROJECTED 994,500 ⁽²⁾	PROJECTED 1,071,600
FY88	(11)	564,800	564,800	1,658,400	1,658,400	2,000,000

Note #1: No money actually appropriated in ensuing years, FY85-88.

Note #2: Total includes \$200.0 loan from Ag. Rev. Loan Fund.

3/2/87

BRIEF HISTORY OF ALASKA CORRECTIONAL INDUSTRIES

GENERAL: 1979 - State of Alaska financed "Alaska Corrections Master Plan" by Moyer and Associates, who recommend implementation of an Industries program. An Industries Manager, Wally Roman was hired October 16, 1981. In the spring of 1982, the Hammond Administration introduced and the Legislature passed HB 194 (enacted as AS 33.32.) which establishes the Alaska Correctional Industries program. In October of 1982, the Governor appointed the Correctional Industries Commission. In July, 1985, a Marketing and Sales Manager was added to the staff, and in September, 1985 the management of the Industries program (three individuals) was relocated from Juneau to Anchorage. Staff which did not transfer was replaced at the new location.

AGRICULTURAL OPERATIONS: Farming operations began as a camp work project at the Palmer Correctional Center over twenty years ago. In March, 1983, the Correctional Industries Commission approved the expansion of the operation as a correctional industry to provide produce for state institutions. Mechanized field and potato processing equipment was purchased for a sum in excess of \$100,000 including many surplus pieces of equipment which were rebuilt at the institution. Acreage under cultivation was increased to approximately 27 acres, and is yielding in excess of 200 tons of potatoes. Flowers are also grown for State projects, including the Anchorage International Airport. 8 to 15 inmates are employed based upon seasonal needs.

AUTO BODY REPAIR: This business also began in prior years sometime in the 1970's, at the Palmer Correctional Center. In March, 1983, upgrading and modernization of the existing auto body shop program was approved by the Correctional Industries Commission. Conversion of an existing shop building yielded a 2900 square foot shop which contains a paint booth, mixing room, tool room, welding facilities, and a state of the art frame straightening rack. The quality control was brought up to rigid commercial standards, and the shop now repairs virtually all State of Alaska vehicles in the southcentral region. This shop employs from 5 to 8 inmates.

COMMERCIAL LAUNDRY: In March, 1983, the Correctional Industries Commission approved the building of a commercial laundry facility at the Lemon Creek Correctional Center to provide service to the State of Alaska Marine Highway system's southeast runs, and all other state institutions in the Juneau area. At that time, the laundry needs of the Marine Highway system were being met in Seattle, Washington, and Prince Rupert, B.C., Canada. Laundry operators in the Juneau area declined this business due to high seasonal nature. Construction of the new facility was begun in the fall of 1983 and completed in December, 1984. Operations have been excellent with almost 3/4 of a million pounds of laundry processed annually, employing 18 to 35 inmates.

COMMERCIAL BAKERY: In October, 1983, the Correctional Industries Commission approved the establishment of a commercial bakery at Lemon Creek Correctional Center to provide baked goods to the Marine Highway system and other state agencies throughout Alaska. This operation was designed to share the same building as the laundry operation, and went into operation in January, 1985. It has continued from that time to supply top quality baked goods to the Marine Highway system at prices at or less than previous suppliers in Seattle, Washington, and Prince Rupert, B.C., Canada. This operation has commission approval for commercial sales which are being developed. The bakery employs 5 to 8 inmates.

FURNITURE ASSEMBLY: July, 1983, the Correctional Industries Commission approved the establishment of a furniture and upholstery production and repair facility. A first consideration was to utilize a quonset hut at the Lemon Creek Correctional Center, but this idea was discarded and the proposed operation was moved to the Wildwood Correctional Center in Kenai, Alaska. The decision was based upon the availability of a building that could be renovated at a relatively low cost, an institutional work force of medium custody inmates, and proximity to the large southcentral market for furniture. In the spring of 1985, a contract was awarded to CPSI, a Boulder, Colorado consulting firm which gives assistance to correctional systems for furniture manufacturing. An agreement with four large national furniture companies provided pre-made components of standard furniture items for assembly at the new plant. Furniture manufacturing began in the Wildwood plant in January, 1986. A substantial dollar volume has been produced since start up of the plant, but further review is necessary due to much lower margins than originally expected, and a major collapse of the furniture market due to budget restrictions. The plant employs 15 to 25 inmates. After careful review of the current product lines, which are quite broad, this operation will probably be reduced to labor intensive oak/upholstered furniture and a few other complimentary lines which have proven very acceptable in our market place, and provide a more adequate profit margin.

METAL FABRICATION PLANT: In October, 1983, the Correctional Industries Commission approved the establishment of a metal fabrication plant to be located at the Wildwood Correctional Center. Plant operations began in January, 1986 and with the receipt of the large Spring Creek Correctional Center production order for bunks and desks, the plant has been running at full production level for the past 8 months with 20 to 30 inmates working full time. This plant produces a variety of products beyond cell furniture, including fish carriers for the Department of Fish and Game, barbecue pits for the Division of Parks, and several communities in Alaska, as well as custom fabricated "one off" specialities.

MT. MCKINLEY MEAT AND SAUSAGE PLANT: In May, 1986, the Division of Agriculture approached the Department of Corrections with the idea of using inmate labor to operate the failed meat plant in Palmer until the private sector was able to operate it again. The Agricultural Revolving Loan Fund purchased the plant and has signed an agreement with the Department of Corrections to operate the facility. Initial public hearings were held on February 6, 1987 and the Industries Commission decided to table the operational proposal until the next meeting, March 16, 1987, when the commission will hear additional public testimony regarding operation of the plant. At the present time the Department of Corrections plans to provide meat for its own consumption only. This facility will employ 20 inmates.

HB

10

SENATE COMMITTEE REPORT

DATE: 5/1/90

FURTHER: Finance

DATE TURNED INTO OFFICE: 5/6/90

Labor & Commerce

Committee considered

CSHB 10 (HESS) am

"An Act relating to forgiveness of student loans of certain health care professionals, to taxation of student loans, and to student financial assistance; and providing for an effective date."

and recommended:

- replace with SCS CS HB (L+C) same title
- or adopt _____ CS _____ new title
- attached amendment(s) technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

- fiscal note(s) Health + Social Services 4/26/90
- At Cmsn on Postsecondary 4/25/90
- for SCS CSHB 10 (L+C)

zero fiscal note(s) _____

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

[Signature]

[Signature]

Pat Bodley

OTHER RECOMMENDATIONS:

1/ Kertah No Pass - we need

to provide an equal

program for all children

College students

[Signature]

Chair: Signature and Recommendation

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Health & Social Services
 Title: Relating to forgiveness of BRU: State Health Services
student loans of health care prof.
 Sponsor: Ellis, et al. Components: Public Health Administration
 Requester: Senate HESS

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
Personal Services						
Travel						
Contractual		21.5				
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0.0	21.5	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

General Funds	0.0	21.5	0.0	0.0	0.0	0.0
Federal Funds						
Other						
TOTAL	0.0	21.5	0.0	0.0	0.0	0.0

POSITIONS

Full-Time		0				
Part-Time		0				
Temporary		0				

ANALYSIS: (attach a separate page if necessary)

No fiscal impact in FY 90.

See attached analysis for FY 91.

Prepared By: Katherine A. Kelly, Dr. P.H.
 Division: PUBLIC HEALTH
 Approved By Commissioner: Myra M. Munson
 Agency: HEALTH & SOCIAL SERVICES

Phone: 465-3090
 Date: 04/26/90
 Date: 4/26/90

Distribution (by preparer):

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

CS HB 10 (HESS) AM

For an Act entitled: "An act relating to forgiveness of student loans of certain health care professionals; and providing for an effective date.

CS HB 10 (HESS) would provide a student loan forgiveness program for health care professionals who provide services in areas designated by the Department of Health and Social Services as meeting professional shortage criteria. Loan forgiveness would be based on a yearly percentage of service in designated area, up to five years, at which point the entire loan would be forgiven by the state.

Recruitment and retention of health care professionals for rural areas is often difficult and expensive. Agencies and communities providing services in these areas are faced with the ongoing problem of obtaining qualified individuals who will live in rural areas for an extended period of time. This chronic turnover results in substantial cost increases and service disruption due to vacancies.

Eligible professionals providing health services in designated areas would benefit economically from this program. This economic incentive will enhance the ability of communities and agencies to recruit and retain health care providers. In addition, rural Alaskans would be encouraged to obtain advanced education and return to practice in their communities.

Position

The Department of Health and Social Services, while deferring the cost analysis of this legislation to the Department of Education, supports the economic incentives in assisting rural areas to recruit and retain qualified health professionals.

Recommended by: Katherine A. Kelley
Katherine A. Kelley, Dr.P.H.
Director
Division of Public Health

Date: _____
Approved by: Myra V. Munson
Myra V. Munson
Commissioner
Department of Health and
Social Services

Date: April 26, 1990

FISCAL NOTE

REQUEST:

Revision Date: April 25, 1990
 Title: Forgiveness of student loans of Health Care Providers
 Sponsor: Ellis
 Requestor: Senate HESS

Agency Affected: Education
 BRU: Postsecondary Education Student Loan Corp.
 Components: Student Loan Fund

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	-0-	41.2	83.8	137.3	142.1	145.3
MISCELLANEOUS						
TOTAL OPERATING						

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	41.2	83.8	137.3	142.1	145.3
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Jane Byers Maynard, Executive Director Phone: 2854
 Division: Alaska Commission on Postsecondary Education Date: April 25, 1990

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by preparer) :

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

Analysis of Fiscal ImpactA. Assumptions

1. The current student loan population is representative of the future attendance patterns for student of selected health care fields.
2. Only a small proportion of health care graduates will actually qualify for the benefits of CS HB 10. The estimate used for the analysis is 1-in-10 medical graduates (physicians, surgeons, psychiatrists), and 1-in-8 nursing, physician assistant, physical therapy, occupational therapy and medical technology graduates. Additionally, of these, it is estimated that the average forgiveness will be 36% (that is, 3-of-5 years of eligible forgiveness).
3. Borrowing years will vary by health care field. For this fiscal analysis, the following are assumed:

<u>Fields</u>	<u>Years of Borrowing</u>
Medical Profession	8 years
Nursing	3 years
Occupational Therapy	4 years
Physical Therapy	4 years
Physician Assistant	4 years
Medical Technology	3 years

B. ProjectionsGraduates by Field

<u>Field</u>	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95
Medical Profession	32	32	31	32	33	34	35
Nursing	67	67	68	70	71	72	73
Occupational Therapy	2	3	3	3	3	4	4
Physical Therapy	4	4	4	4	5	5	5
Physician Assistant	2	2	2	2	3	3	3
Medical Technologist	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	109	110	110	113	119	121	123

C. Fiscal Impact

<u>Year</u>	<u>Amount</u>
1989-90	\$ -0-
1990-91	41,220
1991-92	83,820
1992-93	137,370
1993-94	142,160
1994-95	145,330

FISCAL NOTE FOR CS HB 10 (HESS) AM

In order for the Department of Health and Social Services to establish the health professional shortage designation system in a timely manner, limited contractual services would be required during the first year. This additional cost would be necessary due to limited availability of Division of Public Health Staff to focus on developing a information system which could be readily maintained to provide the Alaska Commission on Post Secondary Education the necessary information.

It is anticipated that once a computerized system was established, the information could be updated on an annual basis utilizing existing personnel and equipment.

Contractual Line 73000

Professional Services: Personal Services contract for the purpose of developing the health professional shortage designation regulations, conducting the public review and adoption of the regulations, establishing a data base to be updated and monitored by department staff, and developing the initial shortage area designation for the Alaska Commission on Post Secondary Education. 4 months at \$5.0 per month \$20.0

Communication: Printing of regulations, public notification of regulations and program availability, teleconference for public hearings in the regulation adoption process. \$ 1.5

Total Contract Line \$21.5

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



P.O. BOX V, JUNEAU 99811
(907) 465-3759

HOUSE HESS COMMITTEE LETTER OF INTENT CSIB 10 (HESS)

It is the intent of the 16th Alaska State Legislature in passing HB 10, that the Commission on Postsecondary Education in writing clearly inform borrowers potentially eligible under A.S. 14.43.120(s) that forgiveness is subject to legislative appropriation.

A handwritten signature in cursive script, appearing to read "J. Ellis", written over a horizontal line.

Rep. Johnny Ellis
Chairman

March 6 1989
Date of Adoption

1024 WEST SIXTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 274-4031

WHILE IN SESSION
PO BOX V
JUNEAU, ALASKA 99811
(907) 465-3704

ALASKA STATE HOUSE

OFFICE OF MAJORITY WHIP

CO-CHAIR
HEALTH, EDUCATION & SOCIAL SERVICES

LABOR & COMMERCE
SUBCOMMITTEE ON FOREIGN TRADE



REPRESENTATIVE JOHNNY ELLIS

MEMORANDUM

TO: Senator Dick Eliason
Chairman, Senate Labor and Commerce Committee

FROM: Representative Johnny Ellis *JE*

RE: HB 10

DATE: May 1, 1990

Yesterday, House Bill 10 passed the Senate HESS Committee. This bill is currently in your committee and has a further referral to the Finance Committee. Considering the short time remaining before the end of the session, I am requesting that you consider waiving HB 10 from the Labor and Commerce Committee.

HB 10 provides for the forgiveness of student loans for students who return to Alaska to work in certain health care professions in areas of the state which are medically underserved. There are critical shortages of health care professionals in Alaska, especially rural Alaska. This bill, which has broad support by the medical community, will help to alleviate these shortages.

HB 10 also requires WAMI and WICHE program participants to return to Alaska to work in their chosen health fields or they will have to pay back part of the state subsidy for their education.

Finally, HB 10 requires the Commission on Post-Secondary Education to adopt regulations that would increase the opportunities for student loan recipients to exclude the forgiven portions of their loans from taxation by the IRS.

Thank you for your consideration of this request.

Alaska State Legislature



2957 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

SENATOR
ARLISS STURGULEWSKI
Senate President Pro Tempore
Chairman, Senate Rules Committee

While in Juneau
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

MEMORANDUM

May 3, 1990

TO: Senator Dick Eliason, Chairman
Senate Labor and Commerce Committee

FROM: Senator Arliss Sturgulewski *AS*
Senate District F

RE: HB 10

This memorandum is to express my personal concern regarding House amendments to SCS CSHB 10(HESS). These concerns are shared by University of Alaska President Don O'Dowd, the Alaska Commission on Postsecondary Education, the Western Interstate Commission for Higher Education of the 15 western states, and the in-state WAMI program administration.

Part of this bill establishes a payback requirement for graduates of the WICHE and WAMI exchange programs if the graduate is unable to work in-state for at least six months for each year of WICHE or WAMI support received. The amount to be repaid equals 50% of the tuition differential subsidy at the school of attendance plus 8% interest. Currently students of WICHE and WAMI do not repay the tuition differential.

I do not support this repayment language. It can result in unreasonable indebtedness for students participating in these programs and for low income and minority students in particular. WICHE and WAMI students pay in-state tuition at public school or 1/3 the standard tuition rate at private schools. Many already have considerable undergraduate debts and family expenses. To cover professional school costs, these students have Alaska Student Loans and perhaps federal loans as well. To place further

debt obligations on students in these health-related fields of study not offered in the State of Alaska is inequitable.

This potential additional indebtedness would have the greatest adverse impact on low-income and minority students. These students historically decline to participate in higher education when faced with the prospects of high loan debt. Many would be forced to either relinquish Alaska residency to pursue their field of choice in states without such restrictions or worse, these students might decline to participate in these important fields of professional study.

The potential debt burden inherent in the amendment could add as much as \$50,000 to current debt loads of between \$55,000 and \$100,000 or more. In contrast to the amendment's penalty approach, the Postsecondary Commission has directed staff to seek more positive ways to facilitate the students return to Alaska such as encouraging the establishment of in-state residency programs and graduate/employer job linkages.

Efforts such as these would work with, rather than be counterproductive to, the main intent of this legislation, which is to better enable students to return to Alaska and serve their communities.

I recommend you pass out the bill version CSHB 10(HESS).

cc: Senator Rodey
Senator Faiks
Senator Kerttula
Senator Coghill



Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

REPRESENTATIVE JOHNNY ELLIS

SPONSOR POSITION PAPER

HB 10

"An Act relating to forgiveness of student loans of certain health care providers."

The purpose of this bill is to create an incentive program for medically trained Alaskans to work in those areas of Alaska that need health care provider services most.

Modeled after the Teacher Scholarship Loan Program, this legislation offers the incentive of Alaska Student Loan forgiveness in return for health care service in areas of the State determined to be medically underserved.

This program would also allow students who qualify to take advantage of the new National Health Service Corps Loan Repayment Program, which offers up to 75% Federal matching funds for such a State program.

***WHY HB 10?**

1. Federal recruitment program ending.

The National Health Service Corps (NHSC) Scholarship Program, which placed 1000 national health care providers in medically underserved areas in 1987, will issue no new scholarships. According to the US Congressional Office of Technology Assessments, NHSC had 413 scholars in 1988, 76 in 1989; and 4 in 1990, to place nationwide. Ken Bahms, the NHSC Region X Director, indicated that, no new NHSC scholars will be designated for Alaska.

2. Indian Health Service (IHS) dependent upon NHSC placements.

According to the Office of Technology Assessment, "Problems of training and retaining health professionals will become critical for IHS over the next 5 years as the NHSC program is phased out."

3. Existing NHSC placement expires August 1989.

There are currently THREE NHSC placements in Alaska:

- (1) Nome--Family Practitioner
Summer '86 to September '89
- (2) Anchorage--Physiatrist (physical rehabilitation)

(3) Dillingham--Family Practitioner
Summer '87 to August '89

*WHO is medically undeserved?

42 U.S.C. 254(e) is a Federal distinction to determine a "health manpower shortage area". The Department of Health and Human Services has distinguished:

In Alaska:

29 psychiatry areas
14 primary medical care areas
4 dental service areas

*WHY forgiveness?

1. Recruitment increasing problem.

All reports indicate that recruitment of health care professionals into rural/medically undeserved areas is a chronic problem. Studies indicate that the national shortage of nurses will only enhance this problem.

2. Retention difficult.

Office of Technology Assessments indicate that, "Nearly all physicians who enter IHS with NHSC scholarships payback obligations, however, leave after their obligation is fulfilled. Only about 5 percent stay at least one additional year."

3. Alaska Student Loan established program.

Forgiveness of Alaska Student Loans will ensure that Alaskan residents are encouraged to remain in Alaska and serve in those areas of greatest need.

4. 100 percent forgiveness is an adequate incentive.

A forgiveness program designed over a five-year period with increasing percentages in the fourth and fifth years will not only help in recruiting but also in retaining health care professionals to areas that have been traditionally difficult to fill.

*HOW to receive Federal matching funds?

PL 100-177 provides for state programs similar to the NHSC Loan Repayment Program to receive up to 75 percent Federal matching funds through a three-year grant program. Although specific regulations have not yet been published, all relevant Federal agencies contacted have recommended that Alaska establish an independent State program first. matching funds will be issued in accordance with demonstrated need and existing State programs.

LETTERS OF SUPPORT

HB 10: "An Act relating to forgiveness of student loans of certain health care professionals; and providing for an effective date."

1. University of Alaska, Board of Regents 11/23/87
2. Alaska Commission on Postsecondary Education 3/25/88
3. Department of Health & Social Services 2/10/88
4. Alaska Board of Nursing 4/13/88
5. Alaska Mental Health Board 3/29/88
6. University of Alaska, Anchorage 4/13/88
7. Alaska Native Health Board 2/10/88
8. Dept. of Health & Human Services 2/10/88
9. Tanana Chiefs Conference, Inc. 2/08/88
10. Norton Sound Health Corporation 3/07/88
11. Health Association of Alaska 1/27/89
12. International Brotherhood of Electrical Workers 2/24/89
13. Medical Association of Alaska 3/13/90

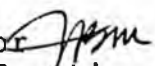
ALASKA COMMISSION ON POSTSECONDARY EDUCATION

P.O. BOX FP
JUNEAU, ALASKA 99811-0599
PHONE: (907) 465-2854

M E M O R A N D U M

TO: Members of the Senate Health, Education, and Social Services Committee

The Honorable Paul Fischer, Chair
The Honorable Jim Duncan, Vice Chair
The Honorable Al Adams
The Honorable Lloyd Jones
The Honorable Tim Kelly

FROM: Jane Byers Maynard, Executive Director 
Alaska Commission on Postsecondary Education

SUBJECT: CSHB 10: An Act Relating to Forgiveness of Student Loans of Certain Health Care Professionals

DATE: April 30, 1990

This memo is in response to the Committee's April 25 request for additional information concerning CSHB 10.

1. Cost Per Student. The attached table shows the potential cost per student for each year of forgiveness assuming maximum student loan debt incurred over the number of years of study necessary to complete the professional degree in each field.

Please note that these amounts are shown up to the maximum 70% forgiveness versus more conservative fiscal note costs which assume that the average forgiveness received will be 36% (i.e., 3 of 5 years of eligible forgiveness).

2. Source of Funds to Cover Forgiveness. It was asked in Committee if forgiveness costs could be covered by bond proceeds or loan program receipts in lieu of general fund support. Our Alaska Student Loan Bond Counsel states that legislation cannot be enacted which would impair contract rights of bond holders. Bond proceeds can be used only for loan originations. Program receipts from loan repayments which end up in the carry forward fund can be withdrawn once every six months subject to 1) AMBAC insurance approval and 2) cash flow analysis to insure at least 150% debt coverage. These funds are used to originate more loans and to cover program expenses.

Members of the Senate Health,
Education, and Social Services Committee
April 30, 1990
Page 2

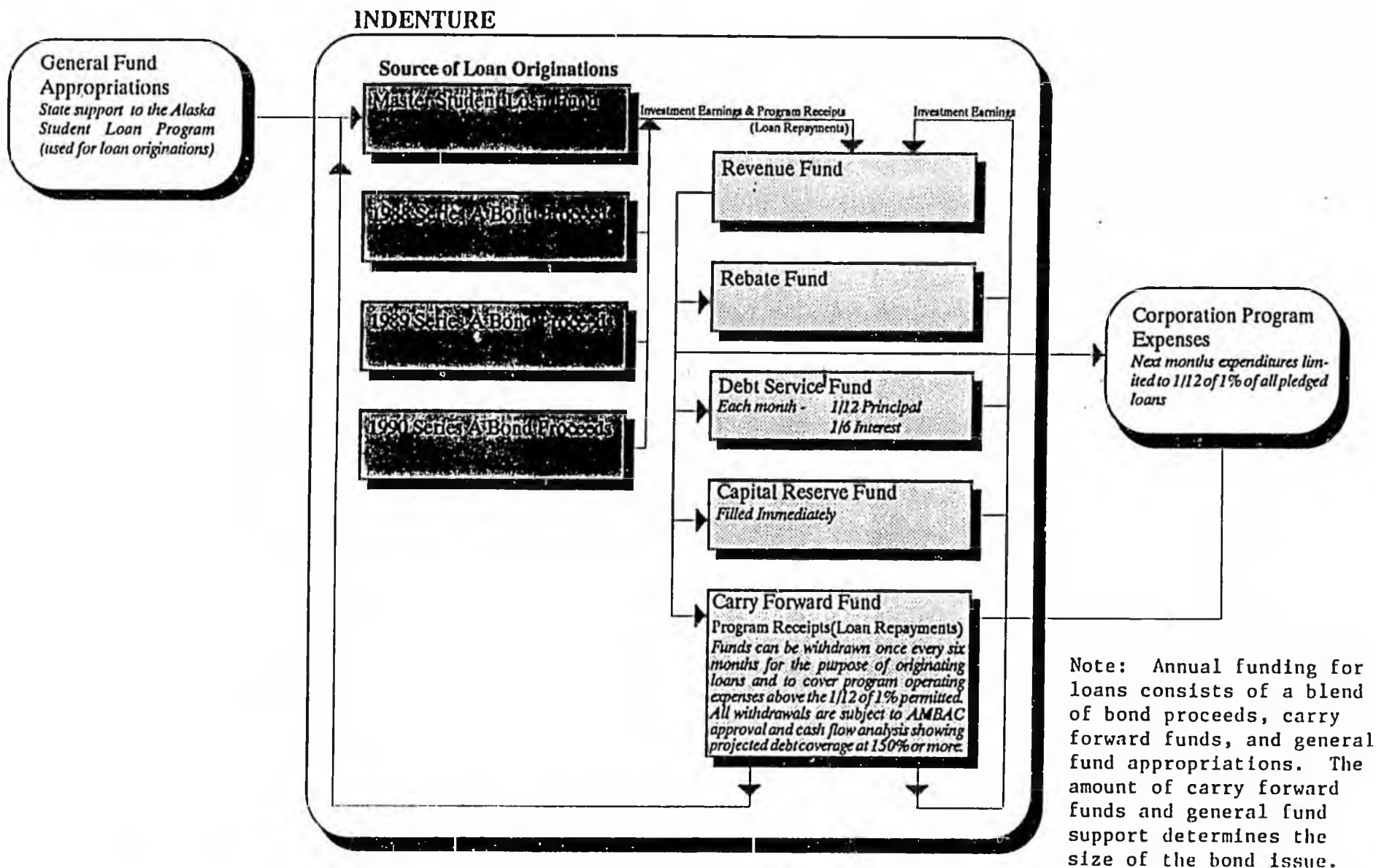
As a matter of policy, the Bond Counsel states that it would be unwise to use these funds for a purpose such as forgiveness coverage which does not create additional revenue (unlike loan origination which does). Instead, such useage would have the ultimate effect of reducing debt service coverage at a faster rate and will delay the date the loan program will become self-sustaining.

3. Letter of Intent. The letter of intent accompanying the bill insures that our Agency will notify borrowers that forgiveness is subject to legislative appropriation. This would be done in borrower promissory notes.

Attachments

cc: The Honorable Johnny Ellis
Alaska House of Representatives

Alaska Student Loan Corporation



CS HB10 POTENTIAL COST PER STUDENT

FIELD	ASL DEBT*	FORGIVENESS INCREMENTS**					
		10% 1st year	12% 2nd year	14% 3rd year	16% 4th year	18% 5th year	70% 5 year total
Doctor (8 years)	\$48,000	\$5,428	\$6,388	\$7,348	\$8,308	\$9,268	\$36,740
Nurse LPN (2 years)	11,000	1,244	1,464	1,684	1,904	2,124	8,420
Nurse RN (4 years)	28,500	3,223	3,793	4,363	4,933	5,503	21,815
Occupational Therapy (4 years)	22,000	2,488	2,928	3,368	3,808	4,248	16,840
Physical Therapy BS (4 years)	22,000	2,488	2,928	3,368	3,808	4,248	16,840
Physical Therapy MS (5 years)	28,500	3,223	3,793	4,363	4,933	5,503	21,815
Physician's Assistant (4 years)	22,000	2,488	2,928	3,368	3,808	4,248	16,840
Medical Technician AS (2 years)	11,000	1,244	1,464	1,684	1,904	2,124	8,420
Medical Technician BS (4 years)	22,000	2,488	2,928	3,368	3,808	4,248	16,840

* Principle only

** Including interest

Bill aids students in medical studies

By LARRY PERSILY
The Associated Press

JUNEAU — Students who return to work in Alaska as doctors or nurses could be eligible for big savings on their state student loans under legislation approved by the House.



Supporters say the program could help entice health-care professionals to work in rural areas that suffer from chronic shortages of medical services.

The measure would allow doctors, nurses, doctor's assistants and physical or occupational therapists to earn forgiveness on up to 70 percent of their student loans by working in Alaska for at least five years after graduation.

"Recruitment and retention of health-care professionals for rural areas is often difficult and expensive," and the legislation could help solve the problem, said Myra Munson, state Health and Social Services commissioner.

House Bill 10 is modeled after the state's rural-teacher loan program, said Rep. Johnny Ellis, D-Anchorage, the bill's prime sponsor.

The teacher program allows borrowers to qualify for loan forgiveness if they return to work in rural areas of the state. More than 180 students have participated since the program started in 1985, said Jane Byers Maynard, director of the state student-loan program.

The health-care loan forgiveness plan would cost the state about \$525,000 over the next five years, according to student-loan office estimates.

To limit the program's cost, the option would be restricted to areas of the state with a shortage of health-care workers, and to those professions in need of more staff, Ellis said.

House members approved the bill 33-1 Thursday and sent it to the Senate. Similar legislation failed to win an

in the Senate will be the Health, Education and Social Services Committee, whose chairman said he is unconvinced the legislation is necessary.

"Are we really kidding ourselves that it will bring people back?" said Sen. Paul Fischer, R-Soldotna. "We need to see just how many people we're talking about and just how necessary it is."

If approved by the Senate, the new program would start July 1.

The bill also would impose new in-state work provisions on Alaskans who attend out-of-state schools under a state subsidy program for health-care students.

Alaska will spend about \$2.3 million this year to participate in two programs that allow Alaska students to attend out-of-state universities at reduced tuition.

The bill would require graduates to return to work in Alaska at least six months a year for each year they were in school. Failure to do so would require the student to repay 50 percent of the tuition subsidy, plus interest.

There is no in-state work provision in either program, Maynard said.

The Washington, Alaska, Montana, Idaho Medical Education Program guarantees 10 slots a year and reduced tuition for Alaska students at the University of Washington Medical School, Maynard said.

Alaska also participates in the Western Interstate Commission for Higher Education, which allows Alaska students to attend other state universities for health

Wanted: More nurses

Alaska desperate for nurses in every medical field

By ANNABEL LUND

THE JUNEAU EMPIRE

In Alaska, the desperate shortage of nurses is an acute condition threatening to become chronic.

State agencies as well as private hospitals and clinics are hard-pressed to fill vacancies in all kinds of nursing positions. The problem has become so critical for the state an interagency task force has been created to deal with it.

"I think Alaska may be the last state to be hit with the nursing shortage because in the past we've been able to offer competitive salaries and benefits. That isn't true any more," said task force member Walter Majoros, a Department of Corrections spokesman.

Alaska's shortage of nurses is part of a nationwide trend. In 1988, more than half of the hospitals and nursing homes responding to a nationwide survey were having trouble recruiting and keeping nurses. Enrollment in nursing schools has dropped 5 to 8 percent each year and some schools have closed. In recent years, the federal government has drastically cut its funding for nurses' education. The American Hospital Association predicts the need for registered nurses will climb 33 percent by 1995, at the same time the supply dwindles.

A nurse's work has never been easy; it's growing increasingly more complicated and demanding as medical technology improves. It requires special training and education but has never been a well-paid profession. Dissat-

isfied nurses say it's a deadend job. Salaries generally cap off in about eight years so there is little hope for an improvement in pay or working conditions as a nurse gains experience.

Registered nurses' starting salaries -- because they have not been adjusted for inflation -- were actually lower in 1987 than they were a decade before. Nurses are in greater demand today in hospitals because insurance companies are encouraging shorter hospital stays, necessitating more intensive care for patients in acute phases of their illnesses. Hospitals have gone from using 50 nurses per 100 patients in 1972 to 91 nurses per 100 patients in 1986.

Nursing is predominated by women. The American Hospital Association estimates 97 percent of the nursing profession is female. American women, however, are choosing other professions. Their role in society has changed drastically in the past 30 years and the workplace offers many more opportunities for women than it did when nursing was one of the few jobs available.

"Nowadays a woman can become a doctor instead of a nurse if she wants to. There are a lot of fields that weren't open to women before. You can earn a lot of money driving a truck -- something women couldn't do 10 years ago -- and you don't need to spend the same time and money on an education. There are some very real reasons why fewer women are going into nursing."

Please turn to Nurses, Page 8

JUNEAU Empire
March 31, 1989

Nurses...

Continued from Page 1

said Debra Smith, a member of the nursing task force.

Smith, from the state Division of Mental Health and Developmental Disabilities, said the Alaska Psychiatric Institute is facing a severe shortage of qualified nurses.

"There's been a traditional devaluation of nurses' contributions to medicine and that's a difficult attitude to turn around. If nurses don't feel validated within their work environment, they're going to leave their profession," she said.

In the past, Alaska filled its nursing quota because it offered higher salaries and better benefits than other states, said Jean Lucius, assistant chief of nursing for the Alaska Department of Public Health.

"Alaska's biggest problem is that we are a nurse-importing state. Other states are now offering salaries and benefits as competitive as Alaska has offered in the past. They don't want their trained nurses leaving and so in terms of salaries and benefits we've been left behind," she said. Smith said incentives offered by other states — including Hawaiian vacations — make it more difficult to compete for personnel.

The Alaska Division of Public Health operates 35 health-care centers from Barrow to Ketchikan, staffed by public health nurses. Lucius said the state has been recruiting for public health nurses for six or seven months without response. She describes the shortage as "severe and frightening."

The most difficult positions to fill are the single-nurse duty stations in remote areas like McGrath or the Aleutian Islands. Trained nurses hankering for adventure are finding many international opportunities available today that weren't being offered before, she said.

Vacancies for nurses in the state Department of Corrections are endemic. There are positions all over the state including one at the Lemon Creek Correctional Center in Juneau. The department is required to offer 24-hour health care to inmates and does so by creative juggling of state positions and private contracts. The Department of Corrections employs about 100 nurses statewide, most at an average salary of about \$2,447 a month.

Alaska Pioneers' Homes, which are state-operated senior citizens homes, are drastically in need of nurses statewide.

Bruce Aronson, deputy director of pioneers' benefits for the state Department of Administration, said it's simple: a good number of nurses are finding more lucrative work elsewhere.

Aronson, whose division employs 551 people, is looking for nurses for several of the state's pioneers' homes, including two positions in Juneau. The position of director of nursing for the Juneau home pays \$2,890 a month.

Aronson said understaffing stresses the system.

"Not having enough qualified nurses means other people have to work additional shifts or some services aren't provided in as timely a manner as we'd like," he said.

In a survey of nursing vacancies conducted by the Health Association of Alaska, St. Ann's Nursing Home reports a five nurse shortage. The facility has had to recruit temporary nurses from outside Alaska to fill the gap, which costs almost double what it costs to retain full time RN in Alaska, association executive director Harlan Knudson said.

Last summer, Bartlett Memorial Hospital in Juneau suffered a desperate shortage of nurses. A combination of aggressive recruiting and serendipity filled those positions, said Bartlett Memorial Hospital Nursing Supervisor Cathy Kollin. She said some of her new nurses moved to Juneau for other reasons — their husband's employment, for example — and have walked in the door fully qualified, looking for work.

"It's not hard to sell Juneau, either. It's such a beautiful place. People have been very impressed with the information we send them," Kollin said.

The state's task force on nursing is looking for long- and short-term solutions.

"Pay must be considered. We want to work on upgrading the positions themselves to validate the nurses' contributions to the medical team. We've got to provide continuing education, to recruit in and out of state and to work with the university system to encourage more young people to go into the nursing profession," Smith said.

Public health nurse Lucius said the long-term solution to the nurse shortage in rural Alaska is to recruit and train Native Alaskans to work within their own communities. In general, the state should re-target its recruitment strategies to appeal to people considering second or third careers and single parents, she said. Bringing in temporary nursing help from Outside will continue to be a trend in Alaska, Knudson said. Continuing to recruit within the state using innovative approaches like student loan forgiveness clauses is crucial to a long-term solution for Alaska, he said.

Such a bill, sponsored by Anchorage Democratic Rep. Johnny Ellis, is working its way through the House Finance Committee now. Registered nurses, physical and occupational therapists and physician assistants would be forgiven up to 70 percent of their Alaska student loans, if they returned to the state upon graduation and worked for five years in an area considered by the Alaska Department of Health and Social Services to be underserved. The fiscal note on the bill is \$35,000 for the first year it is put into effect.

The state must develop a career ladder for nurses, rewarding experience and continuing education and nurses should be given a more active role in policy making decisions, Majoros said.

Knudson said a pay check may speak the loudest.

"There is a tremendous pressure to control costs and with health care being so labor intensive, it's just impossible to bring those wages up as much as they should be. We need to realize that nursing is an extremely important part of our health care service and to get good nurses we'll have to pay responsible salaries," Knudson said.

Н В

13

DATE: 3/13/90

FURTHER:

DATE TURNED INTO OFFICE: 4/12/90

Labor & Commerce

Committee considered

HB 13

"An Act declaring that telecommunications service utilities affect the public interest; and directing that regulation of telecommunications service utilities maintain and further universal basic telecommunications service."

and recommended:

- replace with _____ CS _____
 - or adopt _____ CS _____
 - attached amendment(s)
 - _____ letter of intent adopted
- same title
 - new title
 - technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

House Rules 1/11/90

Dept of Comm 3/9/90

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Jim Kirk No Rec

[Signature]
Chair: Signature and Recommendation

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act relating to regulation
of telecommunication services
 Sponsor: Boucher
 Requestor: Senate State Affairs

Agency Affected: Commerce & Economic Dev.
 BRU: APUC
 Components: Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

The bill proposes a basic statement of telecommunications policy and is not expected to have any fiscal impact on this agency.

Prepared by: T.S. Moninski II, Executive Director Phone: 276-6222
 Division: Alaska Public Utilities Commission Date: 3/9/90

Approved by Commissioner: Larry Merculieff *[Signature]* Date: 3-9-90
 Agency: Department of Commerce & Economic Development

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

STATE OF ALASKA

STEVE COWPER, GOVERNOR

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

420 "L" STREET
SUITE 100
ANCHORAGE, ALASKA 99501
(907) 276-6222

ALASKA PUBLIC UTILITIES COMMISSION

COMMENTS ON HB 13

February 7, 1989

The Commission supports HB 13 and has included universal service in the policy objectives which the Commission adopted to guide its adjudication of the complex telecommunications issues currently pending.

Sent copy to: Phil
Boucher

February 15, 1990



UC90-5026

STATE AFFAIRS COMMITTEE
Senator Pat Pourchot, Chairman
Senator Al Adams
Senator Jan Faiks
Senator Rick Uehling
Senator Jim Kelly
Pouch V
Juneau, Alaska 99811

REFERENCE: H.B. 13

Dear Senators:

It is our understanding your committee has before it H.B. 13 which declares that universal basic telecommunications service is in the public interest.

United Utilities is a local exchange telephone company serving 56 communities within the State of Alaska. Federal legislation, the Federal Communications Commission (FCC), and the Alaska Public Utilities Commission (APIJC) have all adopted legislation and/or policies promoting the availability of universal basic telecommunications service. If it were not for the federal legislation and the regulatory policies, our customers, and other rural customers within the state, would be without telephone service.

We strongly recommend that you pass this legislation as currently there is no legislative authority that we are aware of adopting the universal basic telecommunications objectives for Alaska. This is particularly critical considering the advent of competition and other changes in the telecommunications industry.

To strengthen this legislation, we are asking that your committee consider adding the following language to the bill:

"Universal basic telecommunications service is defined as having household telephone subscribership penetration levels within each community that approximate the household telephone subscribership penetration levels being experienced nationally. Universal basic telecommunication service is also defined as having statewide message toll rates that are not substantially greater than those in effect on January 1, 1990."

An Alaskan Native Owned Corporation

Unicom, Inc.
Subsidiaries:
United Utilities, Inc.
UniVista, Inc.
Manley Utility Co., Inc.

5450 A Street
Anchorage
Alaska
99518
(907) 561-1674

STATE AFFAIRS COMMITTEE

February 15, 1990

Page -2-

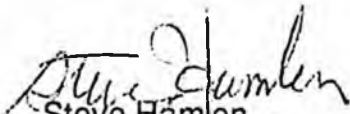
By 1993, Alaska local exchange companies will be receiving in excess of \$34 million from the federal Universal Service Fund to assist in achieving the FCC's universal service objectives. The proposed working definition is consistent with the FCC's goals and sound public policy.

Considering that the APUC's decisions will impact the availability of the federal Universal Service Funds for furthering universal service, and considering the possible harmful affects on rural customers should competition be permitted, we are requesting the proposed working definition be included in H.B. 13.

If you would like more information, please contact me.

Respectfully submitted,

UNITED UTILITIES, INC.


Steve Hamlen
President

SH/ab

Alaska Telephone Association

201 E. 56th Avenue / Suite 230
Anchorage, Alaska 99518
(907)563-4000 / FAX (907)562-3776

Claude Zike
President

Gordon Parker
Executive Director

SUMMARY OF HB 13

UNIVERSAL TELEPHONE SERVICE

HB 13 establishes universal telephone service as being in the public interest and, therefore, a priority of the State of Alaska.

Universal telephone service refers to the right of all residents to have available to them basic telephone services at a reasonable rate.

At the federal level, universal telephone service was adopted as government policy with the passage of the Communications Act of 1934 and remains a priority today. The Federal Communications Commission has also adopted universal telephone service as a priority. In Alaska, the Alaska Public Utilities Commission, in its omnibus telecommunications order of June, 1988, established universal telephone service as one of its six goals in addressing telecommunications issues pending before it. With HB 13, the legislature is being asked to place this critical policy into statute.

The question will be asked, "What effect does HB 13 have on the current debate regarding intrastate competition?" The answer is that the only effect would be to require the APUC to maintain the preservation of basic universal telephone service as a priority as the intrastate competition issue is considered. This is a stated goal of all parties to the intrastate competitive debate.



Representative H.A. "Red" Boucher

Chairman House Committee on State Affairs • Special Committee on Telecommunications

HB 13 - Universal Services Supplemental Statement

Essentially, HB 13 is a simple statement of state policy.

That policy is: ...regulation of telephone utilities shall aim at making basic telephone service available to as many Alaskans as possible.

The motivation for this policy is twofold. First, national consistency. Universal Service has been the fundamental tenet in FCC policy since its inception in 1934. While it has been codified in some states, it has been the unspoken rule in all states.

The second motivation for codifying Universal Service as our state policy is to demonstrate that Alaska does, within our state, what we are asking the FCC and the Joint Board to do for us on a national basis. By that we mean that Alaska is a remote and expensive part of the national telephone network. Alaska seeks subsidy and differential treatment from the FCC which lowers our interstate telephone rates. Former APUC Commissioner, Marvin Weatherly, has testified that Alaska has been subject to criticism because we have not formalized the same Universal Service policy for intra-state telephone service that we're seeking for inter-state service.

HB

21

3111 "C" STREET, SUITE 455
ANCHORAGE, ALASKA 99503
(907) 561-7628

WHILE IN SESSION
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3704

ALASKA STATE HOUSE
OFFICE OF MAJORITY WHIP

CO-CHAIR
HEALTH, EDUCATION & SOCIAL SERVICES

LABOR & COMMERCE
SUBCOMMITTEE ON FOREIGN TRADE

REPRESENTATIVE JOHNNY ELLIS

MEMORANDUM

TO: Senator Dick Eliason
Chairman, Senate Labor and Commerce Committee

FROM: Rep. Johnny Ellis *JE*

RE: Hearing request for HB 21

DATE: February 20, 1990

I would appreciate if you could schedule HB 21, "An Act including class size and teacher load as negotiable items between school boards and their certified employees", for a hearing in the near future. You may request backup information from Jim Nordlund of my staff at x3759.

Thank you for your consideration of this request.

HB

25

SENATE COMMITTEE REPORT

FURTHER FIN

4/3/89

DATE TURNED INTO OFFICE 4/17/89

Mr. President:

L&C Committee considered CSHB 25 (Rules)

prohibiting under the Alaska Food, Drug, and Cosmetic Act the knowing sale of irradiated food; authorizing embargo and detention remedies in the case of a violation of the prohibition against the sale of irradiated food and recommended etc.

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and _____) technical title change (HB only)
- _____ letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____

FISCAL NOTE(S) DEC 1/25/89 18.0

- zero fiscal impact appropriation no FN
- new H+SS 1/25/89 updated previous
- same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

J. B. ... No Rec

Jan. Feb. do not pass

[Signature]
Chairman signature and recommendation

Committee Backup attached



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Official Business

REPRESENTATIVE RANDY PHILLIPS
HOUSE DISTRICT 15
(907) 465-4949

P.O. Box V
State Capitol
Juneau, Alaska 99811

Memorandum

TO: Senator Dick Eliason
Chairman, Senate Labor & Commerce Committee

FROM: Representative Randy Phillips *R.E.P.*

DATE: April 4, 1989

RE: CS HB 25 (Rules)
An Act prohibiting under the Alaska Food, Drug, and Cosmetic Act the knowing sale of irradiated food, authorizing embargo and detention remedies in the case of a violation of the prohibition against the sale of irradiated food; and making the commissioner of environmental conservation responsible for enforcing the prohibition

Please consider this as my formal request for an early hearing on the captioned bill.

If you have any questions, please do not hesitate to contact me.

JRN-DATE	JRN-PG		ACTION
12/30/88		(H)	PREFILE RELEASED
01/09/89	21	(H)	READ THE FIRST TIME - REFERRAL(S)
01/09/89	21	(H)	STATE AFFAIRS, HESS, FINANCE
02/01/89	217	(H)	STA RPT CS(SA) 4DP 2NR
02/01/89	217	(H)	ZERO FISCAL NOTE/ANALYSIS (ADM) 2/1/89
03/03/89	511	(H)	HES RPT CS(SA) 4DP 2NR
03/03/89	512	(H)	PREVIOUS ZERO FN/A (ADM) 2/1/89
03/29/89	780	(H)	FIN RPT CS(FIN) NEW TITLE 4DP 6NR
03/29/89	780	(H)	ZERO FISCAL NOTE/ANALYSIS (ADM) 3/29/89
04/11/89		(H)	RULES TO CALENDAR 4/11/89
04/11/89	985	(H)	READ THE SECOND TIME
04/11/89	986	(H)	FIN CS ADOPTED UNAN CONSENT
04/11/89	986	(H)	ADVANCED TO THIRD READING UNAN CONSENT
04/11/89	986	(H)	READ THE THIRD TIME CSHB 23(FIN)
04/11/89	986	(H)	PASSED Y36 N- X4
04/11/89	987	(H)	EFFECTIVE DATE SAME AS PASSAGE
04/11/89	997	(H)	TRANSMITTED TO (S)
04/12/89	1194	(S)	READ THE FIRST TIME - REFERRAL(S)
04/12/89	1195	(S)	HES, THEN FINANCE
05/05/89	1691	(S)	HES RPT 3DP 1NR
05/05/89	1691	(S)	PREVIOUS HOUSE ZERO FN (ADM) 2/1/89
05/07/89	1756	(S)	FIN RPT 5DP
05/07/89	1756	(S)	PREVIOUS HOUSE ZERO FN (ADM) 2/1/89
05/08/89	1817	(S)	RULES TO CALENDAR
05/08/89	1833	(S)	READ THE SECOND TIME
05/08/89	1833	(S)	ADVANCED TO THIRD READING UNAN CONSENT
05/08/89	1833	(S)	READ THE THIRD TIME CSHB 23(FIN)
05/08/89	1833	(S)	FAILED PASSAGE Y10 N7 A3
05/08/89	1853	(S)	STURGULEWSKI NOTICE OF RECONSIDERATION
05/09/89	1869	(S)	RECON TAKEN UP - IN THIRD READING
05/09/89	1869	(S)	PASSED ON RECONSIDERATION Y20 N-
05/09/89	1869	(S)	EFFECTIVE DATE SAME AS PASSAGE
05/09/89	1869	(S)	RETURN TO (H), TRANSMIT TO GOVERNOR NEXT
05/26/89	1907	(H)	11:25AM 5/15/89 TRANSMITTED TO GOVERNOR
07/03/89	1932	(H)	SIGNED INTO LAW 5/30 CHAPTER 58 SLA 89
07/03/89	1932	(H)	EFFECTIVE DATE OF LAW 5/31/89

HB 24

"An Act relating to credited service in the teachers' retirement system for part-time teachers."

PRIME SPONSOR: ULMER
CO-SPONSORS: BOUCHER, ZAWACKI

CURRENT STATUS: (H) HES THEN FIN STATUS DATE: 01/09/89

JRN-DATE	JRN-PG		ACTION
12/30/88		(H)	PREFILE RELEASED
01/09/89	21	(H)	READ THE FIRST TIME - REFERRAL(S)
01/09/89	21	(H)	HESS, FINANCE
02/03/89	253	(H)	CO-SPONSOR ADDED: ZAWACKI

HB 25
CSHB 25(RLS)

"An Act prohibiting under the Alaska Food, Drug, and Cosmetic Act the knowing sale of irradiated food; authorizing embargo and detention remedies in the case of a violation of the prohibition against the sale of irradiated food; and making the commissioner of environmental conservation responsible for enforcing the prohibition."

PRIME SPONSOR: PHILLIPS
CO-SPONSORS: BROWN, NAVARRE, TAYLOR

CURRENT STATUS: (S) FIN STATUS DATE: 04/17/89

JRN-DATE	JRN-PG		ACTION
12/30/88		(H)	PREFILE RELEASED
01/09/89	22	(H)	READ THE FIRST TIME - REFERRAL(S)
01/09/89	22	(H)	HESS
01/25/89	165	(H)	HES RPT 6DP
01/25/89	165	(H)	-FISCAL NOTE (DEC) 1/25/89
01/25/89	165	(H)	-ZERO FISCAL NOTE (DHSS) 1/25/89
01/25/89	166	(H)	FIN REFERRAL ADDED
02/10/89	309	(H)	FIN RPT CS(FIN) NEW TITLE 6DP 5NR
02/10/89	310	(H)	-ZERO FISCAL NOTE (H.FIN) 2/10/89
02/10/89	310	(H)	-PREVIOUS ZERO FN (DHSS) 1/25/89
03/03/89	525	(H)	CO-SPONSOR ADDED: NAVARRE
03/08/89	567	(H)	CO-SPONSOR ADDED: TAYLOR
03/29/89	780	(H)	RUL RPT CS(RUL) NEW TITLE 2DP 3HR
03/29/89	781	(H)	-PREVIOUS ZERO FN (H.FIN) 2/10/89
03/29/89	781	(H)	-PREVIOUS ZERO FN (DHSS) 1/25/89
03/31/89		(H)	RULES TO CALENDAR 3/31/89
03/31/89	817	(H)	READ THE SECOND TIME
03/31/89	817	(H)	RLS CS ADOPTED UNAN CONSENT
03/31/89	817	(H)	ADVANCED TO THIRD READING UNAN CONSENT
03/31/89	817	(H)	READ THE THIRD TIME CSHB 25(RLS)
03/31/89	817	(H)	PASSED Y31 N4 X5
03/31/89	828	(H)	TRANSMITTED TO (S)
04/03/89	1025	(S)	READ THE FIRST TIME - REFERRAL(S)
04/03/89	1025	(S)	LABOR & COMMERCE, THEN FINANCE
04/17/89	1267	(S)	L&C RPT 1DP 1NR 1DNP
04/17/89	1267	(S)	PREVIOUS H. ZERO & FNS (DHSS, DEC, H.FIN)
04/17/89	1267	(S)	REFERRED TO FINANCE

HB 26

"An Act relating to motor vehicle forfeiture."

PRIME SPONSOR: KOPONEN

CURRENT STATUS: (H) JUD THEN FIN STATUS DATE: 02/17/89

JRN-DATE	JRN-PG		ACTION
12/30/88		(H)	PREFILE RELEASED
01/09/89	22	(H)	READ THE FIRST TIME - REFERRAL(S)
01/09/89	22	(H)	TRANSPORTATION, JUDICIARY
02/08/89	284	(H)	TRA RPT CS(TRSP) 3DP 1NR
02/08/89	285	(H)	-3 FISCAL NOTES (COURT, DPS, LAW) 2/8/89
02/08/89	285	(H)	-2 ZERO FISCAL NOTES (ADM, DOC) 2/8/89
02/08/89	285	(H)	-ZERO FISCAL NOTE/ANALYSIS (ADM) 2/8/89
02/08/89	285	(H)	FINANCE REFERRAL ADDED
02/08/89	285	(H)	REFERRED TO JUDICIARY

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act prohibiting...the
knowing sale of irradiated food
Sponsor: PHILLIPS AND BROWN
Requestor: _____

Agency Affected: Environmental Conservation
BRU: Environmental Health
Components: Sanitation.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	---	15.0	15.0	15.0	15.0	15.0
TRAVEL	---	--	--	--	--	--
CONTRACTUAL	---	2.0	2.0	2.0	2.0	2.0
SUPPLIES	---	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	---	--	--	--	--	--
LAND & STRUCTURES	---	--	--	--	--	--
GRANTS, CLAIMS	---	--	--	--	--	--
MISCELLANEOUS	---	--	--	--	--	--
TOTAL OPERATING	---	18.0	18.0	18.0	18.0	18.0
CAPITAL	---	--	--	--	--	--
REVENUE	---	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	--	18.0	18.0	18.0	18.0	18.0
FEDERAL FUNDS	---	--	--	--	--	--
OTHER	---	--	--	--	--	--
TOTAL	---	18.0	18.0	18.0	18.0	18.0

POSITIONS:

FULL-TIME	--	--	--	--	--	--
PART-TIME	---	1	1	1	1	1
TEMPORARY	---	--	--	--	--	--

ANALYSIS : (Attach a separate page if necessary)

The passage of HB 25 would require that the Department expand its inspection activities at approximately 500 food distributors, warehouses and wholesale and retail outlets to ensure that irradiated products were not being sold. For facilities presently under inspection, the additional inspection time

(Continued)

Prepared by: Douglas C. Donegan *DD* Phone: 465-2609
Division: Environmental Health Date: 4-12-89

Approved by Commissioner: Dennis D. Kelso *AD/Kelso* Date: 4/12/89
Agency: Environmental Conservation

Distribution (by preparer):

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

CSHB 25 Rules (continued)

is estimated to be approximately one (1) hour per inspection.

The department would begin inspecting 51 retail markets in the Municipality of Anchorage, which are not currently inspected by the department. It is estimated that the inspection of these markets would be approximately two (2) hours including travel time.

This inspection effort would amount to amount to a total of 602 hours/year or about four months/year.

Position Title Environmental Sanitarian II		No. of Positions 1	Range/Step 16/A	Barg. Unit G
Time Status F	Staff Months Four (4)	Location Anchorage, Alaska		Election District 7
Justification				
This position is required to support the implementation of HB 25, "An Act relating to irradiated food." Approximately 500 food distributors, warehouses and wholesale and retail outlets would be inspected to ensure that prohibited products were not being sold. All facilities would be contacted and notified of the new law. The additional inspection time required for facilities presently inspected would be approximately (1) hour and for facilities not currently inspected would be approximately two (2) hours including travel time.				
The additional inspection effort would amount to a total of 602 hours per year or about four months per year.				
Type of Expenditure		Amount		
1	2	3		
Salary	10.8			
Benefit	4.2			
Premium Pay	0			
Other	0			
Total Personal Services	15.0			
Travel	0			
Contractual	2.0			
Commodities	1.0			
Equipment	0			
Other	0			
Total Cost	18.0			
Funding Source for Total Cost				
Federal Receipts 1002	0			
G. F. Match 1003	0			
General Fund 1004	18.0			
GF Program Receipts 1005	0			
Other	0			

**Request For
New Position**

Agency ENVIRONMENTAL CONSERVATION
 BRU ENVIRONMENTAL HEALTH
 Component SANITATION

Page _____ of _____
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Alaska State Legislature

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REPRESENTATIVE RANDY PHILLIPS
HOUSE DISTRICT 15
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Memorandum

TO: Senator Dick Eliason
Chairman, Senate Labor and Commerce Committee
Members, Senate Labor and Commerce Committee

FROM: Representative Randy Phillips ^{R.E.P.}

DATE: April 14, 1989 ^{ps R.E.P.}

RE: CSHB 25 (Rules) - irradiated food

It is my understanding that George C. Giddings, Ph.D., has sent information to this committee for consideration. This information was accompanied by a cover sheet from Isomedix, Inc.

Dr. Giddings identified himself as a "consultant" on the transmittal sheet. When he appeared before the Subcommittee on Health and the Environment of the Committee on Energy and Commerce of the United States House of Representatives on June 19, 1987, he was identified as the director of Food Irradiation Services of Isomedix, Inc.

Isomedix, Inc. is a radiation sterilizing company that, as of January 1987, operated irradiation facilities as follows:

Illinois - One plant in Morton Grove.

One plant in Liberty.

Massachusetts - Plant at Northborough.

Mississippi - Plant at Columbus.

New Jersey - One plant at Whippany.

One plant at Parsippany.

Ohio - One plant at Groveport.

South Carolina - One plant at Spartanburg.

Utah - One plant at Sandy.

Source: "List of the 40 Irradiation Facilities in the U.S. (not including those that can be found at hospitals of Universities" 1/87, NCSFI Information Manual, pp. 198-200.

Isomedix plants are involved in irradiating some spices, disposable medical supplies, medical devices, and are involved in nuclear device testing, cosmetic research, and food research.

Isomedix has had some problems with these plants as can be seen from the attached news articles. Kitty Tucker, President, Health & Energy Institute of Washington, D.C., during her testimony on February 3, 1988, before the House and Senate Economic Development Committees of the Hawaii State Legislature indicated the following regarding Isomedix:

Isomedix, Inc. had a leaking cobalt-60 source in 1976, . . .

Isomedix, the largest radiation sterilizing company in the U.S., has been cited by the NRC for 1) overexposing workers to radiation, 2) failing to post radiation areas, 3) allowing food and cigarettes in the same areas as radioactive materials, 4) operating the facility without authorized personnel physically present, and 5) failing to adequately monitor the water disposed into sanitary sewage systems. The last violation was discovered when former workers advised the NRC that Isomedix had conducted unsafe practices, such as disposing of contaminated water from the cobalt-60 pool by dumping it into a toilet connected to the public sewer system. The NRC verified that a pipe leading from a toilet was measurably contaminated in 1979. (p. 28, testimony of Kitty Tucker)

A worker at Isomedix also entered the radiation chamber while the source was exposed, and he received a dose of about 4500 rads. Although he survived the exposure due to hospitalization and treatment, we do not know his current status. (p. 29, testimony of Kitty Tucker).

See attachments: "A Short History of Trouble. Irradiation Hall of Shame" and "Probe asked at irradiation plant".

Dr. Giddings' states in his cover transmittal that "Irradiated food is safe . . .". Again, quoting from Ms. Tucker's testimony before committees of the Hawaii State Legislature:

On the other hand, independent experts warn of irradiation hazards and predict a far different outcome regarding consumer acceptance of food irradiation. Food irradiation has not been proven safe, for adverse effects have been demonstrated in study subjects ranging from fruit flies, to animals and to humans. A literature survey for the Hungarian Academy of Sciences found more than 1400 adverse effects of food irradiation cited in some 1200 studies reviewed. . . . (p. 2, Testimony of Kitty Tucker).

DANGERS TO CONSUMERS

There are sufficient hazards associated with food irradiation to warrant further research before this process is allowed in the United States or elsewhere. Several scientific studies have raised questions about the safety of eating irradiated foods:

**Malnourished children fed freshly irradiated wheat developed chromosomal abnormalities of the blood, which have been linked with cancer.

**Fruit flies fed gamma irradiated chicken had seven times fewer offspring than those fed heat-treated chicken.

**Chemicals called "radiolytic products" appear in foods after irradiation, and some of these chemicals are harmful to human health.

**Vitamins and nutrients are destroyed by food irradiation, reducing the nutritional quality of our foods.

**Aflatoxins, which are naturally occurring cancer causing agents, grow more readily on foods that have been irradiated.

**Some bacteria, such as the botulism organism, are very resistant to radiation and will grow rapidly on irradiated foods. (p. 6, Testimony of Kitty Tucker).

A paper prepared by Food and Water, Inc. in September of 1987, entitled "Food Irradiation: A Summary", on pages 1-3 further expands on the safety issues and references various source materials. This document is attached as Attachment 13 to the April 4, 1989, packet I delivered to the Senate Labor and Commerce Committee.

Dr. Giddings further states that "the worldwide trend is toward fact-based public acceptance in recognition of public health and other benefits, in the absence of significant risk."

Ms. Tucker stated in her Hawaii testimony that in Great Britain, West Germany and Australia food irradiation is illegal. A Canadian legislative committee has recommended rescinding approval to irradiate wheat and the European Parliament has indicated that on precautionary grounds they reject the "general authorization of irradiation as a method of conserving food."

Japan allows only irradiation of potatoes.

However, Japanese food import regulations restrict imports of irradiated foods. A March, 1983, publication by the Japan Export Trade Organization (JETRO) states: 'The use of x-rays to sterilize foods is prohibited in Japan; its use is permitted only on potatoes.' Another JETRO publication (1979) states: "Food shall neither be irradiated nor contaminated with antibiotics," and identifies potatoes as an exception. (Source: Feasibility of Irradiating Washington Fruits and Vegetables for Asian Export Markets, September 1986. Prepared by International Marketing Program for Agriculture Commodities and Trade, Northwest Economic Associates, Pacific Northwest Laboratory (Operated for the U. S. Department of Energy by Battelle Memorial Institute), p. I-2)

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For your further information, I am also attaching a copy of "Effects of feeding irradiated wheat to malnourished children" as published in The American Journal of Clinical Nutrition, February 1975.

I would like to thank the committee for its prompt consideration of this bill and I would appreciate your support of CSHB 25 (Rules).

A Short History of Trouble Irradiation Hall Of Shame

The industrial irradiation industry is relatively new. Created in the mid 1970's to sterilize medical supplies and packaging materials, this young industry has had a troublesome safety record. Problems have included radioactive leaks, spills, worker overexposures, failed or bypassed safety systems and failure to report to the Nuclear Regulatory Commission. The state of New Jersey hosts many of these problem plants. What follows is a summary of the 13 most significant incidents which have occurred in the last 12 years.

JUNE 16, 1974 Chief of radiation operations at the Isomedix irradiation plant in Parsippany, N.J. received an estimated 400 rem radiation dose, when he failed to take proper safety precautions. William McKimm barely survived the one or two second overexposure to 147,000 curries of cobalt-60. Mr. McKimm was in critical condition for one month before recovering.

1976-1980 In 1976 an encapsulated cobalt-60 source was found leaking at the Isomedix irradiation plant in Parsippany, N.J. Following ion-exchange filtration, the source pool water was dumped down the plant's toilet. An extensive cleanup program followed which involved jackhammering concrete from the walls and floor of the source pool. During cleanup operation, Chem-Nuclear Corp. found the toilet and toilet pipe to be radioactive. Eventually, the toilet, tools, and parts of the source pool were shipped to a radioactive burial ground.



MARCH 14, 1977 The Nuclear Regulatory Commission fines Radiation Technology Inc. (RTI) \$4050.00 following an October 1976 inspection which identified 10 violations of RTI's license. Violations included, failure to report a leaking cobalt-60 source, failure to adequately evaluate radiation doses to workers, disposing of radioactive material as normal trash and failure to provide required training to employees.

SEPTEMBER 23, 1977 An employee at the Radiation Technology Inc. (RTI) plant in Rockaway, N.J. entered the radiation cell for 10-20 seconds and received a whole body dose between 150-300 rems. The direct cause of the overexposure was a decision by RTI management to operate the facility with the safety interlock system inoperative.

SEPTEMBER 2, 1982 A service technician at the irradiation plant at the Institute for Energy Technology, Norway, was exposed briefly to the 650,000 curie cobalt-60 source. The plant worker received an estimated dose of 1,000 rems, and died on September 15, 1982 from radiation injury.

JUNE 11, 1986 Radiation Technology Inc., cited in 1981 as a source of groundwater pollution, was ordered by the State of New Jersey to pay a \$600,000 directive to study the problem. Volatile organics such as trichloroethylene, methylene chloride, and trichloroethane were found in test wells drilled on RTI's 15 acre site in Rockaway, N.J. The toxic products were stored in 100 bulging, rusty, leaky 55 gallon drums on the company's property.

JUNE 24, 1986 A federal grand jury indicts Eugene T. O'Sullivan, San Jose, Calif., and Bruce J. Thomas of Somerville, N.J., both employees of International Nutronics Inc. (INI) of Palo Alto, Calif. INI and the two employees are charged with conspiracy, mail fraud, wire fraud, and concealing a radiation spill from the Nuclear Regulatory Commission (NRC). In 1982, INI found a leaking cobalt-60 source in their source pool. A cleanup was begun which involved pumping the radioactive water through filters. During the filter operations, which were left running unattended overnight, a discharge line became detached, spilling radioactive water onto the floor of the plant. INI employees were then instructed to dump the water down bathroom drains and into the public sewer system. INI then delayed an NRC inspection and attempted to hide radiation contamination from inspectors. (see detailed article in this issue)

JUNE 24, 1986 The Nuclear Regulatory Commission (NRC) revokes operating licenses for Radiation Technology Inc. (RTI) at their Rockaway, N.J. facilities. The license suspension comes after an NRC investigation into charges that RTI lied and deceived the NRC in regards to a March 3, 1986 shutdown. The March shutdown came after the NRC found RTI had bypassed safety equipment during plant operations, a repeated RTI failure, identical to the failure which led to the worker overexposure in Sept. 1977. The NRC has turned this case over to the N.J. Justice Dept. for consideration.

SCIENCE BOX

COBALT-60 is a radioactive isotope of the metal cobalt. It is created by bombarding nonradioactive cobalt rods in a nuclear power reactor. Cobalt-60 gives off gamma rays and beta particles as it decays.

REMS are an arbitrary measure of radiation effects on living tissue. Like degrees or pounds, the number of rems increase as exposure to radiation increases. One chest X-ray, given to a 150 pound adult gives a dose of 5/100ths of one rem.

Probe Asked At Irradiation Plant

By CHAS DUPIN
Business Writer
PARLIPPANY — Former workers at Isomedix Inc. are asking the U.S. Nuclear Regulatory Commission (NRC) to investigate the company's decontamination of several rooms at Isomedix's plant here between 1976 and 1980.

The employees — who left the company after a labor dispute last fall — are questioning how certain areas of the plant became contaminated with radiation after an accident at the plant at 23 Eastmans Road in 1976.

Isomedix is a firm that specializes in sterilizing medical products and treating other materials by exposing them to ionizing radiation from cobalt 60.

NRC spokesman say they are aware of most of the incidents that the former workers want investigated, but say that as far as they can tell, the plant was cleaned up properly.

John Kinneman, the chief of Materials Radiological Protection Service at the NRC's office in King of Prussia, Pa., says the agency will review the complaints of the former workers when they make a regular inspection in the near future.

The NRC was not able last week to provide exact dates for many of the incidents that followed the 1976 accident, because officials did not have time to review the company's files.

John Deltz, the president of Isomedix, openly discussed the accident and cleanup but was also reluctant to give some details because he was unsure of exact dates and because "I don't want to get into something that happened a long, long time ago."

Deltz said that the company

"had gone to a lot of effort to do the cleanup right," spending "several hundreds of thousands of dollars, an amount comparable for a firm our size to what it's costing Jersey Central Power & Light to clean up Three Mile Island."

Isomedix's growth and position as a leader in the irradiation business is the subject of a feature article called "Gamma says have a glowing future" in the current issue of Fortune magazine.

In 1978, company officials say a cobalt "pencil" — powdered radioactive cobalt encased in a double-walled stainless steel rod — ruptured while it was inside a shielding pool — a deep concrete pit filled with water that absorbs the gamma rays the cobalt pencil gives off.

The company's president, George Deltz, says the firm is not absolutely certain what caused the rupture, but says it may have been caused by corrosion from fire extinguisher chemicals that got in the shielding pond when a worker put out a small fire at the plant.

According to Deltz and former workers, a welder was doing some work near the shielding pond when slag hit some paper covering the pond and caught on fire.

Whatever the cause, after the ruptured pencil was discovered, Deltz said the cobalt pencils were withdrawn from the shielding pond and kept in a "hot cell" — a small concrete shielded room next to the pond.

George Bertos and Frank Brasillis — the two workers who are asking the NRC to look into the cleanup, are questioning whether the company promptly reported the ruptured pencil to the NRC. Deltz said the company did, and

Kinneman, while not having complete records to review, also believes the NRC was told of the leak promptly.

While storing the cobalt pencils in the hot cell — Kinneman says it was a safe place to keep them since they are manufactured in similar rooms — Isomedix moved to clean up the water in the shielding pond using ion-exchange resin filters.

Ion exchange filters remove the cobalt molecules in the water and replace them with hydrogen.

When the water was cleaned to permissible levels, it was dumped down a toilet in the plant.

"This is another area that con-

I don't want to get into something that happened a long, long time ago.

— John Deltz, Isometrix

cerns Bertos and Brasillis, because they say that when a more extensive cleanup that they worked on was done several years later, the toilet and its drain pipe were found to be radioactive and removed.

After the water in the pond was cleaned, lead plates were placed over the pond and the surrounding area was used only on a limited basis for the next few years.

Deltz said the company did not finish the cleanup job at that point because of a lack of funds, but in 1978 it decided to "decommission" the area and clean it up to the point where it could be turned over to the owner of the building, the Electro-Protective Corp.

When the company began the cleanup, Deltz said Isomedix expected the job would take several weeks.

It hired Chem-Nuclear Systems Inc., a Bellevue, Wash., company that specializes in cleanup work to supervise the job.

But instead of being able to wipe down the area and remove the radiation with brushes and various cleaning agents, the company was forced to use jack hammers to chip away large amounts of concrete.

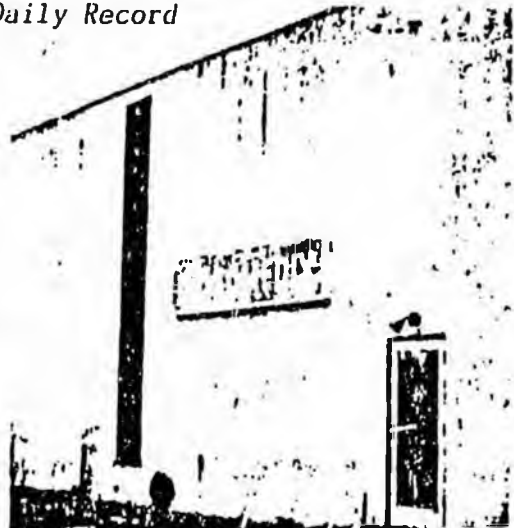
In the shielding pool, up to six inches of concrete was stripped away from the wall and floor of the pool, and the floor surrounding the pool was also chipped away, according to Deltz and workers on the job.

It was during this job that the toilet and pipe were found to be radioactive and removed.

Kinneman says the toilet could have become radioactive from the earlier cleanup of water in the shielding pond in 1976.

He says iron plate is a particularly good absorber of cobalt and might show detectable levels of radiation after absorbing the small amounts of radiation that Isomedix was allowed to dump into the sewage system.

According to a Chem-Nuclear



Isomedix plant on Eastmans Road in Parsippany where radiation accident took place.

worker, at least some parts of the toilet showed radiation levels of 23 millirems.

Kinneman says .1 millirem is a level used by many firms as a permissible level of radiation to measure when a facility is acceptable for unrestricted use.

A Chem-Nuclear worker said his company became upset when after telling the company about the "hot" toilet, office, a of the company tried to reduce radiation levels by washing it down with cleaning solutions that included hydrochloric acid.

He said Chem-Nuclear threatened to leave the job if the company didn't follow its advice to rip out the toilet and send it to a landfill.

Another potential problem that

the workers are pointing to is several endoscopy tools at the company's plant which they say were removed to another rented facility in West Orange.

Deltz says those tools were brought back to the plant and eventually shipped to a landfill, but the workers want to know if the West Orange plant was ever inspected for possible contamination.

Bertos and Brasillis were two of about a half dozen workers who walked off their jobs last fall when some workers were barred from voting in an election that sought to have the Teamsters represent workers at the plant on Eastmans Road because the National Labor Relations Board classified them as supervisors.

Nuclear panel finds company violated nine regulations

By LIV ORBY
Daily Record Staff Writer

DOVER — The Nuclear Regulatory Commission found nine violations of regulations governing radiation facilities at International Nutronics Inc. here following a December 1982 leak.

Among the violations, according to an NRC report just released, was the failure of the Route 66 company to report the radiation leak. But John Glenn, of the NRC Region I Office, said yesterday an investigation to determine whether the company attempted to cover up the leak is not complete.

Maximum fines for each charge range up to \$4,000, but Glenn said penalties have not yet been ordered. "We're holding up the enforcement action because we're waiting to see how they progress with their cleanup of the facility," he said. "The cleanup is more important."

However, Glenn said the company, which used Cobalt 60 to sterilize medical equipment, will be in a no title of violation sometime in the future.

He said the deadline for removal of all the contaminated materials is October, with the two Cobalt 60 pools used for sterilization to be removed by early September. The plant has not done any sterilizing since September 1982.

International Nutronics officials were unavailable for comment. Other violations include possession of unauthorized radioactive material, improper procedures during decontamination operations, and no

surveys of materials released from the plant. No significant evidence of ground water contamination was found, the report stated, and Glenn said the NRC concluded there is no real threat outside the building.

The report also noted that contaminated water was dumped into a sewer stall at the site, allowing the liquid to escape into the sewer system. Contamination of the air and the roof also was documented. While Glenn said less than one

minute exposure to Cobalt 60 could be lethal, the facilities are constructed so that workers and people outside the plant are not exposed to hazardous levels.

There are restrictions on locating radiation facilities near schools, as is the case with International Nutronics, which crosses the street from Hamilton Field and the East Dover Elementary School, Glenn said. But he noted that the incident was "probably the worst" of its kind for such a facility.

Effects of feeding irradiated wheat to malnourished children¹

C. Bhaskaram,¹ M.D., and G. Sadasivan,¹ M.Sc., M.B., B.S., M.Sc.

ABSTRACT Fifteen children suffering from severe protein-calorie malnutrition were divided into three groups of five each and received diets containing either nonirradiated, freshly irradiated, or stored irradiated wheat. All the children were hospitalized for a period of 6 weeks and leukocyte cultures were done initially and at intervals of 2 weeks. Children receiving freshly irradiated wheat developed polypliod cells and certain abnormal cells in increasing number as the duration of feeding increased and showed a gradual reversal to basal level of mitotic withdrawal of irradiated wheat. In marked contrast, none of the children fed nonirradiated diet developed any abnormal cells while children fed stored irradiated wheat showed polypliod and abnormal cells in significantly decreased numbers. Though the biological significance of polypliodity is not clear, its association with malignancy makes it imperative that the wholesomeness of irradiated wheat for human consumption be very carefully assessed. *Am J Clin Nutr.* 28: 130-135, 1975.

Irradiation has been recommended as a method to control insect infestation of stored grains, also to control sprouting in stored potatoes and onions. Irradiated foods have been screened for their wholesomeness and based on available evidence, a Joint FAO/IAEA/WHO Expert Committee that met in 1969 to discuss this question recommended that "temporary clearance" may be considered in the case of irradiated wheat (1). The Committee, however, specifically recommended that further studies for possible mutagenicity of irradiated foods should be undertaken, since in most studies done so far, tests for cytotoxicity of irradiated foods had not been employed.

While the wholesomeness of irradiated wheat has been studied extensively in experimental animals, similar studies in man are few and even these have been of short duration. Also, most studies have been carried out in well-nourished animals. In many developing countries, malnutrition is widely prevalent and there is evidence that malnutrition could adversely influence toxicity of many drugs. In such situations, the question of food irradiation thus acquires a new dimension.

In view of the large volume of literature generally supporting the absence of harmful effects of irradiated wheat in several mammalian species, it was thought that negative findings including cytotoxic studies in mal-

nourished subjects fed irradiated wheat would add further support to the use of irradiation as a method of increasing food availability.

An investigation was, therefore, undertaken to determine the effects of feeding irradiated wheat to children suffering from protein-calorie malnutrition.

Materials and methods

Ten children aged between 2 and 5 years, suffering from kwashiorkor, were admitted to the hospital for investigation. All children had severe growth retardation, edema of the lower extremities, mental apathy and hypalbuminemia—levels of serum albumin being below 2 g/100 ml. They conformed in all respects to descriptions of kwashiorkor given earlier from the Institute (2). All children were rehabilitated with diet which provided 4 g protein/kg body weight and 200 kcal/kg body weight daily. These levels of protein and calories have been found to bring about optimal responses (3). The diet contained 20 g wheat/kg body weight and provided about 2 g of protein/kg body weight. The diets of five children contained irradiated wheat, while that of the other five contained nonirradiated wheat. Both groups of children were fed simultaneously. All the wheat used in these studies came from the same bulk supply. The rest of the protein in the diet came from dry skim milk. All children received these diets for a period of 6 weeks under supervision and it was ensured that food intake

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was complete. The details of the diet used in the study are presented in Table 1.

Method of irradiation

A local variety of wheat was obtained in bulk and irradiated periodically in aluminum containers (4 × 4 × 8 cm) in lots of 125 kg. The containers were kept at a distance of 12.5 cm from a cobalt 60 source which had a flux of 15,000 rads/hour. A total dose of 75,000 rads was given in four equally divided doses, exposing each side of the container at a time. Absorption of radiation was checked by standard ferrous sulfate dosimetry. The irradiated wheat was incorporated into the diets within 3 weeks after being irradiated.

The response of the children to these diets was evaluated using both clinical and biochemical parameters. Clinical response was assessed by the time taken for disappearance of edema and the gain in weight after edema had disappeared. The biochemical response was assessed by the rate of regeneration of serum albumin. Albumin levels were determined by the micro-Kjeldahl method. In addition, both before the institution of treatment and at intervals of 2 weeks thereafter, samples of peripheral blood were obtained

to determine the extent and nature of chromosomal aberrations, using lymphocyte cultures.

Lymphocytes were cultured by a modified micro-method described by Arakaki and Sparker (4) using phytohemagglutinin (PHA) as the mitogen. All cultures were terminated at 72 hours following a 2-hour period of exposure to 0.1 ml of 2.5 mg/100 ml colchicine. Chromosomal preparations were made by spreading on a wet slide, and stained with Giemsa stain. Twenty-five well-spread metaphases were analyzed for structural abnormalities like gaps, breaks, and deletions. During the course of the examination of these slides some cells with more than the normal complement of chromosomes were seen in some preparations. Therefore, in all preparations, 100 consecutive spreads were examined for the presence of polypliod cells.

As soon as it became evident that the feeding of irradiated wheat was associated with the appearance of polypliod cells, it was considered possible that this may have been due to the fact that the irradiated wheat was incorporated into the diets within 2-3 weeks after irradiation. The study was, therefore, repeated in five children, who received identical diets, but where the wheat after irradiation was stored for a period of 12 weeks before it was fed.

TABLE 1
Composition of the diet^a

Ingredient	Amount,	Protein,	kcal/kg body weight
	g/kg body weight	g/kg body weight	
Skim milk powder	6	2	20
Wheat	20	2	70
Sugar	8		30
Clarified butter	8		70
Banana one per day			

^aThe diet provided 200 kcal and 4 g protein/kg per day.

TABLE 2
Clinical and biochemical response to treatment

	Unirradiated wheat	Freshly irradiated wheat	Stored irradiated wheat
Initial weight, kg	7.8 ± 0.684	7.48 ± 0.674	6.68 ± 0.520
Gain in weight at the end of 4 weeks, kg	0.88 ± 0.162	0.92 ± 0.287	1.40 ± 0.179
at the end of 6 weeks, kg	1.44 ± 0.286	1.88 ± 0.314	1.88 ± 0.102
Serum albumin, g/100 ml initial	1.46 ± 0.085	1.19 ± 0.097	1.45 ± 0.261
gain at the end of 4 weeks	1.12 ± 0.188	1.46 ± 0.401	1.14 ± 2.102
gain at the end of 6 weeks	1.37 ± 0.227	1.96 ± 0.216	1.66 ± 0.129
Hemoglobin, g/100 ml initial	9.5 ± 0.95	10.5 ± 0.79	8.2 ± 0.77
at the end of 6 weeks	9.5 ± 0.82	10.9 ± 0.62	9.6 ± 0.86

All values are mean ± SE. There are no differences between the three groups in any of the parameters studied.

time being 0.8%. At 6 weeks it had increased to 1.8%. In addition to distinct polyplod cells, where the number of chromosomes could be easily counted, there were other abnormal cells, characterized by splitting of their centromeres with widely separated chromatids. When these cells were also considered, the mean incidence of total abnormal cells at 4 and 6 weeks of feeding were 1.2 and 3.8%, respectively. In

TABLE 3
Incidence of polyplod cells in children suffering from kwashiorkor treated with unirradiated and usradiated wheat diets

	Unirradiated wheat	Freshly irradiated wheat	Stored irradiated wheat ^a
Initial	0	0	0
2 weeks	0	0 (0.4)	0
4 weeks	0	0.8 (1.2)	0 (0.6)
6 weeks	0	1.8 (3.8)	0.6 (0.8)

Figures in parentheses indicate the percent of total abnormal cells, including polyplod cells. 100 consecutive cells from each child were examined at each time interval. Five children were studied in each group. ^aWheat was stored for 12 weeks after irradiation prior to being fed.

marked contrast, not a single polyplod cell or any other type of abnormal cell was found in any of the children who received unirradiated wheat. In the two children who were followed up after withdrawal of the irradiated wheat, the number of polyplod and abnormal cells had decreased considerably at the end of 16 weeks and by the 24th week all abnormal cells had completely disappeared. In children who had received the stored irradiated wheat, the incidence of definite polyplod cells was 0.7% at 4

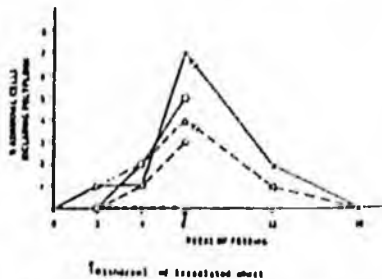


FIG. 1. Incidence of abnormal lymphocytes in the children fed freshly irradiated wheat.



FIG. 2. Fuzzy chromosomal spread at the height of the disease.



FIG. 3. Definite polyplod cell in a child fed irradiated wheat.



FIG. 4. Abnormal spread in a child fed irradiated wheat.

weeks and only 0.6% at 6 weeks figures considerably lower than those seen in children fed freshly irradiated wheat. Even when the other types of abnormal cells were taken into consideration, at 4 weeks and 6 weeks the figures were 0.6% and 0.8%. This reduction in the incidence was found to be statistically significant ($P < 0.01$). In none of the 15 children studied was there a single polyploid cell at the time of admission.

There were no differences between the three groups of children with regard to chromosomal aberrations like breaks, gaps, and deletions. The incidence of these aberrations at the height of the disease and after treatment were essentially similar. At the height of the disease in all children, the chromosomal spreads had a fuzzy appearance with indistinct borders. With the institution of treatment and improvement in nutritional status, the chromosomal outlines became sharper and the fuzziness tended to disappear.

Discussion

The most significant finding in this study is the appearance of a number of polyploid cells in children who had received freshly irradiated wheat, none in those who had received unirradiated wheat, and a considerably reduced number of polyploids in those who had received stored irradiated wheat. It must also be considered significant that the number of polyploid cells progressively increased with increasing duration of feeding irradiated wheat and that these cells gradually disappeared after irradiated wheat was withdrawn from the diet. These observations clearly indicate that the appearance of polyploid cells is due to the feeding of irradiated wheat. They further show that storage of wheat after irradiation greatly reduces the cytotoxicity induced by irradiation. Though the mechanism by which irradiated wheat induces polyploid cells is not known, these data suggest that a "colchicine-like" substance might have been formed in the wheat, as a result of irradiation, which tends to disappear with storage.

The precise biological significance of polyploidy is not known, but polyploid cells have been shown to occur in man in malignancy, after exposure to irradiation, during viral infections, and in senility (5).

The long term health hazard significance of polyploidy seen in the children studied here who had received freshly irradiated wheat is not clear. On this will depend the answer to the question whether irradiated wheat is safe for human consumption. Though viral infections and administration of cytotoxic drugs may be associated with the presence of polyploid cells, its significance may perhaps not be the same as that of polyploid cells induced by the ingestion of irradiated wheat. While the former occur as isolated or as sporadic phenomena, wheat which is staple is consumed every day in large amounts and the consistent association of polyploidy with ingestion of such irradiated wheat has therefore to receive serious attention. The observation that polyploid cells were still present in circulation 16-20 weeks after irradiated wheat was withdrawn acquires importance in this context.

Very recently, it has been reported from this Institute (Vijayalaxmi and Sadasivan, to be published) that rats fed freshly irradiated wheat had increased numbers of polyploid cells in their bone marrows as compared with those fed unirradiated or stored irradiated wheat. A dominant lethal mutation effect, as well as reduced germ cell survival have also been reported in rats fed freshly irradiated wheat (6). *In vitro* cultures of human leukocytes in irradiated media have revealed significant chromosomal breakages (7). Viewed in the light of these observations, it is clear that a cautious approach has to be adopted to the whole question of the mutagenic potential of irradiated wheat.

The observation both in animals reported earlier from this Institute and in children reported here, that the cytotoxic effects of irradiated wheat were markedly reduced after it was stored for a period of 12 weeks must be considered important. They suggest that it is necessary to recommend that irradiated wheat be stored for periods beyond 12 weeks, before it can be considered safe for human consumption.

The authors are grateful to Dr. C. Gopalan, Director-General, Indian Council of Medical Research, Dr. S. G. Srikantia, Deputy Director, Dr. H. S. Narasinga Rao and Dr. Vinodini Reddy, Assistant Directors, for their keen interest in this study and valuable guidance. They thank Dr. Sharat Chandra

Indian Institute of Science, Bangalore for his valuable suggestions. The authors also thank Mr. K. Visweswara Rao and Mr. A. Madamuni Naidu for their help with statistical analysis and Mr. C. Nagaswara Rao for his help in providing irradiated wheat.

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