

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7116 HOUSE LABOR & COMMERCE

MAR 18 1991



REALTOR®

ALASKA ASSOCIATION OF REALTORS, INC.®

741 Sesame Street, Suite 100 • Anchorage, Alaska 99503

Telephone 907-563-7133

March 13, 1991

Senator Drue Pearce

Alaska State Legislature

P.O. Box V

Juneau, AK 99811

Telefax 463-5352

Re: S.B. 187

Dear Senator Pearce:

The Alaska Association of REALTORS® is writing in support of S.B. 187, "an act relating to the disclosure of certain facts in real property transactions."

This short bill, if enacted, would serve to clarify the duties and responsibilities of real property owners and real estate agents with regard to disclosure of certain facts surrounding so-called "psychologically impacted" properties.

Currently, fourteen other states have this type of legislation in place. The Alaska Association of REALTORS® supports S.B. 187 and urges the legislature to act on passage of this bill.

Sincerely,

Dea Turner

Executive Vice President





ALASKA ASSOCIATION OF REALTORS, INC.
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503
Telephone 907-583-7133

DATE: March 18, 1991
TO: Senator Drue Pearce
FROM: Dea Turner *D.*
Executive Vice President
SUBJECT: S.B. 137

In response to your request for an analysis of the proposed legislation, the Alaska Association of REALTORS® offers the following.

Enactment of S.B. 187 serves several important functions. First, it provides protection to an owner's interest in real property in that it limits the stigma that may be attached to a particular property through the acts of the former owner, or by events that may have occurred on the property. Acts or occurrences are not "material facts" that should have any bearing on establishing the value of a property. Likewise, the value of a property should not be indefinitely affected by an act or occurrence that may have taken place years previously. In short, this bill protects an owner's ability to receive fair market value for the property at time of sale or rental.

Secondly, S.B. 187 protects both an owner and his agent or representative from inadvertent violation of the Fair Housing Act of 1968 amendment, which establishes certain groups of people that are protected from discrimination. One of these groups is handicapped individuals, which includes victims of AIDS.

On May 9, 1990, HUD's General Counsel, Frank Keating, made the following statement in a letter to the National Association of REALTORS®: "We agree that unsolicited statements made by a real estate broker or agent that a current or previous occupant of the property has AIDS would violate



Senator Drue Pearce

March 18, 1991

Page 2

the (Federal Fair Housing Act). A broker's unsolicited statements to a prospective buyer or renter would indicate a discriminatory preference or limitation based on handicap." In this same letter, Mr. Keating went on to say that if asked whether an occupant has AIDS, a broker should decline to respond.

Finally, this bill reiterates for real estate agents as seller's/owner's representatives their fiduciary obligation to protect the client's confidences and not to disclose anything that would harm the client.

At the present time the following states have adopted similar legislation: Nevada, Connecticut, California, Rhode Island, Georgia, Oklahoma, Oregon, South Carolina, North Carolina, Florida, Hawaii, Texas, Illinois, and New Jersey.

We hope this clarifies for you the positive effect this legislation would have.

PSYCHOLOGICALLY IMPACTED PROPERTY

ISSUE

Disclosure of psychological impacts (stigmas) remains an important issue for real estate practitioners. The issue involves disclosure of facts about the owner or occupant of the property and not facts solely associated with the real estate itself.

The AIDS Crisis has been the driving force behind this complex issue causing the real estate practitioner to be placed in the difficult position between a seller's privacy and civil rights under Fair Housing, and the buyer's desire to know about an owner or occupant of the property being sold. In addition to AIDS, psychological impacts include: murder, suicide, criminal activity such as drug trafficking or prostitution which have, or are alleged to have, occurred on the property.

BACKGROUND

Much of the concern with the question of disclosure of psychologically impacted property began with a California court case that did not involve AIDS, but a home which was the site of a multiple murder. Reed v. King, 145 Cal. App. 3rd 261, 193 Cal Rptr. 130 (1983) involved a sale of a residence in which a woman and her four children had been murdered 10 years prior to the sale. Neither the seller nor his agent informed the buyer that the murders had taken place. Both the seller and agent represented that the house was in good condition and fit for an elderly lady living alone. After the buyer moved in, she was informed by the neighbors that no one had been interested in purchasing the property because of the stigma resulting from the murders. The buyer sued alleging the property was worthless because of the murders. The trial court dismissed the case. But on appeal, the court held that a vendor of real property has a duty to disclose to the buyer facts materially affecting the value of the property which the facts are known only to the vendor and are not readily ascertainable by the buyer.

In response to the problem, California, Florida and Hawaii enacted legislation which provided that no cause of action shall arise against a seller of real property, or his agent, for a failure to disclose a prior occupant had, or was suspected to have, AIDS. The California statute further extended the immunity from suit to failure to disclose deaths which occurred on the property more than 3 years prior to sale.

NATIONAL ASSOCIATION OF REALTORS® POLICY

The NATIONAL ASSOCIATION OF REALTORS® encourages states to adopt legislation to declare that all psychological impacts or stigmas which are associated with real property are not material facts and need not be disclosed to a potential purchaser or lessee. (1989 Statement of Policy, page 14)

NATIONAL ASSOCIATION OF REALTORS® ACTIVITY

In addition to the policy statement, the NATIONAL ASSOCIATION OF REALTORS® has provided each state REALTOR® Association with the following model legislative language on Psychologically Impacted Property. The following language is proposed to be drafted into bill form appropriate to the legislative style of the state to amend the real estate license law.

Sections _____ of Chapter _____ of the laws of the State of _____, the Real Estate Licensure Act of (19__), are hereby amended to read as follows:

(1) Section ____: The fact or suspicion that a property might be or is psychologically impacted, such impact being the result of facts or suspicions, including but not limited to:

(a) that an occupant of real property

has been infected with Human Immuno-deficiency Virus or diagnosed with Acquired Immune Deficiency Syndrome, or any other disease which has been determined by medical evidence to be highly unlikely to be transmitted through the occupancy of a dwelling place; or,

(b) that the property was, or was at any time suspected to have been, the site of a homicide, or other felony or a suicide;

is not a material fact that must be disclosed in a real estate transaction.

(2) Section ____; No cause of action shall arise against an owner of real estate or his or her agent for the failure to disclose to the transferee that the transferred property was psychologically impacted as defined in Section ____ of this Chapter.

FEDERAL UPDATE

The Federal Fair Housing Act of 1968 amendments, effective March 12, 1989, include the handicapped, including persons with AIDS, as a new protected class. This means that real estate agents and brokers are prohibited from discriminating against this class of individual in the sale or rental of real property. Although the legislation does not directly address the issue of whether a real estate licensee can, without being specifically questioned by a potential buyer, disclose that an occupant of a property for sale had or was suspected to have AIDS, such a disclosure could be considered a discriminatory action which is clearly prohibited by the Federal Fair Housing Act. However, neither the Act nor the regulations issued by the Department of Housing and Urban Development (HUD), make clear a licensee's course of action if directly asked by a potential buyer whether the property has been the home of an AIDS victim.

NAR's Office of the General Counsel requested clarification of the regulations; however, the resulting correspondence has failed to specify when disclosure of a psychological impacts would be considered discriminatory.

CURRENT ACTIVITY ANALYSIS

14 States have passed legislation based on the NAR Model or relating to the issue of stigmatized property.

Florida, Hawaii, Illinois and Texas have enacted AIDS-only legislation; and California, Connecticut, Georgia, Nevada, North Carolina, Oklahoma, Oregon, Rhode Island, South Carolina and Utah have enacted legislation dealing with disclosure of all psychological impacts. The New Jersey real estate commission has also issued an advisory opinion on this issue.

Legislation on psychologically-impacted property disclosure is being considered in Alaska, Maryland, New Mexico and Vermont.

In late 1990, the Georgia Attorney General issued an opinion on the question of disclosure of stigmas associated with the sale of real property and the Georgia Legislature is considering legislation codifying his opinion. The Attorney General, in a response to a request from the Georgia Real Estate Commission, stated that "[s]ince the Fair Housing Act applies to persons with AIDS as handicapped individuals, a broker cannot disclose that the occupant of a dwelling has AIDS without running afoul of the Fair Housing Act."

In correspondence with NAR on this issue, HUD has suggested that disclosing that an owner or occupant has AIDS may violate the Fair Housing Act in some situations, but they have failed to delineate what circumstances would constitute a violation. As a result, NAR's Office of the General Counsel has suggested that Georgia's Attorney General's opinion would be in doubt in federal court because HUD has not gone as far in determining discrimination against persons with AIDS in real estate transactions. Therefore, while removing the section in Georgia's law that requires a seller or a seller's agent to respond truthfully does not violate federal law, stating that such disclosure is a violation of the FHA is not supported by HUD's public statements.

Director's Report

Between a Rock and a Hard Place

by Mary Bettis, The Bettis Co.

A new area of disclosure issues is emerging — psychologically impacted (or stigmatized) property — which involves disclosure of facts not associated with the real estate itself, but rather facts about the owner or occupant of the property.

REALTORS FIND THEMSELVES BETWEEN A ROCK . . .

Would you as a REALTOR disclose to a potential buyer or tenant that occupants of a residence have or had AIDS? Would you disclose the fact that the property was the site of a homicide, other felony, or a suicide? What is your responsibility to seek such personal information about the seller or previous tenant? Might it be considered a material factor?

. . . AND A HARD PLACE

If you were to disclose such psychological factors, would you be guilty of discrimination, or of invasion of privacy? By merely bringing up the matter in your disclosure, would you create or keep alive a stigma — feelings that adversely affect the value of the property? Would you violate your responsibility to your owner/client?

My partners and I discovered first hand the adverse effect of keeping a stigma alive. Three years ago, a woman and her two children were murdered in an apartment building which we own. Everyone, tenants and neighbors as well as ourselves, were determined to cooperate with the police investigation in any way possible. The apartment was sealed and the area cordoned off.

There was a prolonged investigation and notoriety. Tenants moved and were difficult to replace. Finally, when a relative of the victims was apprehended, tried, and convicted for the crime, and the victims' apartment was made new from the wallboard out, we thought we could put the matter behind us.

But soon after the conviction, the victims' husband and father called the new tenants living in the apartment. He told them his wife and children had been murdered there, and wondered if he could come over and look around one last time before leaving town. The tenants gave their moving notice that day.

On advice of council, we have since disclosed the matter to every prospective tenant. In doing so, we feel we needlessly keep alive the psychologically chilling effect, sabotage our efforts to create a pleasant environment, and adversely affect the value of our property.

IS DISCLOSURE REQUIRED . . . ?

Much of the concern with the question of disclosure began with *Reed v. King*, 145 Cal. App. 3rd 261 Rprt. 130 (1983), a California court case, regarding the sale of a home in which a woman and her four children had been murdered 10 years prior to the sale. Neither the

seller or nor his agent informed the purchaser that the murder had taken place. Both the seller and agent represented that the house was in good condition and fit for an elderly lady living alone. After the purchaser moved in, she was informed by the neighbors that no one had been interested in purchasing the property because of the stigma following the murders. The buyer sued alleging the property was worth less because of the murders. The trial court dismissed the case. But on appeal, the court held that a vendor of real property has a duty to disclose to the purchaser facts materially affecting the value of the property when the facts are known only to the vendor and are not readily detectable by the purchaser.

This case was the first to find a cause of action for the failure to disclose a stigma attached to a residential property. The same line of reasoning could be used for failure to disclose the stigma that might attach to a residence as a result of habitation by an AIDS victim.

The *Reed v. King* case was cited in a civil action involving the sale of a home in California. In *Roberts v. Heramb*, slip op. no. 5943942, the purchaser sued to rescind a purchase agreement and recover a \$10,000 escrow deposit when she learned of the death of one of the sellers of hepatitis and the illness of the other seller with pneumonia. The purchaser suspected that at least one of the sellers had AIDS. The case was settled out of court. It has no value as precedent. But it did show that a complaint could be filed based on an allegation that the seller failed to disclose the habitation of an AIDS victim in a residence for sale.

OR IS DISCLOSURE PROHIBITED . . . ?

In response to the problem, California enacted legislation which provides that no cause of action shall arise against a seller of real property, or his agent, for a failure to disclose deaths which occurred on the property more than 3 years prior to sale. The California statute also provides immunity for failure to disclose that a prior occupant had, or was suspected to have, AIDS.

The Federal Fair Housing Act of 1968 amendments, effective March 12, 1989, include the handicapped as a new protected class. Real estate agents and brokers are prohibited from discriminating against the handicapped (which can include persons with AIDS) in the sale or rental of real property. Although the legislation does not directly address the issue of whether a real estate licensee can, without being specifically questioned by a potential buyer, disclose that an occupant of a property for sale had or was suspected to have AIDS, such a disclosure could be considered a discriminatory action which is clearly prohibited by the Federal Fair Housing

Act. However, neither the Act nor the regulations, makes clear a licensee's course of action if directly asked by a potential buyer whether the property has been the home of an AIDS victim.

In response to the problem, The National Association of Realtors adopted a policy and model legislation. Anita Bates and her committee got to work seeing a sponsor to introduce a bill in Juneau this session. The text of the policy and model legislation follows:

NATIONAL ASSOCIATION OF REALTORS® POLICY

Psychologically Impacted Properties

The NATIONAL ASSOCIATION OF REALTORS® encourages states to adopt legislation to declare that all psychological impacts or stigmas which are associated with real property are not material facts and need not be disclosed to a potential purchaser or lessee. (1989 Statement of Policy, page 14)

NATIONAL ASSOCIATION OF REALTORS® ACTIVITY

In addition to the policy statement, the NATIONAL ASSOCIATION OF REALTORS® has provided each state REALTOR® Association with the following model legislative language on Psychologically Impacted Property:

The following language is proposed to be drafted into bill form appropriate to the legislative style of the state to amend the real estate license law.

Sections _____ of Chapter _____ of the laws of the State of _____, the Real Estate Licensure Act of (19____), are hereby amended to read as follows:

- (1) Section _____: The fact or suspicion that a property might be or is psychologically impacted, such impact being the result of facts or suspicious, including but not limited to:
 - (a) that an occupant of real property is, or was at any time suspected to be, infected or has been infected with Human Immuno-deficiency Virus or diagnosed with Acquired Immune Deficiency Syndrome, or any other disease which has been determined by medical evidence to be highly-unlikely to be transmitted through the occupancy of a dwelling place; or
 - (b) that the property was, or was at any time suspected to have been, the site of a homicide, or other felony or a suicide; is not a material fact that must be disclosed in a real estate transaction.

- (2) Section _____: No cause of action shall arise against an owner of real estate or his or her agent for the failure to disclose to the transferee that the transferred property was psychologically impacted as defined in Section _____ of this Chapter.

(The National Association of Realtors provided the background information for this article.)

TONY TURINSKY



Homeowner's Insurance
583-2980



State Farm Insurance Co. Bloomington, Ill.

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For The Record . . .



Vol. 1

Fall 1990

HUD Says AIDS Disclosure Can Violate Title VIII

by Robert D. Butters, Deputy General Counsel

One of the most perplexing issues confronting real estate brokers and their legal counsel is the relationship between the recent changes to Title VIII contained in the Federal Fair Housing Act Amendments of 1988 and state tort law. Nowhere is this ambiguity more acute than over the question of when, if ever, a real estate broker may disclose that an owner or occupant of a dwelling has, or recently died from, AIDS or an AIDS related illness. The issue arises from a direct confrontation between two well established public policies. The first is the policy of non-discrimination against persons with handicaps reflected in the recent Title VIII amendments. A second, and arguably conflicting, public policy is reflected in the evolving common law of misrepresentation, and the broad consumer protection statutes adopted by many states prohibiting acts or omissions that are, or can be, misleading or deceptive. The key issue in most misrepresentation or consumer fraud cases is whether the alleged statement or omission was "material." A "material" fact in turn is broadly defined to mean anything that bears upon the price a reasonable consumer is willing to pay for a product or service.

Broadly construing the "materiality" concept, a creditable argument can be made that a property owner's AIDS condition is material given the fear, albeit irrational, held by some persons that AIDS can be transmitted by casual contact notwithstanding the overwhelming scientific evidence to the contrary, and also the social stigma attached to homosexuality and intravenous drug use through which AIDS is known to be communicated. The argument that an owner's AIDS condition is a material fact is also bolstered by decisions such as *Reed v. King*, 145 Cal. App. 3d 261, 193 Cal. Rptr. 130 (1983), which held that a murder occurring on the premises

several years earlier could be a material fact if the plaintiff could prove a loss of market value attributed to the property's stigma.

Given the conflict between the competing public policies of non-discrimination against AIDS victims in the provision of real estate related services, and prohibiting the withholding of material facts from consumers about products and services for sale, the National Association sought an opinion in January of 1990 from the General Counsel of the Department of Housing and Urban Development concerning whether, and under what circumstances, the federal fair housing laws prohibit a real estate broker from disclosing

In This Issue:

Feature

HUD Says AIDS Disclosure Can Violate Title VIII

Issues in Focus

DRS Mediation: Answers To Liability Questions
Property Seizures Linked To "War On Drugs"
Federal Court Confirms Board's Right To Restrict MLS to REALTORS®

In Brief

Buyers' Agent Fails To Prove Conspiracy
Circuit Holds Plaintiff Must Prove Intent In Racial Steering Case
Court Affirms Unconstitutionality Of Village Anti-Solicitation Ordinance
Board Discipline Upheld
FTC Criticizes Proposed New York Regulations
Missouri Independent MLS Seeks Justice Department Antitrust Lawsuit

that a homeowner, or someone in the owner's household has, or died from, AIDS. On May 9, 1990, HUD's General Counsel, Frank Keating, responded to the National Association's inquiry. In that response, Mr. Keating made the following unambiguous statement:

"... we agree that unsolicited statements made by a real estate broker or agent that a current or previous occupant of the property has AIDS would violate the [federal Fair Housing Act]. A broker's unsolicited statements to a prospective buyer or renter would indicate a discriminatory preference or limitation based on handicap."

This portion of Mr. Keating's response is consistent with the position the National Association took in its January, 1990 inquiry letter. In the National Association's view, an unsolicited reference by a real estate broker to the handicapped status of an occupant of a dwelling could be construed as a notice or statement that the property should be avoided because of the occupant's handicap and, therefore, violate Section 804(c) of Title VIII. It is also possible that such a reference could be construed as an attempt to steer a prospect away from a dwelling based upon handicap in violation of Section 804(a).

HUD's position that unsolicited disclosure of an occupant's AIDS condition violates the federal fair housing laws is strong persuasive authority for the proposition that the federal fair housing laws preempt any interpretation of state statutory or common law that might impose an affirmative duty upon a real estate broker to investi-

gate and disclose whether an occupant of a dwelling has AIDS on the ground that AIDS is a "material" fact in a real estate transaction.

"... if a broker is asked whether an occupant has AIDS they should decline to respond."

Consequently, real estate brokers should be counseled that they do not have any duty to investigate whether an occupant has AIDS and, indeed, should scrupulously avoid making any inquiries that are likely to elicit this information. Likewise, if a real estate broker unavoidably learns that an occupant has AIDS, the broker does not have any affirmative duty to disclose that information while marketing the property. Hence, the obligations regarding an occupant's AIDS condition are no different than obligations regarding an occupant's race or religion. Clearly a broker does not have any duty to discover an occupant's religion, or disclose that fact, if known, to prospective buyers.

Uncertainty still remains, however, concerning the broker's liability under the federal fair housing laws for responding truthfully and objectively to a buyer's direct inquiry concerning whether a dwelling occupant has AIDS. In his letter, Mr. Keating offers his advice that if a broker is asked whether an occupant has AIDS they should decline to respond.

This is sound advice for a variety of reasons not directly related to liability under the fair housing laws. Brokers who list property for sale or rent owe

fiduciary duties to owners under the common law of agency. These fiduciary duties include a duty to safeguard a client's confidences and secrets. An occupant's AIDS condition certainly could be reasonably construed to be information protected from disclosure without the client's prior consent. A person's private medical history also could be construed as information sufficiently personal to justify an invasion of privacy claim if disclosed without prior consent. For these reasons, the National Association agrees that brokers should not disclose a seller's AIDS condition, even if asked by a potential buyer. The National Association's advice to brokers who unavoidably learn of an occupant's AIDS condition, and who are subsequently asked an unsolicited question by a prospective buyer about that condition, is to respond by advising the buyer that the broker's company has a policy of not addressing that subject one way or the other. If the buyer believes this information is relevant to their purchasing decision they must pursue that investigation on their own.

Attention EOs!

Please help us keep our State and Board Legal Counsel records accurate and ensure timely delivery of NAR correspondence to your legal counsel. If your board or state association is presently retaining legal counsel, please complete the enclosed form giving us your counsel's name, firm name, mailing address, telephone number and board represented to Kim Johnson, Office of the General Counsel, NATIONAL ASSOCIATION OF REALTORS®, 430 N. Michigan Avenue, Chicago, IL 60611. Thank!

AIDS Legislation

Several states have passed legislation on disclosure of AIDS and other stigmas such as murders, suicides and ghosts. Most of the statutes provide that the particular stigmas are not material facts, and there is no cause of action against the owner or real estate agent for failing to disclose this information.

STATE RECAP

NV - AIDS and other stigmas
 CT - AIDS and other stigmas
 CA - AIDS and other stigmas
 RI - AIDS and other stigmas
 GA - AIDS and other stigmas
 OK - AIDS and other stigmas
 OR - AIDS and other stigmas
 SC - AIDS and other stigmas
 NC - AIDS and other stigmas
 FL - AIDS only
 HI - AIDS only
 TX - AIDS only
 IL - AIDS only
 NJ - AIDS only (Real Estate Commission Advisory Opinion)

Note: Consult statute or regulation for specific information on the real estate agent's duties and obligations.

Please direct questions and information to Holly Heckathorne, Associate Counsel, Office of the General Counsel, NATIONAL ASSOCIATION OF REALTORS®, 430 North Michigan Avenue, Chicago, Illinois 60611.

The National Association's concern, therefore, is not with the substance of HUD's advice regarding the proper response to a buyer's direct question about an occupant's AIDS condition, but rather HUD's rationale for its advice. In his May letter, Mr. Keating stated that a real estate broker "may run afoul of the Act by aiding a buyer or renter in steering clear of properties owned or occupied by people with AIDS." Mr. Keating further stated that once a broker is aware that a buyer harbors a preference not to live in or around a home occupied by an AIDS victim, the broker may not cooperate with the buyer by identifying properties to pursue or avoid.

This rationale implicitly adopts the view that any reference to the protected status of a person living in or around a dwelling violates Title VIII, even if the information is truthful and provided only in response to a direct unsolicited question from a buyer. This construction of Title VIII reflects an assumption that Title VIII limits a broker's ability to cooperate with a buyer who is exercising his or her own freedom of choice in housing — a right supposedly guaranteed by Title VIII.

One will not find any provision in Title VIII, or its legislative history, that suggests that the Act contains any limitation upon a homeseeker's freedom to choose where he or she will live. To be sure, an owner's freedom to sell or rent to whomever they choose is directly restrained by Title VIII, and any broker who cooperates with an owner to discriminate against a homeseeker unquestionably violates Title VIII. But cooperation with a homeseeker is not equally constrained. So

long as a homeseeker's freedom of choice is not limited by an owner, broker, property manager or any other person providing real estate related services, a homeseeker is free to choose where to live, even if that choice is based upon criteria an owner is expressly forbidden to employ in choosing to whom to sell or rent. Therefore, if a homeseeker is free to make a housing choice based upon criteria otherwise foreclosed to an owner, a real estate broker who provides truthful information, upon request, to a homeseeker to allow him or her to exercise their freedom of choice cannot violate the Act. By analogy, one cannot commit a crime by aiding and abetting an otherwise lawful act. "Aiding and abetting" is a crime only if the underlying act is also a crime.

In conclusion, the weight of authority supports the view that an occupant's AIDS condition, is a fact that a real estate broker does not have any duty to discover, or if known, to disclose to any prospective buyer. These are also facts that need not, and should not, be disclosed even if the broker is asked a direct question by a homeseeker. What still remains unclear is whether this course of conduct is dictated by concerns about protecting the occupant's right to privacy in areas not material to a real estate transaction, or by an interpretation of Title VIII that imposes liability upon a broker for assisting a homeseeker who has freely and unilaterally chosen to take racial, ethnic, or handicap considerations into account in selecting a dwelling. ■

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FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 188 am

Revision Date: _____ Department Affected: Community & Regional Affairs
 Title: "An Act relating to employment contributions (STEP)..." BRU: Employment/Training/Rural Development
 Component: State Employment & Training
 Sponsor: Senate Rules Committee
 Requestor: _____ COMPONENT SERIAL NO.

1	0	1	2
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	45.4	45.4				
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	972.0	972.0				
MISCELLANEOUS						
TOTAL OPERATING	1017.4	1017.4				

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER	1017.4	1017.4				
TOTAL						

POSITIONS:

FULL-TIME	1.0	1.0				
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Remond Henderson, Director Phone: 465-4708
 Division: Administrative Services Date: 5/13/91
 Approved by Commissioner: Edgar Blatchford
 Agency: Community & Regional Affairs Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Position Title Internal Auditor II		No. of Positions 1	Range / Step 17 A	Harg. Unit GGU
Time Status Full time	Staff Months 12	Location Anchorage		Election District
TYPE OF EXPENDITURE		Amount	Justification	
Salary	37.7		This position is indispensable to the administration of the employment and training programs. Taken as a total, over 11 million dollars for training and employment are granted annually by the JTPO. An increasing burden is placed on the unit each year by the federal government for program integrity and accountability. This position is the primary position charged with compliance monitoring, audit tracking and resolution, and liaison with the U.S. Department of Labor for their compliance monitoring of the state.	
Benefits	15.2			
Premium Pay				
Other				
Total Personal Services	52.9	52.9		
Travel				
Contractual				
Commodities				
Equipment				
Other				
Total Cost		52.9		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
I.A Receipts	1007	52.9		
CIP Receipts	1061			
Other				

**Request For
New Position**

AGENCY Community and Regional Affairs
 BRU Employment/Training/Rural Development
 COMPONENT State Employment and Training

FY 92

Page 2 of 2
 Revised Date: _____

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 188 am

Revision Date: _____ Department Affected: Community & Regional Affairs
 Title: "An Act relating to employment contributions (STEP)..." BRU: Employment/Training/Rural Development
 Component: Statewide Service Delivery

Sponsor: Senate Rules Committee

Requestor: _____ COMPONENT SERIAL NO.

1	1	7	8
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	54.6	54.6				
TRAVEL	17.4	17.4				
CONTRACTUAL	30.0	30.0				
SUPPLIES	.5	.5				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	697.5	697.5				
MISCELLANEOUS						
TOTAL OPERATING	800.0	800.0				

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER	800.0	900.0				
TOTAL	800.0	800.0				

POSITIONS:

FULL-TIME	1.0	1.0				
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) This fiscal note also includes 100.0 in additional authority to receive and expend funds for the Business Incentive Training Program

Prepared By: Remond Henderson, Director Fphone: 465-4708

Division: Administrative Services Date: 5/13/91

Approved by Commissioner: Edgar Blatchford

Agency: Community and Regional Affairs Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Position Title Grants Administrator II		No. of Positions 1	Range / Step 17 B	Barg. Unit GG
Time Status Full Time	Staff Months 12	Location Juneau		Election District
TYPE OF EXPENDITURE		Amount		
Salary		39.1		
Benefits		15.5		
Premium Pay				
Other				
Total Personal Services		54.6		
Travel		17.4		
Contractual		30.0		
Commodities		.5		
Equipment				
Other				
Total Cost		102.5		
FUNDING SOURCE FOR TOTAL COST				
Federal Receipts	1002			
G.F. Match	1003			
General Fund	1004			
I-A Receipts	1007	102.5		
CIP Receipts	1061			
Other				

Justification

This position is the only dedicated professional position within this component to support the STEP and Business Incentive Training Program.

This position oversees the development of the SDA's plan of service, manages the development of grant solicitations, contract or subgrant negotiations and writing, monitoring, oversight and reporting requirements. This position also supervises Regional office sub-allocations and oversees their performance in implementing subgrants.

This position develops policies and procedures for program operations and assists in the participant enrollment system (MIS) and supports budget and accounting functions relative to this program.

**Request For
New Position**

AGENCY COMMUNITY & REGIONAL AFFAIRS

BRU EMPLOYMENT TRAINING/RURAL DEVELOPMENT

COMPONENT STATEWIDE SERVICE DELIVERY

FY 92

Page 2 of 2

Revised Date: _____

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

! WALTER J. HICKEL, GOVERNOR

- P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

May 9, 1991

The Honorable David Finkelstein
Alaska State House of Representatives
P.O. Box V
Juneau, Alaska 99811
Attn: Clifford Groh

Dear Representative Finkelstein:

The Department of Community and Regional Affairs respectfully requests that you schedule a committee hearing for SB 188 amended, the State Training and Employment Program (STEP) Reauthorization Bill. This was established as a two-year pilot program and is intended to reduce the number of future claims against unemployment, to attract new businesses through the availability of a skilled labor force, and to ease the impact's of Alaska's boom/bust fluctuations through the training and retraining of workers for new or emerging industries. STEP is not funded from the general fund but through one tenth of one percent of employee contributions to the Unemployment Trust Fund.

We feel that reauthorization is essential at this time. Although the program has been proceeding for fourteen months now, much of this time was involved in getting the program up and running. Additional time is needed to make an accurate assessment of the program's effectiveness although indications are that the placement rate for program trained workers is very high. The STEP is also more responsive and flexible than the federally funded JTPA programs, and we feel will be of particular advantage to this department's role in the Rural Development Initiative in bringing employment opportunities to rural Alaskans.

Please contact either myself or members of my staff with any questions that you may have. Again, I request your prompt scheduling of this bill for committee hearing. I appreciate your consideration of this matter.

Sincerely,

Ed. Blatchford
Edgar Blatchford
Commissioner

STATE OF ALASKA

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX 21149
JUNEAU, ALASKA 99802-1149
PHONE: (907) 465-2700

FAX: (907) 465-2784

May 8, 1991

The Honorable David Finkelstein, Chair
Labor and Commerce Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Finkelstein:

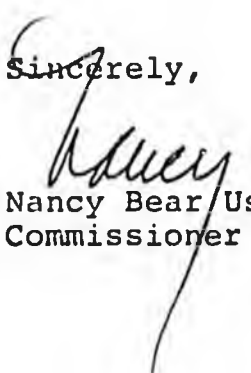
This is to urge the Labor and Commerce Committee's early consideration of Senate Bill 188.

As you may recall, a State Training and Employment Program was established in 1989 as a two-year pilot in order that the effectiveness of the program could be evaluated before a permanent, ongoing program was established. However, due to delays in the start up of the program, additional time is needed to evaluate it. Accordingly, Senate Bill 188 provides an extension of the pilot.

Inasmuch as the program will expire on July 1, 1991, passage of the bill is needed this session if the pilot is to continue.

Thank you for your help.

Sincerely,


Nancy Bear Usera
Commissioner

NBU/EP/jt
910507-2



ALASKA JOB TRAINING COUNCIL

WALTER HICKEL, GOVERNOR

REPLY TO: State of Alaska
Department of Community
and Regional Affairs
Rural Development Division
949 East 36th Avenue, Suite 400
Anchorage, Alaska 99508-4361
Phone: (907) 563-1073
Fax: (907) 563-1734

February 25, 1991

Honorable Members of the 17th Alaska State Legislature:

A statutory requirement of the Business Incentive Training Program (AS 44.47.750) is that the Alaska Job Training Council report annually to the Legislature on matters related to the program. Attached is the first annual report.

The Job Training Council is unanimous in its support for the legislation. It has the potential of improving the state's economic competitiveness through worker training. This strategy is prevalent among our foreign competitors, and can offer a sound lesson for institutional change at home.

However, while the intent of the statute is correct, we respectfully submit that certain language in the statute ought to be changed in order to accomplish its goals. The mechanics proposed by the law are simply too cumbersome to effectively operate the program. After much thought and examination of other state funded programs, we wish to report on those elements of a model business incentive program.

The Job Training Council will continue to be at your service should you wish to enact some or all of the recommendations.

Respectfully Yours,

Sarah Scanlan, Chair
Vice President, NANA Development Corp.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

Rural Development Division

WALTER J. HICKEL, GOVERNOR

949 E. 36TH AVE., #400
ANCHORAGE, ALASKA 99501-4361
(907) 563-1073
TELEFAX: (907) 563-1734

February 28, 1991

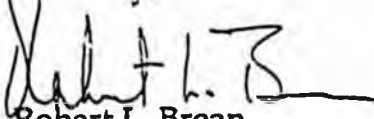
Dear Legislator:

I am pleased to express my support for the first annual report on the Business Incentive Training Program, A.S. 44.47, presented to the First Session of the 17th Alaska State Legislature.

The Business Incentive Program attempts to establish a partnership between the state, private sector employers, and training agencies, to raise the work based skills of Alaskans, particularly in the use of new technologies. Successfully implemented, it has the capacity to emulate a strategy much more prevalent among our foreign competitors: upgrading employee skills as a means to improved business competitiveness.

The following pages will allow you the opportunity to learn about the statute, its means of implementation, and possible ways to exact results consistent with the statute's purpose.

Sincerely,



Robert L. Brean
Director

(SB188

1990 REPORT TO THE LEGISLATURE
On The
BUSINESS INCENTIVE TRAINING PROGRAM

AS 44.47.750

Prepared by
James Gurke, Coordinator
ALASKA JOB TRAINING COUNCIL
Sarah Scanlan, Chair

State of Alaska
Walter J. Hickel, Governor

Department of Community & Regional Affairs
Edgar Blatchford, Commissioner



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FINDINGS

The National Governors' Association and National Commission for Employment Policy have recently examined state funded industry-specific training programs, drawing the following conclusions:

- o That businesses in other states offering such assistance are uniformly in agreement that training proved to be valuable and that the state's participation was instrumental.
- o That in most cases a business does not know how to use training as a strategic agent in its business plan, necessitating assistance prior to obtaining the actual training grant.
- o That training projects are most effective when they are clearly tied to specific employer needs and performance objectives developed in the application process.
- o That states reduce the risk of substituting public for private funds in industry-specific training when grants pay for classroom training or some form of customized training, and are most substantial when paying for on the job training wages. Furthermore, training grants for industry-specific training should require a private sector match.

In order to translate these recommendation into action at the state level, the council proposes the following changes to the Business Incentive Training Program.

1. That the Job Training Council be provided the latitude to recommend to the Department of Community and Regional Affairs which agency or agencies be considered for administration of the business incentive program.
2. That Private Industry Councils and regional economic development agencies be used as a means of recruiting businesses interested in worker training.
3. That the business incentive program be targeted toward smaller businesses, and that the business match the grant with a 10 percent cash or in-kind contribution.
4. That the program be concentrated on upgrading skills of existing employees, therefore, eliminating the need for on-the-job wage subsidies as a training cost.
5. That eligibility criteria for employees in training be simplified to being a current contributor to the Unemployment Insurance Trust under AS 23.20.

POLICY RATIONALE FOR STATE FUNDED TRAINING

Alaska is only one of four states to use the unemployment insurance trust rather than general tax revenue in underwriting worker training and retraining – the others being California, Delaware and Rhode Island. However, at least a quarter of the states have comparable programs supported by their respective general funds. In virtually every case the purpose of the statutes are the same:

(California) To encourage investment in the productivity and competitiveness of California's workers through training.

(Maryland) To improve competitiveness and productivity of the workforce; upgrade employee skills for new technologies; and assist in promotion of employment stability.

(New York) To assist individual businesses and industries in improving competitiveness by providing skill training; to provide job skills to dislocated workers; to upgrade skills of existing employees to enable modernization of operations, particularly among small businesses.

Historically, government sponsored programs have targeted the idea of industry attraction. For instance, providing a package of tax incentives and worker training to attract a firm or discourage its leaving. However, this goal has a zero sum result – as states within a region establish similar incentives the playing field is leveled and programs compete against each other in a bidding war.

Adoption of new strategies are based upon alternative premises.

(1) That state financing of training in transferable skills will, in itself, help create an environment which will interest new business.

(2) That government participation in industry specific training helps mitigate a concern of small businesses, known as the "free rider dilemma." Companies fear that by providing training at their own cost, they then risk losing employees through relatively high turnover rates. A consequence is that few lower level workers ever receive advanced skills training.

(3) That government financing of high skills training will improve competitiveness of businesses, thus reduce turnover and help retain business and employment within the state.

(4) Finally, that demographic indicators show that many workers lack functional skills because they were unsuccessful in school or simply have not kept up with technological advances. These workers are most likely to be claimants of unemployment insurance or public assistance in the absence of any job specific training.

Fairbanks Project: The Fairbanks Private Industry Council expended \$26,356 in FY 90. It awarded a single grant for computer training through the University of Alaska Small Business Development Center. The project allowed the Center to establish a computerized entrepreneurial training program that has subsequently been used by trainees under both the Job Training Partnership Act and the State Training and Employment Program.

In conclusion, in FY 90, \$300,000 was authorized for BIP; but only \$75,408 expended. An explanation for this anomaly is the fact that BIP proposes to establish new institutional partnerships between the state, business, and training agencies. Little prior experience with such implementation models existed at the time of BIP's authorization.

For example, in 1983, Illinois established the Prairie State 2000 Authority, but it took almost three years to fully implement the program. It is now in its fifth year of operation and is often cited as one of the most successful models for work based education. The lessons learned were apparently worth the time and should be an example for Alaska.

The following recommendations are based upon what we have learned from the research and the experience of other states.

Administration is centrally located in their Department of Economic and Employment Development. Payments for training occur through a voucher system to pay for training at a recognized training agency; or through grants to a business consortium or individual business who arrange their own training method and curriculum.

The recommendation is that a recruitment method, similar to Maryland's program, be emulated in the Alaska Business Incentive Program.

3. That the business incentive program be targeted toward smaller businesses and that the business must match the grant with a 100 percent cash or in-kind match.

Targeting and Substitution Issues. To adequately support a public policy initiative like BIP or STEP, the state must be prepared to justify the program against two criteria. First, a method of targeting resources should be considered given the small amount of available assistance. Second, a method should exist to ensure that state general funds are not substituting for otherwise available private training monies.

A common approach used by other states in determining business need is the use of pre-application assistance. Business receiving a training grant should be able to cite the positive effects training is expected to have on the business. Specifically, it should be able to develop a training plan which identifies specific skills to be obtained by employees; whether these skills are likely to be important components of its overall business strategy; and the means of measuring the acquisition of the skills acquired in training.

Targeting is further assured through limitations that can easily be built into the statute.

- o One, by concentrating the majority of the money on small business under the theory that they are least likely to afford job specific skills training on their own. Small business is also responsible for the most significant number of new job openings. Maryland, for instance, concentrates 60 percent of its funding on businesses with less than 100 employees; New York, 50 percent.
- o Second, that funding be limited by either a percentage of available funds or a dollar amount. Illinois limits its grants to \$50,000, Maryland to 5% of the funds available in the appropriation. Both states' appropriations are similar in size to Alaska. Illinois' experience over the past four years is that grants average \$17,000 per business.

OJT payments are treated differently by the various state programs. California permits them, but only upon condition that time sheets are signed by the employee and trainer indicating the number of hours in training versus simply doing one's job. Illinois provides for OJT by not subsidizing wages of the trainee, but rather the employee who serves as trainer. Maryland and Kentucky do not permit OJT simply because the substitution issue weakens the argument for use of public funds.

The argument for training existing employees is fundamental to the business incentive program. By limiting training to existing employees, the government is responding to a private sector need as a partner. The uncertainties of matching trained workers to employer expectations is removed from the equation. Instead, the employer takes the initiative to train its existing workforce, including new hires. For example, when Federal Express entered the Alaska market there was a local desire to assist them in training new employees. The argument of most state programs is, "Fine...hire the new workforce, then enter into a partnership with the state to provide the skills training you require."

The recommendation is that only existing employees qualify and that training be oriented toward classroom or customized training and away from on-the-job wage subsidies.

5. That eligibility criteria for employees in training be simplified to being a current contributor to the Unemployment Insurance Trust under AS 23.20.

The Legislative intent of the statute and the eligibility criteria for employers and employees are currently at odds. The statute requires that trainees be unemployed, at risk of being unemployed, or marginally employed seasonal workers. Eligible employers, on the other hand, even include sole proprietor businesses who do not contribute to the Unemployment Insurance Trust under AS 23.20.

The strict employee eligibility in the statute makes the program clumsy to operate and has the potential of precluding private sector interest. Employers are restricted by whom they may hire, and to upgrade the skills of existing employees the employer must guarantee that the employee is about to lose his or her job.

Because the funding source for the program is the Unemployment Insurance Trust, employers should be limited to those who are covered under AS 23.20.

The recommendation is that employee and employer eligibility be consistent with the purpose of the program. Both entities ought to be currently covered under AS 23.20 to be eligible for assistance under the program.

REFERENCES

The following sources of information were used for this report.

1. A special meeting of an Alaska Job Training Council Ad Hoc Committee for BIP, August 17, 1990.
2. A BIP workshop conducted under the auspices of a joint meeting between the Job Training Council and Private Industry Councils, November 10, 1990, facilitated by Steve Duscha, former Director of the California Employment Training Panel, and Peter Creticos, author of several research studies on state funded training programs.
3. Attendance by the Chair and council staff at an National Governors' Association workshop highlighting the Maryland "Partners'up for Workforce Quality" legislation.
4. Examination of other state legislation and reports documenting outcomes of similar state funded workplace-based retraining programs, including:
 - Bluegrass State Skills Corporation, 1989 Annual Report, State of Kentucky.
 - "Evaluating State-Financed, Workplace-Based Retraining Programs," Research Report 89-08, Peter Creticos and Robert Sheets, National Commission for Employment Policy and National Governor's Association.
 - "Partnership for Workforce Quality: Maryland's Response to Skills Upgrading," Audrey S. Their, Maryland Department of Economic and Employment Development, NGA Center for Policy Research.
 - "State-Financed, Workplace-Based Retraining Programs," Research Report 89-01, Peter Creticos and Robert Sheets, National Commission for Employment Policy and National Governor's Association.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

April 3, 1991

POSITION PAPER

RE: Senate Bill 188

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Program Effects of the Bill

The bill authorizes the extension for a period of one year of the pilot project for state funded training and employment programs. This additional time period will permit continuation of training and employment services to eligible participants throughout the state. The extension will also allow for sufficient time to evaluate the effectiveness of the program.

Comments

The Department of Community and Regional Affairs supports this bill. Through a unique arrangement with the Alaska Department of Labor this department has offered training opportunities to Alaskans utilizing the Service Delivery Areas set up under the federal Job Training Partnership Act. The program is operated in all parts of the state. This arrangement has proven to be an effective service delivery strategy. Since the project became fully operational earlier this fiscal year statistical and anecdotal evidence indicates that the program is very successful. Through the end of February over 456 Alaskans have been enrolled in training programs. We expect nearly 1200 to be trained this year alone. Over 60% of those in the program were unemployed when they enrolled. Approximately 30% have active Unemployment Insurance claims, about 18% have exhausted their UI benefits and over half have no active claim. This indicates service is being provided to those groups the project is intended to serve. Of those completing the training program 73% have gained unsubsidized employment.

There is a great unmet need for training opportunities in Alaska. Typically those served under this program are not employed and have not completed high school. This program offers job specific training that in most cases leads directly to employment. Available evidence indicates that the program should be reauthorized for another year.

Edgar Blatchford
Edgar Blatchford, Commissioner

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SB 188-
Back-up

Date: April 27, 1991

To: Senate Finance Committee

Senator Jay Kerttula, Co-Chairman
Senator Pat Pourchot, Co-Chairman

Re: SB 188, State Training and Employment Program

Alaska's State Training and Employment Program (STEP) was created in 1989 by the Sixteenth Alaska Legislature. STEP was established as a two-year pilot program and funded by one tenth of one percent of employee contributions to the Unemployment Insurance Trust fund. These funds are deposited in a special Employment Assistance and Training Program Account within the General Fund.

Through its job training projects, the STEP program has as its goals the following.

1. Prevention of future claims against unemployment benefits.
2. Attraction of new businesses through the availability of a skilled labor force and reduced employer UI costs.
3. Easing the impacts of Alaska's chronic economic fluctuations through training or retraining of workers for new or emerging industries and technologies.

The program has operated for fourteen months due to a late start last year. During this period the program has served the training needs of hundreds of Alaskans from every legislative district in the state. Funds are provided to the Department of Community and Regional Affairs by the Department of Labor so that the job training Service Delivery Areas established under the federal Job Training Partnership Act can be granted funds to deliver the program locally.

The three Service Delivery Areas were granted funds in the following amounts. Included within the category "Other Grants" is are four training grants for services in Anchorage, Bethel and Ketchikan and an RSA with Alaska Department of Labor for program evaluation (\$46.7k).

Service Delivery Area and Other Grants	Amount Granted	Percentage
Alaska Statewide SDA	\$ 703,982.	32.5%
Fairbanks North Star Borough	\$ 627,920.	29.0%
Municipality of Anchorage	\$ 570,837.	26.4%
Other Grants	\$ 263,024.	12.1%
Grand Total	\$2,165,763.	100.0%

Administrative costs of the program are limited to 15% of the total funds available. Of that 15%, 12.5% is passed along to the Service Delivery Areas for local administration of the program. The remaining 2.5% is retained by the Department of Community and Regional Affairs for central administrative costs.

With just over two more months remaining in the program we have already achieved the projected 1200 program participants expected this year. While training is continuing through June, most participants have been enrolled at this time. Not more than 200 additional participants are expected in the next few weeks.

Service Delivery Area and Other Grants	Number Participants	Percentage
Alaska Statewide SDA	276	23.3%
Fairbanks North Star Borough	484	40.8%
Municipality of Anchorage	293	24.7%
Other Grants	133	11.2%
Grand Total	1,186	100.0%

Statistics on those concluding their association with the STEP programs is not complete at this time. Data on the 206 persons who have finished the program does, however, provide a good indication as to the characteristics of the participants.

* Job Placement	61%
* Male	74%
* School Dropout	53%
* Alaska Native	7%
* Other Minority	9%
* U.I. Claimant	22%
* Unemployed more than 15 of last 26 weeks	31%

It should be noted that the Alaska Statewide Service Delivery Area with 276 participants had only nine program completers as of April 24. When the others complete the program the number of Alaska Native completers will greatly increase. Similarly, the numbers of other minority groups are expected to increase when the Municipality of Anchorage tallies its program completers. The Fairbanks North Star Borough was fairly well represented in the known completer group of 206 and is not expected to significantly change the percentages of minority participation.

The pilot State Training and Employment Program has made a significant positive contribution to the employability and skill levels of Alaskans. Over 1300 Alaskans will voluntarily take advantage of the program this year at an average cost of approximately \$1,500. per person.

Because of the late start-up of the program in fiscal year 1990 the program has just recently developed the data base that will permit thorough programmatic evaluation. At the conclusion of this year with over 1300 program completers a more definitive evaluation of program impact will be conducted. In fact, at

Senate Finance Committee
Re: SB 188, STEP
Page 4

this time a survey is being conducted of administrators and service provider agencies to assess their experience with the program this year. The survey information will compliment an analysis of program impact to be conducted using the administrative data bases of the Alaska Department of Labor and the participant data base of the Department of Community and Regional Affairs.

Dispite the lack of program evaluation that could provide conclusive evidence that the program is preventing future claims against the UI Trust, the program has demonstrated that it is filling a statewide need: providing needed training and skill development to Alaskans who need assistance to get jobs or keep their jobs. The evidence of 1,186 Alaskans voluntarily availing themselves of training represents a very strong statement of program need.

Granted another year of operation the State Training and Employment Program will continue to provide an opportunity to working Alaskans to access needed training. The numbers of Alaskans who will be served is a direct function of the availability of funds. Program administrators and the Private Industry Council members who oversee the programs are confident that the program evaluation will reflect their belief that the program is effective as well as needed.



465-4714
General Teamsters Local 959 State of Alaska

Affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America
ANCHORAGE, ALASKA 99510, P.O. BOX 102082 (907) 265-4122 FAX (907) 337-8668 JACK SLAMA (Secretary/Treasurer)

FAIRBANKS, ALASKA 99707, P.O. Box 609, (907) 452-8221 FAX (907) 452-5051
JUNEAU, ALASKA 99801, 306 Willoughby, (907) 586-3225 FAX (907) 586-1227

April 3, 1991

Senator Steve Frank
P.O. Box V
Juneau, AK 99811

Dear Senator Frank:

I urge you to please extend the STEP Program (SB 188). This program has been of great benefit to the workers of this state and with your support will continue to make funds available for retraining and returning people to the Alaskan work force, not to the unemployment insurance program.

Thank you for your consideration and, hopefully, your support.

Sincerely,

TEAMSTERS LOCAL 959

Robert M. Erickson

Robert M. Erickson
Administrative Assistant

RE.91\SENATOR

cc: Jack Slama, Secretary-Treasurer, Teamsters Local 959
Mark Johnson, Executive Assistant, Teamsters Local 959
John Creed, ALIVE Director, Teamsters Local 959



April 3, 1991

1791-1991

CITY OF KENAI
"Oil Capital of Alaska"

210 FIDALGO KENAI, ALASKA 99811

TELEPHONE 283-7535

FAX 907-283-3014

SENT VIA TELECOPIER

Senator Steve Frank
State of Alaska
P.O. Box V
Juneau, AK 99811

RE: *SENATE BILL 188*

Dear Senator:

Please accept these comments on behalf of SB188 during your hearing scheduled for Thursday, April 4, 1991 at 3:30 p.m.

I urge the passage of SB188 as an economic measure that will enhance the opportunities of local hiring throughout our state. The spending of money for pre-employment training, on behalf of citizens of our own areas within the state, will ensure that the work force of Alaska is qualified to participate in the job market. With qualified Alaskans available, we will ensure local hire for our own people.

I would suggest you consider a two-year authorization of this bill rather than a one-year authorization and urge the passage of the funding for this year. As a mayor of a community that has seen the benefits of the State Job Training Council and the STEP Program, I can say unequivocally that the money is well spent.

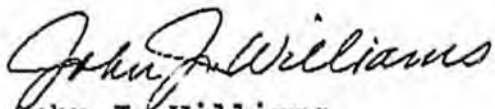
As a member of the Board of the State Job Training Council for the past six years, I can again attest to the worthiness of a job being performed under the Job Partnership Training Act. I am

Senator Steve Frank
April 3, 1991
Page 2

pleased to advise you that our STEP Program has become an integral and worthwhile project within the organization. Once again, I urge your consideration of the passage of this bill and request full implementation and funding for its success.

Sincerely,

CITY OF KENAI



John J. Williams
Mayor and Senior Member
State Job Training Council

JJW/clf

cc: Senator Lyman Hoffman
Senator Drue Pearce
Senator Arliss Sturgulewski
Senator Fred Zharoff



OLDER PERSONS ACTION GROUP, Inc.

325 E. Third Avenue, Suite 300
Anchorage, AK 99501
(907) 276-1059 (Toll free 800-478-1059)

April 4, 1991

Honorable Steve Frank, Chair
Senate Committee on Community and Regional Affairs
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear Senator Frank:

Older Persons Action Group, Inc. supports SB 188 which extends the State Training and Employment Program through June 30, 1992.

OPAG Adult Training Center has trained workers for success in personal computer and nurse aide under three STEP contracts.

This program permits us to provide training for workers who do not possess job market skills and to place them as productive workers immediately upon graduation.

This funding permits training of workers who cannot meet the low income requirements of JTPA training programs but have equally urgent need of re-training to get a job.

We urge the passage of SB 188.

Sincerely,


VERA A. GAZAWAY
Executive Director

VAG:bjg:310/wp

cc: Sen. Jalmar Kerttula
Sen. Virginia Collins
Sen. Drue Pearce
Sen. Pat Pourchot
Sen. Rick Halford

Sen. Curt Menard
Sen. Arliss Sturgulowski
Sen. Pat Rodey
Sen. Rick uehling
Sen. Sam Cotten

MILA, Inc.

ANGELA SALERNO, MSW
DIRECTOR OF SPECIAL PROGRAMS

APRIL 4, 1991

SENATOR STEVE FRANK, CHAIR
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
TESTIMONY RE: SB 188

MILA IS AN EMPLOYMENT AND TRAINING FIRM OPERATING HERE IN ANCHORAGE FOR THE PAST TEN YEARS. OVER THE PAST EIGHT YEARS WE HAVE BEEN VERY SUCCESSFUL IN OPERATING TRAINING PROGRAMS ADMINISTERED BY THE MUNICIPALITY OF ANCHORAGE, THE DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. WE HAVE SERVED DISADVANTAGED YOUTH AND ADULTS, DISLOCATED WORKERS, VETERANS, AND NOW UNEMPLOYED ALASKANS.

IN FEBRUARY OF THIS YEAR WE BEGAN SERVING STEP-ELIGIBLE PEOPLE WITH TWO TRAINING PROGRAMS: COMPUTER TECHNOLOGY FOR THE WORKPLACE, OFFERED DURING THE DAY, IS DESIGNED FOR THE UNEMPLOYED PERSON NEEDING RETRAINING TO ENTER EMPLOYMENT AS WORD PROCESSORS OR AS ACCOUNTING CLERKS. PARTICIPANTS RECEIVE TECHNICAL TRAINING, JOB SEARCH AND IMAGE DEVELOPMENT TRAINING, AND THEN ARE ASSISTED IN FINDING JOBS. WE ARE NOT SUCCESSFUL UNTIL THEY ARE PLACED IN PERMANENT, FULL-TIME EMPLOYMENT. MILA AT NIGHT IS OUR EVENING ALTERNATIVE COMPUTER TRAINING PROGRAM FOR THOSE PEOPLE WHO ARE EMPLOYED, BUT ARE IN DANGER OF LOSING EMPLOYMENT BECAUSE THEY LACK COMPUTER SKILLS OR NEED UPGRADING IN THEIR SKILLS.

UNDER OUR CONTRACT WE PLAN TO SERVE A TOTAL OF 132 PEOPLE, 36 IN THE COMPUTER TECHNOLOGY FOR THE WORKPLACE PROGRAM AND 96 IN MILA AT NIGHT.

WE HAVE HAD OVERWHELMING RESPONSE TO OUR PROGRAM AND TWO WEEKS AGO HAD TO BEGIN TELLING REFERRALS TO THE DAYTIME PROGRAM THAT SLOTS WERE FULL. WE NOW HAVE A WAITING LIST.

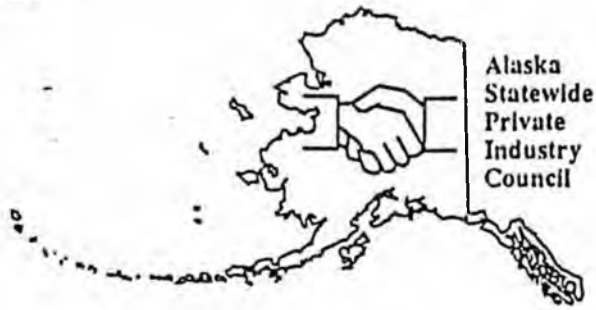
THIS PROGRAM HAS ALLOWED US TO SERVE PEOPLE THAT ARE NOT ELIGIBLE FOR OTHER GOVERNMENTAL FUNDING, SUCH AS THAT PROVIDED UNDER THE JTPA PROGRAM, BECAUSE THEY WERE NOT CONSIDERED DISADVANTAGED, MEANING THEY DIDN'T MEET FEDERAL POVERTY INCOME GUIDELINES. BUT THE PEOPLE WE HAVE WORKED WITH IN THE STEP PROGRAM ARE FACING REAL HARDSHIPS WITH REGARD TO CHANGING TECHNOLOGIES IN THE WORKPLACE. IF THEY ARE GOING TO FIND OR KEEP EMPLOYMENT, THEY NEED TO HAVE A WAY TO RESPOND TO ALMOST UNIVERSAL COMPUTERIZATION IN INDUSTRIAL AND SUPPORT OCCUPATIONS.

WE AT MILA ARE VERY EAGER TO BE ABLE TO CONTINUE OFFERING THIS SERVICE TO OUT-OF-WORK, AND AT-RISK FOR BEING OUT OF WORK, ALASKANS.

TOTAL NUMBER TO BE SERVED: 132 ADULTS
TOTAL BUDGET: \$162,000
TOTAL NUMBER OF STAFF: 4.4 FTE

Temporary/Permanent Employment Agency • Professional Word Processors • Word Processing Operator Training

3330 C Street Suite 100 • Anchorage, Alaska 99503 • (907) 562-3424



"A Partnership Putting Alaskans to Work"

P.O. Box BC, Juneau, Alaska 99811

Phone: (907) 465-4890

April 2, 1991

The Honorable Steve Frank, Chairman
Senate Community and Regional Affairs Committee
Alaska State Legislature
P.O. Box V
Juneau, Alaska, 99811

Dear Senator Frank:

On behalf of the Alaska Statewide Private Industry Council I would like to express strong support for Senate Bill 188. Our experience with the State Training and Employment Program (STEP) over the last year and a half indicates that the program is filling an important niche in Alaska's employment training effort, and supports reinvestment in Alaska's human capital. This is one of the most effective and cost-efficient ways to accomplish Alaskan hire. SB 188 will extend this important effort for an additional year, and allow for a more complete and thorough evaluation.

We appreciate this opportunity to express our support for SB 188, and urge your favorable consideration.

Sincerely,

A handwritten signature in cursive script that reads "James L. Barron".

James L. Barron
Chairman

cc: The Hon. Fred Zharoff
The Hon. Lyman F. Hoffman
The Hon. Drue Pearce
The Hon. Arliss Sturgulewski



"An Anchorage/Mat-Su Consortium"

PRIVATE INDUSTRY COUNCIL

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-6560

March 29, 1991

Honorable Steve Frank, Chair
Senate Committee on Community and Regional Affairs
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Dear Senator Frank:

I am writing on behalf of the Anchorage/Mat-Su Private Industry Council (PIC) to urge favorable consideration of Senate Bill No. 188, to extend the pilot project for state training and employment programs.

The PIC is responsible for overseeing the employment and training programs provided to residents of the Municipality and the Matanuska-Susitna Borough. These programs are primarily federally funded. The addition of the State Training and Employment Program (STEP) has expanded services to Alaskans who could not otherwise be served due to federal guidelines and restrictions.

The program is assisting participants to return to work or retain their jobs by upgrading current skills or learning new ones. Not only do individuals benefit, but the state benefits through a reduced demand on the unemployment insurance trust fund and an increase in workers whose wages circulate through the economy.

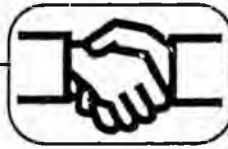
At this point we have had approximately one year of actual program operations. While an initial review of program activities shows that program participants are being returned to the work force, we feel that another year of operations is necessary to yield sufficient data for an analysis of both short- and long term benefits.

We respectfully urge the passage of SB 188 to extend the STEP program to June 30, 1992.

Sincerely,

Larry Hartig, Chair
Anchorage/Mat-Su Private Industry Council

cc: Sen. Jalmar Kerttula	Sen. Curt Menard
Sen. Virginia Collins	Sen. Arliss Sturgulewski
Sen. Drue Pearce	Sen. Pat Rodey
Sen. Pat Pourchot	Sen. Rick Uehling
Sen. Rick Halford	Sen. Sam Cotten



State Training and Employment Program (STEP)

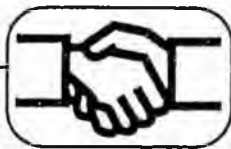
A State Employment and Training Program (STEP) was enacted by the Alaska State legislature in 1989. The goals of the program are: to foster new jobs through the availability of a skilled work force; to increase training opportunities for workers affected by technological changes and fluctuations in the state economy; and to reduce future claims against unemployment benefits. A small portion of the earnings of the Unemployment Insurance Trust Fund are dedicated for the STEP program, which was designed to supplement rather than supplant the JTPA program. Eligibility for the program is geared towards those who have paid into the unemployment insurance system. Each year, the Commissioner of the State Department of Labor provides a list of targeted services or projects. For PY89, the Commissioner targeted the Over-the-Horizon Backscatter Radar project and Construction Trades Upgrad-

ing/Retraining for projects. The Alaska Statewide SDA awarded two Backscatter Radar project grants, AHTNA Heritage Foundation and the Alaska Apprenticeship and Training Coordinator's Association. Both contracts seek to prepare the local labor force for the skilled jobs that will become available as the Backscatter project begins. Four contracts were awarded under the Construction Trades Upgrade project. Two grants were awarded to the Alaska Laborer's Training Trust Fund for Asbestos Abatement training in the Nome and Juneau areas. Both communities anticipated the start-up of large asbestos removal projects. Two grants were awarded to the Fairbanks Area Painters and Decorators to provide Hazardous Painting Certification and an Industrial Painting/Corrosion Control training to rural residents in the interior. Seventy-six clients were served in PY89's STEP program.

The Nome Asbestos Abatement project promoted local hire by training Nome area residents in asbestos removal. Those who completed the program were hired to work at the Nome Beltz High School. The contractor, Asbestos General, was very impressed by how well trained and hard working the STEP trained workers were.



Pete Larsen (right), of the Nome Laborers Union Local 942 shows asbestos removal trainees Robert Curran, Jr. (left) and Dan Olanna (middle) how to use a glove bag. Glove bags are used for small scale asbestos jobs or when removing asbestos from pipes.



Business Incentive Program (BIP)

The Business Incentive Program (BIP) was passed by the Alaska State Legislature in 1989 and was designed to promote and encourage the creation of new jobs in private industry.

The Alaska Statewide Service Delivery Area funded the University of Alaska Southeast, Institute of Mining Training (IMT) to provide advanced mining training to participants eligible under the Business Incentive Program. Five participants were trained in the development of a new mine site through "hands-on" experience. The trainees put much of their classroom knowledge to use by drilling, blasting, mucking and using the necessary equipment to prepare an actual mine site. The mine is now ready to be used as a permanent underground classroom for future IMT students.



"The local mining industry is very involved in this training project, but from the start has avoided becoming the actual training agency. Through this project trainees got actual mining experience, the Institute of Mining Technology (IMT) developed an underground mine site in which to provide training, and the industry will get more thoroughly trained employees. The underground facility could not have been developed in time without the assistance of the Business Incentive Program and the trainees."

*Robert Greig
Director/Curriculum
Institute of Mining Technology*

"I would not have my job at Echo Bay [Mining and Exploration] without the "hands-on" experience I got through the Business Incentive Program (BIP). There aren't many people around with these skills, so I really had an edge."

*James Anderson
BIP Participant*



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2 0 8

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

N- 1
BILL Version: SA 208
(S) Publish Date: 4/15/91

Revision Date: _____
Title: " An Act relating to workers' compensation for emergency medical ..."
Sponsor: Senator Ellason
Requestor: Senate Labor & Commerce

Department Affected: Labor
BRU: Workers' Compensation
Component: Workers' Compensation
COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)
Changes in CS SB 208 (L+C) have no fiscal impact. This fiscal note is appropriate.
4-15-91 date LMW Comte Aide (initial)

Prepared by: Linda Rexwinkel, Director *LR* Phone: 465-2790
Division: Workers' Compensation Date: 4/2/91

Approved by Commissioner: Nancy Bear Usura *NBU*
Agency: Department of Labor Date: 4/2/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

2

STATE OF ALASKA
1991 LEGISLATIVE SESSION

bill Version: SB 208
(S) Publish Date: 4/15/91

Revision Date: _____ Department Affected: ADMINISTRATION
Title: An act relating to Workers' Compensation for emergency medical BRU: Risk Management

Sponsor: Eliason techs Component: _____

Requestor: Labor and Commerce COMPONENT SERIAL NO

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: 0

<p>ANALYSIS: (Attach a separate page if necessary.)</p> <p>See Attached</p>	<p>Changes in <u>CS SB 208 (L+C)</u> have no fiscal impact. This fiscal note is appropriate.</p> <p><u>4-15-91</u> <u>RM</u> date Comte Aide (initial)</p>
---	--

Prepared By: Don Hitchcock Phone: 465-2180
Division: Risk Management Date: 3-20-91
Approved by Commissioner: Millard Keller
Agency: Administration Date: 3/21/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Alaska State Legislature

Senator Drua Pearce, Chair
Senator Virginia Collins, Vice Chair
Senator Dick Ellason
Senator Rick Halford
Senator Jay Kertula



SENATE LABOR AND COMMERCE COMMITTEE

WHILE IN JUNEAU
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 485-3844

3111 C STREET, SUITE 150
ANCHORAGE, ALASKA 99504
(907) 561-2018

SENATE LETTER OF INTENT

CS SB 208 (L&C)

The Senate Labor and Commerce Committee is concerned that volunteer firefighters providing volunteer service outside an incorporated city or borough may not be covered by workers' compensation. This committee encourages representatives from the Alaska Fire Chiefs Association, the Alaska Firefighters Association, the state Fire Marshal's office, the Emergency Medical Services Association, and the state Emergency Medical Services' office to meet during the interim to address this concern. Recommendations on how to remedy this lack of insurance coverage should be reported to the Second Session of the Seventeenth Alaska State Legislature by January 31, 1992, for possible legislative action.

Senate adopted 4/19/91

For an Act entitled: "An Act relating to worker's compensation for volunteer emergency medical technicians."

SB 208 would provide workers' compensation coverage by the state for state certified volunteer EMT's who are injured while providing emergency medical services outside an incorporated city or borough and who are not otherwise covered for worker's compensation.

Background

Approximately two-thirds of Alaska's twenty five hundred state certified Emergency Medical Technicians (EMT's) are volunteers. These volunteers provide the backbone of the emergency medical services system in many parts of rural Alaska. Although most volunteers respond to fewer emergency medical calls than paid EMT's, they often face similar hazards and are at some risk of becoming injured.

Under AS 23.30.092, a political subdivision may elect to provide benefits and compensation to volunteer ambulance attendants, policemen or firemen by obtaining insurance and filing copies of the policies with the commissioner of the Department of Labor. However, volunteer EMT's who live in, and provide services in, unincorporated communities outside organized incorporated cities or boroughs do not have worker's compensation coverage at the present time. A review of the computer records of the Emergency Medical Services Section in the Division of Public Health reveals that less than one hundred fifty state certified volunteer EMT's reside in unincorporated areas and therefore would be eligible to receive benefits under this bill.

If this bill passes, those volunteer EMT's who reside in incorporated cities or boroughs that elect not to provide this coverage would still not be eligible to receive workers' compensation benefits, except if they happen to be injured while providing services outside incorporated cities and boroughs. We have no way of estimating how many volunteer EMT's would be in this category, but we estimate that the number is low.

The Matanuska-Susitna Borough has provided workers' compensation coverage for volunteer EMT's and firefighters for over ten years. Currently, 350 volunteers are covered by borough paid worker's compensation coverage. According to Kevin Koechlein, Director of Emergency Services for the Matanuska-Susitna Borough, over ten years there have been two lost work time injuries, costing less than \$1,000 apiece, and an average of about \$2,000.00 per year in medical claims. Last

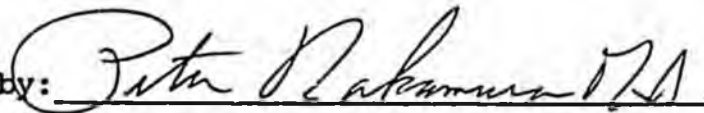
year, among the volunteer EMT's, there were two needlestick injuries, one back strain, and one laceration.

Position

The Department of Health and Social Services supports SB 208. We believe it is only fair that EMT's who provide emergency medical services in unincorporated areas should receive the same or similar benefits if injured as those volunteer EMT's who are provided workers' compensation coverage by a local government. This should help emergency medical services in remote rural areas to recruit and retain volunteer EMT's.

The Department of Health and Social Services supports SB 208.

Recommended by: _____

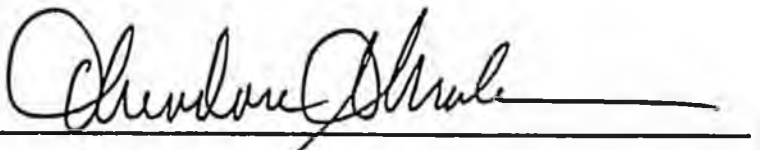


Peter M. Nakamura, MD, MPH
Director
Division of Public Health

Date: _____

4/3/91

Approved by: _____



Theodore A. Mala, MD, MPH
Commissioner
Department of Health and Social Services

Date: _____

3 Apr 91

SOUTHEAST REGION

EMERGENCY MEDICAL SERVICES COUNCIL
207 MOLLER DRIVE RM. 113 • SITKA, ALASKA 99835
TELEPHONE 907-747-8005

Senator Pearce
P.O. Box V
Juneau, AK 99811

April 2, 1991

Dear Senator Pearce,

I am writing to comment on SB208.

The bill goes a long way toward supporting the volunteer EMS workers who provide an essential state-mandated service to Alaska for free. Senator Eliason's bill, through providing worker's compensation insurance for volunteers in Alaska's unincorporated areas, supports those volunteers in a very quantifiable way. We've notified people from unincorporated areas in Southeast about the upcoming hearing on SB 208, and I believe you'll be hearing from folks in places like Hollis, Gustavus, Elfin Cove and Port Protection who are really behind the bill. These people have no significant sources of local funding and rely on the state to support their work through mini grants (funded through the Grants to EMS Councils line item) and bills like this one and SB194, that would make Hepatitis B vaccinations available to volunteer EMS workers.

In a conversation with Jack Mason, EMS Captain for Port Protection, he noted that SB208 proposes to cover "emergency medical technicians...". Our experience is that in a lot of smaller communities, emergency trauma technicians make up the brunt of the emergency medical service workers. We, therefore, suggest that a broader definition of emergency medical service workers be considered that would include the whole range of EMS volunteers.

As liaison between the communities of Southeast and the state of Alaska, Southeast Region EMS Council fully supports SB208 and the philosophy behind it-- supporting Alaska's volunteer EMS system.

Sincerely,



Shawn Newell
Executive Director

To Senator Dick Eliason 4/3/91
From Reed Reynolds, SE Region EMS

Re: SB 208 Worker's Comp for EMS

This will advise you that the entire 30 member regional Board of Directors voted unanimously on March 19, 1991, to endorse SB 208. In making this decision, the regional board called attention to the significance of having volunteers to provide emergency medical care to the unincorporated areas of Alaska. The risk to the workers' compensation fund is considered very low based on 13 years of experience; the benefits to the public far outweigh the risk. Protection of such volunteer EMS workers is proper and is essential to the maintenance of vital, high quality EMS on a continuous year round basis. On behalf of rural, isolated volunteer EMS workers, the regional board strongly encourages adoption of SB 208.

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FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. CSSB 219 (L&C)

Revision Date: 4/29/91 Department Affected: Commerce & Economic Dev.
Title: An Act relating to Workers' Compensation BRU: Insurance
Component: Operations

Sponsor: _____
Requestor: Senate Labor & Commerce COMPONENT SERIAL NO.

0	3	5	4
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
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						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Don Koch, Chief of Market Surveillance Phone: 465-2515
Division: Insurance Date: 4/29/91
Approved by Commissioner: Glenn A. Olds
Agency: Department of Commerce & Economic Development Date: 4/29/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO : CSSB 219(L&C)

Revision Date: _____
Title: " An Act relating to workers' compensation ..."
Sponsor: Senate Labor & Commerce
Requestor: Senate Labor & Commerce

Department Affected: Labor
BRU: Workers' Compensation
Component: Workers' Compensation
COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS.CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUNDING: (Thousands of Dollars)


GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Linda Rexwinkel, Director Phone: 465-2790
Division: Workers' Compensation Date: 4/22/91
Approved by Commissioner: Nancy Bear Usery 
Agency: Department of Labor Date: 4/22/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO : SB 219

Revision Date: _____
Title: " An Act relating to workers' compensation ..."
Sponsor: Senate Labor & Commerce
Requestor: Senate Labor & Commerce

Department Affected: Labor
BRU: Workers' Compensation
Component: Workers' Compensation
COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	31.9	31.9	31.9	31.9	31.9	31.9
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	13.0	8.0	8.0	8.0	8.0	8.0
SUPPLIES	0.8	0.8	0.8	0.8	0.8	0.8
EQUIPMENT	4.6	0.0	0.0	0.0	0.0	0.0
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	50.3	40.7	40.7	40.7	40.7	40.7

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	50.3	40.7	40.7	40.7	40.7	40.7
FEDERAL FUNDS						
OTHER						
TOTAL	50.3	40.7	40.7	40.7	40.7	40.7

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary)

(see attached)

Prepared by: Linda Rexwinkel, Director Phone: 465-2790
Division: Workers' Compensation Date: 4/4/91

Approved by Commissioner: Nancy Bear User Date: 4/4/91
Agency: Department of Labor

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Position Title Clerk Typist III		No. of Positions 1	Range/Step 8a	Barg. Unit GGU	
Time Status Full Time	Staff Months 12	Location Anchorage		Election District 99	
Type of Expenditure		Justification			
Amount		<p>This position would provide the clerical support necessary to implement the provisions of SB 219. The position would receive medical manager disclosure statements, review them for compliance with the law, enter information from them into the claims tracking system, and maintain a file of the statements.</p> <p>Associated non-personal services would include contractual services (8.0) for postage, phone, space rent, printing, computer charges, etc.; commodities (.8); and one-time equipment expenditures (4.6) for desk, chair, filing cabinet, and a personal computer.</p>			
1	2				3
Salary	\$21,232				
Benefits	10,713				
Premium Pay					
Other					
Total Personal Services					\$31,945
Travel					0
Contractual					8,000
Commodities					800
Equipment					4,600
Other					
Total Cost					\$45,345
Funding Source for Total Cost					
Federal Receipts	1002				
G. F. Match	1003				
General Fund	1004		\$45,345		
GF Program Receipts	1005				
Other					

**Request For
New Position**

Agency Labor
 BRU Workers' Compensation
 Component Workers' Compensation

Page 3 of 3
 Revised Date

FY 91

SB 219 Packet

1. Proposed CSSB 219(L&C) dated 5/1/91.
2. Zero fiscal note from Dept of Commerce dated 4/29/91.
3. Zero fiscal note from Dept of Labor dated 4/22/91.
4. Proposed amendment 7-LS1004\D.1 dated 4/29/91
5. Proposed amendment 7-LS1004\D.2 dated 5/1/91.

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

P.O. Box Y, Juneau, Alaska 99811
(907) 465-3867 or 465-2450
FAX (907) 465-2029

Delivered to: 240 Main Street
Court Plaza, Room 500
Mail Stop 3101

MEMORANDUM

March 28, 1991

SUBJECT: Workers' compensation - (SB 219)
TO: Senator Drue Pearce
FROM: Michael F. Ford *M.F.*
Legislative Counsel

The following is a section by section analysis of SB 219:

Section 1 - Purpose of sections 16, 18, and 19.

Section 2 - Changes the period covered by the reemployment benefits report submitted by the administrator. Adds a new duty to monitor activities of medical managers.

Section 3 - Requires the administrator to review the board's case file and determine if the employee is unlikely to return to work in the same job, before selecting a rehabilitation specialist and performing an eligibility evaluation.

Section 4 - Requires employee injuries be diagnosed by a licensed physician, or in the case of muscular, skeletal, or neurological injuries, by a licensed physician or licensed physical or occupational therapist.

Section 5 - Requires the rehabilitation specialist to certify that the reemployment plan meets the requirements imposed under AS 23.30.041(h). Requires amendment of a plan that does not meet statutory requirements, and prohibits an additional charge by the rehabilitation specialist for amending the plan.

Section 6 - Provides for payment of compensation to an employee eligible for reemployment benefits and establishes the type of compensation to be paid. Limits benefits related to the reemployment plan to two years, except when the claim is controverted or appealed.

Section 7 - Provides that the cost of the reemployment specialist shall be paid by the employer, may not be included in the cost of the reemployment plan, and limits fees charged by the reemployment specialist.

Section 8 - Definition.

Section 9 - Requires the medical manager to send certain notice to the employee, employer, and the employer's physician.

Section 10 - Requires the employer to provide certain health insurance benefits to an employee. Provides a penalty for failure to make the required payment.

Section 11 - Establishes a civil penalty that the board may impose if the employer fails to obtain the required insurance.

Section 12 - Requires that attorney fees awarded a prevailing employer disputing compensation with another employer be reasonable.

Section 13 - Changes the weekly rate of compensation paid to an employee for disability or death. Provides for levels of compensation that depend on documentary proof of wages furnished by the employee. Prohibits the employer paying compensation at the employee's spendable weekly wage without a board order, except as provided under regulations established by the board.

Section 14 - Requires an impairment rating be determined by a licensed physician, or in certain cases by a licensed physical or occupational therapist.

Section 15 - Clarifies the right to compensation that survives the death of the employee.

Section 16 - Limits the civil liability of an insurer, insurance service agent, or trade association for performing or failing to perform a safety inspection or safety advisory service.

Section 17 - Provides that a person acting as a volunteer emergency medical technician is considered an employee of the state for purposes of workers' compensation. Specifies the calculation of gross weekly earnings.

Section 18 - Amends the definition of "gross weekly earnings" to include temporary disability compensation.

Section 19 - Amends the definition of "medical stability" to include lack of deterioration, as well as lack of improvement from the effects of an injury.

Senator Drue Pearce
March 28, 1991
Page 3

Section 20 - Definition.

Section 21 - Requires the division of insurance to prepare a report on implementation of a contracting classification premium adjustment program.

Section 22 - Transition section for reporting on reemployment benefits.

Section 23 - Effective date.

MFF:gc:pl
91-175.glc

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 3/20/91

FURTHER:

Date of 5-Day Notice: 3-28-91
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

L&C Committee considered SB 219

Workers' compensation; efd.

and recommended:

replace with _____ CS SB 219 (L+C) 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) L&C/4-4-91

zero fiscal note(s) COMM/4-29-91
L&C/4-22-91

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]

Alaska State Legislature

3111 C Street, Suite 150
Anchorage, Alaska 99503
(907) 561-2038
FAX: (907) 561-4194



During Session:
P.O. Box V
Juneau, Alaska 99811
(907) 465-4993
FAX: (907) 463-5352

Senator Drue Pearce

District G

TO: ALL SENATORS

FROM: Senator Drue Pearce, Chair 
Senate Labor & Commerce Committee

DATE: May 6, 1991

RE: SB 219 - "An Act relating to workers' compensation and civil liability for work place safety inspections; and providing for an effective date."

The Sixteenth Legislature considered SB 508 - relating to workers' compensation in numerous public hearings and committee debate. That bill passed the Senate on a vote of 18 to 2. It later became bogged down in the other House and did not reach the floor for a vote.

Three sections from that legislation are of critical importance to employers and employees and are included in the legislation before us today. Section 2 of CSSB 219 (L&C) provides that employers will provide health insurance or the equivalent employer contribution payments to an injured employee for 18 months following a work related injury.

Section 3 allows the Workers' Compensation Board to assess a penalty against an employer who fails to obtain the required insurance coverage. The employer may appeal this penalty to the ~~Commissioner of the Department of Labor~~ and finally to the courts. *W.C. Comp Board*

Section 4 is based on a court decision in the case of Van Biene v. ERA Helicopter, Inc.. It limits the civil liability of an insurer, insurance agent or a trade association for performing or failing to perform a safety inspection or safety advisory service to acts of intentional misconduct.

Section 5 clarifies existing statute in regard to recreational activities. If an employee participating in a recreational activity that is not a condition of employment is injured, they would not be eligible for workers' compensation.

All of these provisions have the support of the WCCA and the Ad Hoc Committee on Workers' Compensation.

I urge your support for this important legislation.

#2

A M E N D M E N T

OFFERED IN THE SENATE BY THE SENATE LABOR AND COMMERCE COMMITTEE
TO: CSSB 219 (L&C)

Page 1, line 4:

Delete "SECTION 3"

Insert "SECTION 4"

Delete "sec. 3"

Insert "sec. 4"

Page 2, after line 13:

Insert a new bill section to read:

"* Sec. 3. AS 23.30.075(b) is amended to read:

(b) If an employer fails to insure and keep insured employees subject to this chapter or fails to obtain a certificate of self-insurance from the board, upon conviction, the court ^{shall} impose a fine of \$10,000 and may impose a sentence of imprisonment for not more than one year. In addition, the board may impose a civil penalty ^{up} to three times the manual rate that would have been charged for the employer's insurance premium during the period the employer failed to obtain insurance. If an employer is a corporation, all persons who, at the time of the injury or death, had authority to insure the corporation or apply for a certificate of self-insurance [,] and the person actively in charge of the business of the corporation shall be subject to the penalties prescribed in this subsection and shall be personally, jointly, and severally liable together with the corporation for the payment of all compensation or other benefits for which the corporation is liable under this chapter if the corporation at that time is not insured or qualified as a self-insurer."

Renumber the following bill sections accordingly.

#1

A M E N D M E N T

OFFERED IN THE SENATE
TO: CSSB 219(L&C)

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Page 2, after line 20:

Insert a new bill section to read:

** Sec. 4. AS 23.30.265(2) is amended to read:

(2) "arising out of and in the course of employment" includes employer-required or supplied travel to and from a remote job site; activities performed at the direction or under the control of the employer; and employer-sanctioned activities at employer-provided facilities; but excludes recreational activities sponsored by the employer, unless participation is required as a condition of employment, and activities of a personal nature away from employer-provided facilities;"

Renumber the following bill section accordingly.

Rates only change
if experience develops —
will effect underwriting.

WCCA

Workers' Compensation
Committee of Alaska

Red-bill file

March 13, 1991

The Honorable Drue Pearce, Chair
Senate Labor and Commerce Committee
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, AK 99811

Dear Senator Pearce:

It has come to my attention that there is some misunderstanding of the position of the Workers' Compensation Committee of Alaska (WCCA) regarding the proposed legislation being submitted to you by the Labor/Management Ad Hoc Committee. To clarify this, permit me to state the position taken by the WCCA Board of Directors at our March 7th Board meeting.

The WCCA has, and continues to fully support the Labor/Management Ad Hoc Committee and the deliberative process they follow in developing needed improvements in the Alaska Workers' Compensation Act. This committee consists of 5 members representing Alaska employers and 5 members representing organized labor. Because it is a balanced committee, this process has worked exceedingly well in the past, both for employers and workers, and we feel that it is essential for this process to be preserved.

The proposed legislation that has been submitted to you is, for the most part, the same as CSSB 508 sponsored by Labor and Commerce, offered on April 24, 1990 and amended April 25, 1990. The current version contains some clarifications in language and there have been three additional sections intended to eliminate some ambiguities in the current act and provide additional protection for employers and workers. Last year the WCCA supported CSSB 508 and we unconditionally support the revised version in its entirety as submitted to you.

This package of revisions contains some items of primary importance to employers, i.e. Sections 4, 10, 12, 17, and the legislative intent statements; some are important to Labor, i.e. Sections 9 and 11; and some others were requested by the Division of Workers' Compensation, i.e. Sections 1 - 3 and 5 -


P.O. Box 200631

◆
Anchorage, Alaska 99520

have been thoroughly discussed and agreed to by the representatives of both management and labor and by the Board of WCCA. It would be a grave disservice to the good faith negotiating process as well as Alaska employers and workers to split the package into multiple bills, or to strip provisions from this one. After the bill has been introduced, any legislator who feels that a modification is in order may do so in committee.

For these reasons, the Board of WCCA, on behalf of all our member employers, urges the Senate Labor & Commerce Committee to proceed with the sponsorship of the proposed legislation as submitted to you by the Labor/Management Ad Hoc Committee.

Sincerely,



Warren L. Dvorak
President

WLD:mse

cc: Mary Pierce, Co-Chair, Ad Hoc Committee
Kevin Dougherty, Co-Chair, Ad Hoc Committee

FAX TRANSMITTAL

DATE: 3/7/91

TO: Rod Mourant

COMPANY: Senator Barce's Office

LOCATION:

FAX #: 463-5352

FROM: MARY PIERCE

4000 Old Seward Highway, Suite 203
Anchorage, Alaska 99503

Telephone: (907) 563-3414

FAX#: (907) 562-7804

Page 1 of 1

RE: Rod,
Co-Chair Management - Mary Pierce - NOKT
Co-Chair Labor - Kevin Dougherty - Laborers

Labor	Management
Matt Grotskie - Iron Workers	Elaine Taylor - Taylored Constr
Jeff Wertz - Machinists	Dink Pattenash - Unit Co.
Steve Boyd - Electricians	Richard Whitbeck - Mammoth
Joe Thomas - Laborers 942	Trucking
	Terry McCarty - Chugach Fore Products

Mary

IF YOU DO NOT RECEIVE A COMPLETE AND LEGIBLE COPY OF THIS FAX PLEASE CALL THE MICA OFFICE NUMBER ABOVE.

ACTION
 READ THE FIRST TIME - REFERRAL(S)
 L&C, THEN RES. FINANCE
 TWO FNS PUBLISHED (DEC. F&G)
 GOVERNOR'S TRANSMITTAL LETTER
 SPONSOR SUBSTITUTE INTRODUCED - REFERRALS
 OIL & GAS, THEN RESOURCES, FINANCE
 THEN TO SSSB PUBLISHED (DEC)
 GOVERNOR'S TRANSMITTAL LETTER

tax levied by general law

COMMUNITY & REGIONAL AFFAIRS COMMITTEE

STATUS DATE: 06/21/90

ACTION
 READ THE FIRST TIME - REFERRAL(S)
 L&C, THEN FINANCE
 TRA RPT 3DP
 ZERO FISCAL NOTE PUBLISHED (DCRA)
 TRA RPT 3DP
 PREVIOUS ZERO FN (DCRA)
 RULES TO CALENDAR 4/20/90
 READ THE SECOND TIME
 V TO 3RD READING FAILED Y14 N2 X4
 READ THE THIRD TIME SB 505
 MOTION TO RETURN TO SECOND FOR AM
 MOTION WITHDRAWN
 PASSED Y13 N2 X5
 TRANSMITTED TO (H)
 READ THE FIRST TIME - REFERRAL(S)
 L&C, FINANCE
 TRA RPT 2DP 2NR
 PREVIOUS SEN ZERO FN (C&RA) 3/16/90
 TRA RPT 5DP 2NR
 PREVIOUS SEN ZERO FN (C&RA) 3/16/90
 RULES TO CALENDAR 5/7/90
 READ THE SECOND TIME
 ADVANCED TO THIRD READING 5/8 CALENDAR
 READ THE THIRD TIME SB 505
 PASSED Y22 N17 A1
 RETURN TO (S). TRANSMIT TO GOVERNOR NEXT
 8:35 AM 5/30/90 TRANSMITTED TO GOVERNOR
 SIGNED INTO LAW 6/21 CHAPTER 159 SLA 90
 EFFECTIVE DATE OF LAW 9/19/90

payment of line haul
 requirements."

COMMITTEE

STATUS DATE: 06/21/90

JRN-DATE	JRN-PG	
02/23/90	2563	(S)
02/23/90	2563	(S)
03/15/90	2867	(S)
03/15/90	2867	(S)
03/20/90	2933	(S)
03/20/90	2939	(S)
03/20/90	2939	(S)
03/20/90	2939	(S)
03/20/90	2939	(S)
03/20/90	2939	(S)
03/20/90	2939	(S)
03/20/90	2939	(S)
03/21/90	2964	(S)
03/21/90	2964	(S)
03/22/90	2881	(H)
03/22/90	2881	(H)
04/17/90	3288	(H)
04/17/90	3289	(H)
05/06/90	4075	(H)
05/06/90	4075	(H)
05/07/90	4144	(H)
05/07/90	4144	(H)
05/08/90	4219	(H)
05/08/90	4220	(H)
05/08/90	4220	(H)
05/08/90	4220	(H)
06/01/90	4357	(S)
07/27/90	4486	(S)
07/27/90	4486	(S)

SB 507

"An Act relating to municipal taxation of alcoholic beverages."

PRIME SPONSOR: COMMUNITY & REGIONAL AFFAIRS COMMITTEE

CURRENT STATUS: (S) L&C
 THEN FIN

STATUS DATE: 02/26/90

JRN-DATE	JRN-PG	
02/26/90	2588	(S)
02/26/90	2588	(S)

SB 508

CSSB 508(L&C)(EFD AM)
 "An Act relating to workers' compensation; and providing for an effective date."

PRIME SPONSOR: LABOR & COMMERCE COMMITTEE

CURRENT STATUS: (H) L&C

STATUS DATE: 04/27/90

JRN-DATE	JRN-PG	
02/27/90	2607	(S)
02/27/90	2607	(S)
04/24/90	3548	(S)
04/24/90	3549	(S)
04/24/90	3549	(S)
04/25/90	3584	(S)
04/25/90	3590	(S)
04/25/90	3590	(S)

ACTION
 READ THE FIRST TIME - REFERRAL(S)
 LABOR & COMMERCE
 L&C RPT CS 4DP NEW TITLE
 ZERO FN TO SB & CS (ADM, LABOR)
 LETTER OF INTENT WITH L&C REPORT
 RULES TO CALENDAR 4/25/90
 READ THE SECOND TIME
 L&C CS ADOPTED UNAN CONSENT

04/25/90	3590	(S)	AM NO 1	MOVED BY ELIASON
04/25/90	3590	(S)	AM NO 1	ADOPTED UNAN CONSENT
04/25/90	3590	(S)		ADVANCED TO THIRD READING UNAN CONSENT
04/25/90	3590	(S)		READ THE 3RD TIME CSSB 508(L&C)(EFD AM)
04/25/90	3591	(S)	(S)	ADOPTED L&C LETTER OF INTENT
04/25/90	3591	(S)		PASSED Y15 N1 A4
04/25/90	3591	(S)		EFFECTIVE DATE SAME AS PASSAGE
04/25/90	3591	(S)		SZYMANSKI NOTICE OF RECONSIDERATION
04/25/90	3591	(S)		RECONSIDERATION MOTION WITHDRAWN
04/25/90	3592	(S)		STURGULEWSKI NOTICE OF RECONSIDERATION
04/26/90	3630	(S)		RECON TAKEN UP? - IN THIRD READING
04/26/90	3631	(S)		RETURN TO SECOND FOR AM 2 UNAN CONSENT
04/26/90	3631	(S)	AM NO 2	MOVED BY FAIKS
04/26/90	3631	(S)	AM NO 2	FAILED Y7 N13
04/26/90	3631	(S)		AUTOMATICALLY IN THIRD READING
04/26/90	3632	(S)		PASSED CN RECONSIDERATION Y16 N2
04/26/90	3632	(S)		EFFECTIVE DATE SAME AS PASSAGE
04/26/90	3636	(S)		TRANSMITTED TO (H)
04/27/90	3623	(H)		READ THE FIRST TIME - REFERRAL(S)
04/27/90	3623	(H)		LABOR & COMMERCE
04/27/90	3623	(H)		-WITH SENATE L&C LETTER OF INTENT

SB 509

"An Act establishing the Alaska State Trust Company; and providing for an effective date."

PRIME SPONSOR: STATE AFFAIRS COMMITTEE

CURRENT STATUS: (S) STA STATUS DATE: 03/01/90
THEN FIN

JRN-DATE	JRN-PG	(S)	ACTION
03/01/90	2664	(S)	READ THE FIRST TIME - REFERRAL(S)
03/01/90	2664	(S)	STATE AFFAIRS, THEN FINANCE

SB 510
CSSB 510(HESS)

"An Act relating to sex education and the teaching of abstinence in sex education."

PRIME SPONSOR: HEALTH, EDUCATION & SOCIAL SERVICES COMMITTEE

CURRENT STATUS: (H) HES STATUS DATE: 04/03/90

JRN-DATE	JRN-PG	(S)	ACTION
03/01/90	2664	(S)	READ THE FIRST TIME - REFERRAL(S)
03/01/90	2664	(S)	HEALTH, EDUCATION & SOCIAL SERVICES
03/22/90	2979	(S)	HES RPT CS 3DP SAME TITLE
03/22/90	2979	(S)	ZERO FN TO SB & CS PUBLISHED (DOE)
03/30/90	3130	(S)	RULES TO CALENDAR 3/30/90
03/30/90	3139	(S)	READ THE SECOND TIME
03/30/90	3139	(S)	HES CS ADOPTED UNAN CONSENT
03/30/90	3140	(S)	ADVANCED TO THIRD READING UNAN CONSENT
03/30/90	3140	(S)	READ THE THIRD TIME CSSB 510(HESS)
03/30/90	3140	(S)	PASSED Y19 N- X1
03/30/90	3140	(S)	DUNCAN NOTICE OF RECONSIDERATION
04/02/90	3175	(S)	RECONSIDERATION NOT TAKEN UP
04/02/90	3176	(S)	TRANSMITTED TO (H)
04/03/90	3090	(H)	READ THE FIRST TIME - REFERRAL(S)
04/03/90	3090	(H)	HEALTH, EDUCATION & SOCIAL SERVICES

PAGE 262

SB 511

CSSB 511(FIN)

"An Act making special appment of Natural Resources providing for an effective

PRIME SPONSOR: RESOURCES COMMITTEE

CURRENT STATUS: (H) FIN

JRN-DATE	JRN-PG	(S)
03/02/90	2688	(S)
03/02/90	2688	(S)
03/06/90	2731	(S)
04/28/90	3677	(S)
04/30/90	3733	(S)
04/30/90	3738	(S)
04/30/90	3739	(S)
04/30/90	3739	(S)
04/30/90	3739	(S)
04/30/90	3739	(S)
04/30/90	3739	(S)
04/30/90	3757	(S)
04/30/90	3760	(H)
04/30/90	3760	(H)
05/02/90	3835	(H)
05/02/90	3835	(H)

SB 512

"An Act relating to the allocation of business taxes to municipal Community and Regional Affairs effective date."

PRIME SPONSOR: COMMUNITY & REGIONAL AFFAIRS COMMITTEE

CURRENT STATUS: (S) RES
THEN FIN

JRN-DATE	JRN-PG	(S)	RE
03/02/90	2688	(S)	RE
03/02/90	2689	(S)	RE

SB 513

"An Act relating to unlawful and distribution of child pornography"

PRIME SPONSOR: JUDICIARY COMMITTEE

CURRENT STATUS: CHAPTER 161 SLA 90

JRN-DATE	JRN-PG	(S)	RE
03/02/90	2689	(S)	RE
03/02/90	2689	(S)	JU
05/02/90	3805	(S)	JU
05/02/90	3806	(S)	ZE
05/02/90	3843	(S)	RU
05/03/90	3871	(S)	RE
05/03/90	3871	(S)	AD

AMATEUR SOFTBALL

ASSOCIATION



April 30, 1991

Senator Druc Pearce, Chair
Labor and Commerce Committee

PATRICIA A. LILLIAN
Alaska State Commissioner
2950 Drake Drive
Anchorage, Alaska 99508
(907) 272-7883

Dear Senator Pearce:

The recent decision by the Alaska Supreme Court regarding worker's compensation payments to an individual injured in a softball game is cause for great concern on a statewide basis.

As the general administrator for softball in Alaska, I am deeply concerned about the future of not only recreation softball, but all other recreation sports where sponsorship is the primary source of funding. If sponsors are faced with sharply increased worker's compensation insurance rates, I am certain they will reconsider the benefits of any type sponsorship for amateur sports. The effect on the amateur sports programs throughout the state will be reflected in sharply reduced dollars generated by these activities.

Anchorage Sports Association's annual budget is in excess of one million dollars which translates to a two-three million dollar industry for Anchorage. Fairbanks, Kenai, Mat-Su, Juneau and Sitka each have parallel programs which are run in conjunction with municipal governments but are funded from the private sector, i.e. sponsor fees and player fees. Anchorage has had a few withdrawals from the 1991 program and Fairbanks has had 5 including a major tournament sponsor as a direct result of the Supreme Court decision.

SB 219 is to be considered by your committee and deals with the worker's compensation issue. Language has been developed and is offered as a committee substitute to exempt amateur sports participants from worker's compensation claims. The Amateur Softball Association supports this measure and respectfully requests your consideration in this matter.

If I can provide further information, please do not hesitate to contact me at 271-3498 (B) or 272-7683 (H).

Sincerely,

Patricia A. Lillian
Alaska Commissioner
Amateur Softball association



Paul Mattera
Vice President
Assistant General Counsel

To help further meaningful reform of our troubled workers compensation systems, Liberty Mutual is repealing our Fall workers compensation advertisements in The Wall Street Journal and other respected business publications from now through April.

For added perspective on this issue, I urge you to read this booklet entitled, "Challenges for the 1990s," produced by the Workers Compensation Research Institute. The booklet's essays offer a thoughtful review of workers compensation issues from some noted experts in the field, including Liberty Mutual's President and CEO, Gary L. Countryman.

I encourage you to participate with us in this important debate. By working together, we can improve a system that so many Americans rely upon.


Paul Mattera

175 Berkeley Street Boston, Massachusetts 02117

Challenges for the 1990s

Richard A. Victor, Editor

WORKERS COMPENSATION RESEARCH INSTITUTE

About the Institute

The Workers Compensation Research Institute is a nonpartisan, not-for-profit research organization providing objective information about public policy issues involving workers' compensation systems.

The Institute does not take positions on the issues it researches; rather it provides information obtained through studies and data collection efforts that conform to recognized scientific methods, with objectivity further ensured through rigorous peer review procedures.

The Institute's work helps those interested in improving workers' compensation systems by providing new, objective, empirical information that bears on certain vital questions:

- How serious are the problems that policymakers want to address?
- What are the consequences of proposed solutions?
- Are there alternative solutions that merit consideration? What are their consequences?

The Institute's work takes several forms:

- Original research studies on major issues confronting workers' compensation systems
- Original research studies of individual state systems where policymakers have shown an interest in reform and where there is an unmet need for objective information
- Sourcebooks that bring together information from a variety of sources to provide unique, convenient reference works on specific issues
- Periodic research briefs that report on significant new research, data, and issues in the field

Challenges for the 1990s

Challenges for the 1990s

Richard A. Victor, Editor

WC-90-3

JULY 1990

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Editor's Note

This is the third in a series of special volumes of papers commissioned by the Workers Compensation Research Institute. Together the papers present a multi-faceted view of the challenges facing workers' compensation systems in the new decade. Each paper relies heavily on the experience of the author and in some cases formal empirical research. The papers have not undergone the Institute's technical review process.

WCRI would like to extend its sincerest thanks to the authors for preparing these insightful papers. The Institute also would like to thank Barbara Bell Pitnof for editing and designing the book and Antoinette Pellegrino for preparing the manuscript.

RICHARD A. VICTOR
Executive Director
July 1990