

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7270 HOUSE STATE AFFAIRS

**STATE OF ALASKA BOARDS, COMMISSIONS AND AUTHORITIES
SUMMARY INFORMATION**

<u>Board/Commission</u>	<u>Statutory Authority</u>	<u>Number of Members</u>	<u>Member Term</u>	<u>Member Compensation</u>	<u>State Department</u>	<u>Executive Director</u>	<u>Classification(1)</u>	<u>Current Salary (2)</u>	<u>Meetings Held</u>
Workers' Compensation Board	23.30.005	11	3	\$50/day and standard travel per diem	Workers Comp. Div/LABOR				3 times/yr reg. mtgs FDKB 2 days/mo. ANCH 3 days/bimth JNU 2 days/month KTKM 2 days/year
Yukon River Delegation	63 U.S./Canada Pacific Salmon Treaty	15	no term	standard travel & per diem	FISH & GAME	no			2 times/year

(1) The Division of Personnel establishes a range for classified and partially exempt positions. The A step shown in this column indicates the pay level of a person filling the position at the entry level. However, the hiring authority may choose to hire a person at an advanced step.

(2) Current salary is wages only. It does not include any of the benefits costs (health insurance, leave, retirement, etc.)

SOURCE: 1991 Boards and Commissions Book, issued by the Office of the Governor; "State of Alaska, Classified Job Classes," published by the Division of Personnel, Department of Administration; and February 11, 1991 printout of "Personnel Services Expenditures Detail Report," (PACB run) from the Office of Management and Budget.

Prepared by the Legislative Research Agency, April 1991 (91-225)

133

Revision Date: _____ Department Affected: COMMERCE
 Title: "An Act relating to the hiring & salaries of certain executive officers." BRU: Alaska Seafood Mktg. Institute
 Component: Alaska Seafood Mktg. Institute
 Sponsor: Vernell Phillips
 Requestor: _____ COMPONENT SERIAL NO.

1	9	3
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(17.3)	(17.8)	(18.36)	(18.9)	(19.5)	(20.1)
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	(17.3)	(17.8)	(18.36)	(18.9)	(19.5)	(20.1)

NOTE: 38 COLA factored

CAPITAL						
REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	(17.3)	(17.8)	(18.36)	(18.9)	(19.5)	(20.1)
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	(17.3)	(17.8)	(18.36)	(18.9)	(19.5)	(20.1)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: N/A

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: J. G. Shine Phone: 586-2902
 Division: Alaska Seafood Marketing Institute Date: 2/21/92
 Approved by Commissioner: [Signature] Date: 2/21/92
 Agency: [Signature] Date: 2/21/92

FISCAL NOTE

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

BILL NO. HB 459

Revision Date: _____ Department Affected: Education
 Title: An Act relating to the hiring and salaries of the executive officers of certain boards, commissions, and sponsor: Representative Parnell
 BRU: Postsecondary Education Commission
 Component: Program Administration
 Requestor: _____ COMPONENT SERIAL NO.

0	2	1	2
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	-21.0					
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-21.0					

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Corporation						
FUND SOURCE: Receipts	-21.0					
TOTAL	-21.0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 10

ANALYSIS: (Attach a separate page if necessary.)

Executive Director salary currently set by Commission per AS 14.42.040 at Range 27, Step D. HB 459 would limit this position to a Range 26.

Prepared By: Kevin Moore, Finance Officer Phone: 465-2165

Division: Alaska Commission on Postsecondary Education Date: February 26, 1992

Approved by Commissioner: _____ Date: _____

Agency: _____ Date: _____

FISCAL NOTE

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

BILL NO. HB 459

Revision Date: _____ Department Affected: DCED
 Title: Executive compensation BRU: Alaska Public Utilities Commission
 Component: Admin
 Sponsor: Parnell/Phillips
 Requestor: House State Affairs COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(13,752)	(14,058)	(14,593)	(15,158)	(16,060)	(16,518)
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	(13,752)	(14,058)	(14,593)	(15,158)	(16,060)	(16,518)

Based on a change from 26A to 23A for FY93 (includes benefits)

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	(13,752)	(14,058)	(14,593)	(15,158)	(16,060)	(16,518)
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	(13,752)	(14,058)	(14,593)	(15,158)	(16,060)	(16,518)

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

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Robert A. Lohr Phone: 276-6222
 Division: Alaska Public Utilities Commission Date: 2-21-92
 Approved By Commissioner: Glenn A. Olds
 Agency: Department of Commerce & Economic Devel. Date: 2-21-92

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 459

Revision Date: _____ Department Affected: DCED
 Title: Executive compensation BRU: AEA
 Component: Admin
 Sponsor: Parnell/Phillips
 Requestor: House State Affairs COMPONENT SERIAL NO.

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	(11,334)*	(11,885)	(12,006)	(12,452)	(12,916)	(13,398)
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	(11,334)	(11,885)	(12,006)	(12,452)	(12,916)	(13,398)

*based on a change from 28D to 25D for FY93(includes benefits)

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	(11,334)	(11,885)	(12,006)	(12,452)	(12,916)	(13,398)
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER FUND SOURCE:	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	(11,334)	(11,885)	(12,006)	(12,452)	(12,916)	(13,398)

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-

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Charlie Bussell Phone: 465-3575
 Division: Alaska Energy Authority Date: 2/20/92
 Approved by Commissioner: Glenn A. Olds
 Agency: Department of Commerce and Economic Development Date: 2-21-92

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 459

Revision Date: February 21, 1992

Department Affected: Revenue

Title: An Act relating to the hiring and salaries of the executive officers of certain boards, commissions.....

BRU: Science & Technology Foundation

Sponsor: Parrell

Component: Science & Technology Foundation

Requestor: His State Affairs

Component Serial No.

1	0	0	9
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	(56.2)			
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	(56.2)			

CAPITAL						
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REVENUE FUND SOURCE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE	0	0	(56.2)			
TOTAL	0	0	(56.2)			

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: No current year impact. Contract expires 6/30/94.

ANALYSIS: Current contract provides for personal services compensation totalling \$137.5 per year. Range 24A salary would total \$81.2. No attempt was made to calculate salary or benefit increases.

Prepared by: Rod Mourant  Phone: 465-2300
 Division: Commissioner's Office Date: Feb. 21, 1992
 Approved by Commissioner: 
 Agency: Revenue

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

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 459

Revision Date: _____ Department Affected: Public Safety
 Title: "An Act relating to the hiring and salaries of executive officers of " BRU: Alaska Police Standards Council
 Component: Alaska Police Standards Council
 Sponsor: Representative Parnell
 Requestor: House State Affairs COMPONENT SERIAL NO.

	5	1	9
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EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	<11.8>	<11.8>	<11.8>	<11.8>	<11.8>	<11.8>
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPER.	<11.8>	<11.8>	<11.8>	<11.8>	<11.8>	<11.8>

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	<11.8>	<11.8>	<11.8>	<11.8>	<11.8>	<11.8>
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	<11.8>	<11.8>	<11.8>	<11.8>	<11.8>	<11.8>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)
 The projected reduction in personal services expenditures set out in this fiscal note is based on the premise that the incumbent Director will maintain his position and his salary will be reduced from a Range 23, Step J, to a Range 21, Step J.

Prepared By: Jack W. Wray Phone: 465-4378
 Division: Alaska Police Standards Council Date: 2/25/92
 Approved by Commissioner: *Richard L. Burton* Richard L. Burton
 Agency: Department of Public Safety Date: 2/25/92

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 459

Revision Date: _____ Department Affected: Public Safety
 Title: "An Act relating to the hiring and salaries of executive officers of " BRU: Domestic Violence & Sexual Assault
 Component: Domestic Violence & Sexual Assault
 Sponsor: Parnell, et. al.
 Requestor: House State Affairs COMPONENT SERIAL NO.

	5	2	1
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EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	<10.4>	<10.6>	<11.1>	<11.6>	<12.0>	<12.3>
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	<10.4>	<10.6>	<11.1>	<11.6>	<12.0>	<12.3>

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	<10.4>	<10.6>	<11.1>	<11.6>	<12.0>	<12.3>
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	<10.4>	<10.6>	<11.1>	<11.6>	<12.0>	<12.3>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0.0

ANALYSIS: (Attach a separate page if necessary.)
 This analysis assumes an effective date of July 1, 1992

Prepared By: Marcia Lynn McKeon Phone: 465-4356
 Division: Council on Domestic Violence & Sexual Assault Date: 2-21-92
 Approved by Commissioner: Richard L. Burton
 Agency: Department of Public Safety Date: _____

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 459

Revision Date: _____
Title: "An Act relating to the hiring and salaries of the executive officers of certain boards, commissions, authorities."
Sponsor: Representative Parnell R. Phillips
Requester: _____

Department Affected: Office of the Governor
BRU: Commissions and Special Offices
Component: Human Rights Commission/Women's Commission/Children and Youth Commission
COMPONENT SERIAL NO.

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

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
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 FUND SOURCE:	n/a	n/a	n/a	n/a	n/a	n/a
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	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: none

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

Prepared by: Michael A. Noych, Director  Phone: 465-2810
Division: Division of Administrative Services Date: 2/20/92
Approved by Commissioner: D. Max Hodel, Chief of Staff  Date: 2/20/92
Agency: Office of the Governor

Distribution By prepared: Leg. Fin., Legislative Sponsor, Requester, DMNDOR, Gov. Leg. Off., & Impacted Agencies.



House State Affairs Committee

Representative Gene Kubina, Chair

DATE: March 4, 1992

PLACE: Capitol Room 102

SUBJECT OF MEETING:
 HB 195 - Relating to Campaign Finance Reform
 HB 300 - Relating to Approp: Study Privatizing State Services
 HB 332 - Relating to Reporting/Campaign Financing - APOC
 HB 459 - Relating to Salaries of Executive Directors

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
✓ MIKE McMullen	Dept. of Admin	Box 110201 Juneau, AK	99511		465-4450	(Y) N	HB 459
✓ Lloyd James	Corrections					(Y) N	HB 459
✓ Sam Trivette	Parade Board	Box 112000	99511		3384	(Y) N	HB 459
Diane Schenker	Corrections	MS 2000		3376	3376	Y (N)	HB 459
Laura Glaiser	Elections	Box 110017 Juneau 99801			4611	(Y) N	IF ASKED HB 327
THE MAGINE		P.O. Box K -300 99811			3600	Y N	
✓ Ted Mousa	REG					Y N	HB 459
						Y N	
						Y N	
						Y N	
						Y N	



House State Affairs Committee

Representative Gene Kubina, Chair

DATE: March 4, 1992

PLACE: Capitol Room 102

SUBJECT OF MEETING:

- *HB 534 - Relating to Civil and Human Rights
- HB 327 - Relating to Primary Elections
- HB 404 - Relating to Filing Deadline for Certain Candidates

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) HOME	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Bob Casey	Leg. Affairs	P.O. Box 4	99511	0	2450	Y	N	HB 327
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

HB

460

(7)

Date Referred: March 27, 1992

HOUSE COMMITTEE REPG., I
FURTHER REFERRALS:

Finance

Date of Committee Action: 4/12/92

The STATE AFFAIRS Committee considered:

HB 460

HOUSE BILL NO. 460

ADVISORY VOTE/STATEWIDE HEALTH CARE

"A. Act providing for an advisory vote on statewide health care; and providing for an effective date."

RECOMMENDATIONS: the same title
 be replaced with _____ a new title

have attached amendments(s)
 do pass
 do not pass
 no recommendations
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Date) _____

APPROVES PREVIOUS: (Date) _____

fiscal impact _____

fiscal note(s) Div of Elections 3/27/92

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	<u>OTHER</u> RECOMMENDATIONS	DNP	NR	AM
<u>Tonny</u>	-	<u>Edward P. [unclear]</u>		<input checked="" type="checkbox"/>	
<u>[unclear]</u>	-	<u>David [unclear]</u>		<input checked="" type="checkbox"/>	
_____		<u>James [unclear]</u>		<input checked="" type="checkbox"/>	
		<u>Mike [unclear]</u>		<input checked="" type="checkbox"/>	

[Signature]
CHAIRMAN'S SIGNATURE

NATIONAL ACADEMY FOR STATE HEALTH POLICY

PORTLAND, MAINE

*Access and the Uninsured:
A Guide for States*

**Patricia A. Butler, J.D.
Boulder, Colorado**

**Elizabeth H. Kilbreth, Associate Director
Human Services Development Institute
Edmund S. Muskie Institute of Public Affairs
University of Southern Maine**

**Members, Steering Committee on the Uninsured
National Academy for State Health Policy**

April, 1991

**With Support from the Health Resources and Services Administration, DHHS, and
The Pew Charitable Trusts, Philadelphia, Pennsylvania**

**ACCESS & THE UNINSURED:
A GUIDE FOR STATES**

Access and the Uninsured

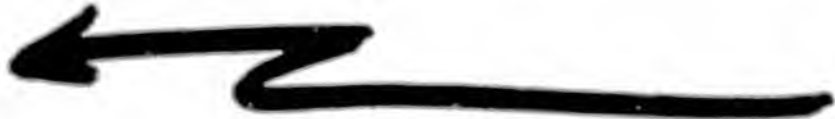
of the credits require actual taxable income, although Oklahoma's is refundable. The credits are short-term, lasting from two to five years and declining in some states over that period.

Although the credits in Massachusetts and Oregon have been in existence for one year and two years, respectively, there are no data on the number of firms that have claimed or plan to claim the credit. Oregon's credit is available only to firms that buy insurance through a state pool offering several low cost insurance plans. While 1,730 firms participated in the state pool as of November 30, 1990, the state's tax form does not permit the state to identify which firms have taken the credit.¹ Massachusetts, where the credit can be claimed in 1991 for tax year 1990, will be examining its tax credit experience later this year. The state's small firm pilot projects use the existence of the tax credit in marketing, but state program administrators do not believe that by itself the credit is a significant incentive for employers to start buying insurance.

The credits are available only to non-insuring firms on the theory that they are designed to encourage offering initial insurance.² Yet like the individual federal tax credit described above, such business tax credits (even when refundable) do not directly reduce premiums, which require monthly cash flow. Even when they represent a large fraction of the premium, they are most likely to serve as a reward for employer conduct or an economic development stipend rather than as a significant incentive to offer insurance.

States that require employers to participate in a pool or buy from a set of state-approved plans have the advantage of assuring that the insurance is adequate to justify a public subsidy. On the other hand, requiring state approval involves establishing standards and administrative costs. And requiring employers to join a pool or buy from a limited number of plans may discourage employer insurance purchase. Furthermore, conditioning the credit on plan design may raise ERISA problems, described below.

"Pay or Play" Taxes



The Model

Recognizing both that ERISA forbids an explicit employer insurance mandate and the limitations in relying on voluntary insurance, described above, two states have enacted taxes designed to share financing with employers as part of larger strategies designed to make health coverage universally available.

¹ Oregon's tax data system aggregates all credits, so this credit cannot be identified.

² This distinction raises equity concerns: should the state reward firms that did not previously insure but not those that struggled to do so. Since about 60 percent of small firms do offer insurance while 40 percent do not, the budget impact of a tax credit for all insuring firms has discouraged states from offering it more broadly.

Massachusetts was the first state to adopt a "pay or play" law,¹ requiring that in January 1992 employers of six or more employees will pay a tax of 12 percent of payroll (up to \$14,000 per employee per year, or \$1680) to fund a state health insurance program. An employer that offers insurance may credit its cost against the tax. Thus, the employer must "pay" the tax or "play" in the insurance market. New and marginally profitable firms are to be protected from unaffordable taxation by special hardship exemptions (Sager et al., 1989). Due to controversy about public and private funding of the state plan and other public programs, the legislature passed a one-year delay of the program (to 1993). Although the former Governor vetoed a 1990 effort to delay implementation, his successor has proposed repealing the law, so the fate of this tax/credit approach to employer insurance is in doubt.

Oregon enacted a law similar to the Massachusetts pay or play program in 1989. The well-publicized "priority-setting" bill for lower income Oregonians has generated most of the publicity. Less notorious was a tax-plus-credit employer incentive bill establishing a state purchasing pool to offer low cost insurance to small employers, for which they can receive an income tax credit. If by October 1993 the pool and credit do not enroll at least 150,000 people, a pay or play approach takes effect. The state will then impose a tax on all employers equal to 75 percent of the cost of covering employees and 50 percent of the cost of covering dependents with a basic benefits package (to be related to the benefits under the Medicaid priority-setting process described in Chapter VIII). These tax revenues will fund a state pool for the uninsured. Employers offering insurance can credit its cost against the tax. The law offers special provisions for new and marginally profitable firms. To increase affordability of insurance to small firms and assist some uninsurable residents, the state also enacted a high risk pool.

Impact of the "Pay or Play" Approach

Although the Massachusetts and Oregon programs purport to cover most state residents, they are voluntary for unemployed individuals who may not buy into the state program if it is not readily affordable. These programs also will not cover many part-time employees or dependents of full-time and part-time workers (other strategies to do so are described in Chapter VIII). Under the Oregon law, if 150,000 workers in small firms are insured by 1993, there will be no pay or play tax, but this focus disregards the many uninsured workers in larger firms. It is also unclear whether the 12 percent Massachusetts payroll tax will suffice to fund insurance for all those in the state who want to buy subsidized insurance from the state pool (the tax rate increases after 1992 at the rate of increase in the cost of health insurance in the state). If employers are paying much more than \$1,680 per employee for insurance on the private market when the program takes effect, it may be cheaper to pay the tax and drop insurance coverage, leaving the state with a potentially large and uncontrollable insurance obligation.

¹ The pay or play strategy was part of a broad set of public programs and insurance subsidies described in Chapter VIII.

An equally uncertain question is how the courts will view the pay or play tax strategy under ERISA.

ERISA Implications of Tax Credit Initiatives

The scope and impact of ERISA is of great importance to policy makers attempting to provide strong incentives for employers to offer health insurance. While it is clear that ERISA prohibits an explicit employer mandate, the courts have not yet signaled how far a state can go to encourage employer action. But they may soon have the chance: The Massachusetts Restaurant Association filed suit against the pay or play law in late 1990. A brief treatise on ERISA and potential judicial interpretation of the tax incentives should help policy makers consider these risks in order to design programs as likely as possible to overcome an ERISA challenge. More detailed legal analysis can be found in Appendix III.

ERISA was enacted in 1974 to reform pension fund management, but its broad jurisdiction includes employee health benefit plans. With the exception of requiring that employee plans include COBRA continuation provisions (see Footnote 5, Chapter IV), ERISA does not regulate health plan content. And the statute's pre-emption clause, Section 514, also limits states' ability to regulate the content of health or other employee benefit plans.

Section 514(a) provides that ERISA "shall supersede any and all State laws insofar as they may now or hereafter relate to any employee benefit plan..."(emphasis added). State laws are defined as those "purporting to regulate terms and conditions of employee benefit plans." Exceptions to pre-emption allow Hawaii to implement its employer mandate and all states to legislate in several areas, such as insurance regulation and Medicaid secondary payor programs. Thus, it is clear that states can regulate health insurers (e.g., mandate benefits insurers must offer), effectively regulating the content of insured health plans. But states cannot regulate health plans directly. Since over half of insured Americans work in firms that have become self-insured and the trend to self-insurance continues, the scope of state health insurance regulation has diminished (Gabel, 1988).

Over the last decade, many courts have interpreted the definition of employee benefit plan and the pre-emption clause. Of most relevance to policy makers considering tax incentive schemes are cases examining what types of state activity "relate to" employee benefit/health plans. The Supreme Court, which has never heard fully a health plan case,⁵ has indicated that ERISA is deliberately expansive and pre-empts any state action "bearing

⁵ The Court affirmed *Standard Oil Co. v. Agsalud*, 442 F. Supp. 695 (N.D. Cal 1977), aff'd 633 F. 2d 760 (9th Cir. 1980), aff'd mem. 454 U.S. 801 (1981) without an opinion. It interpreted the statutory insurance exception to pre-emption in *Metropolitan Life Insurance Co. v. Massachusetts*, 471 U.S. 724 (1985), where it upheld Massachusetts' insurance mental health benefits mandate on insurers (not employers).

upon⁵ or having "a connection with or reference to"⁶ employee benefit plans.⁷ Courts have tended to read ERISA jurisdiction and the pre-emption clause very broadly and its exemptions narrowly.

While generally following the broad pre-emption interpretation, a few lower courts have applied the Supreme Court's dictum in Shaw v. Delta Air Lines that some impacts of state action may be "too tenuous, remote, or peripheral" to be pre-empted. For instance, a federal appeals court held that New York's hospital rate-setting law was not pre-empted even though it increased a self-insured health plan's cost of doing business because it was not designed to "affect the structure, administration or type of benefits provided by an ERISA plan."⁸ Another appeals court upheld a municipal tax ordinance that refused to exempt an ERISA medical income spending account from taxable income.⁹ The court there said that in order to avoid pre-emption, a state law must be a traditional exercise of state authority (e.g., tax law), affect relations only between an outside party and either the employer, the plan, the fiduciary, or employees but not among all four, and have an incidental effect on the plan.

From a detailed reading of ERISA cases (See Appendix III), we can conclude that:

- States cannot mandate that employers provide health benefits or insurance.
- States cannot directly regulate employee health plans.
- States cannot impose premium taxes on self-funded plans or require them to participate in high risk pools.
- States can regulate insurers, including stop loss carriers but cannot regulate self-funded plans, even those using stop loss insurance.

Impact on Income Tax Credit Laws

Though employer income tax credits for purchasing health insurance are modest positive incentives, they could face an ERISA challenge. Under a technical reading of ERISA, all these laws, which define the amount of employer contribution and in some cases the types of plans that qualify for the credit, do appear to "relate to" the terms and conditions of

⁵ Alston v. Raybestos-Manhattan, Inc., 451 U.S. 504, 525 (1981).

⁶ Shaw v. Delta Air Lines, 463 U.S. 85, 97 (1983).

⁷ The Supreme Court reaffirmed its position in late 1990 in FMC Corp. v. Holliday, No. 89-1048, Nov. 27, 1990.

⁸ Ribaldo v. Cuomo, 749 F. 2d 133, 139 (2d Cir. 1984), cert. den., 472 U.S. 1008 (1985).

⁹ Purdom Tire & Rubber Co. v. Nesser, 810 F. 2d 550 (6th Cir. 1987).

Chapter VIII Comprehensive Strategies

Introduction

Most state access initiatives have focused on one or two of the public or public-private strategies described in early chapters. But a few states are attempting to enhance health care access for the majority of their populations by multi-faceted approaches that often combine public, private, and regulatory features, as well as publicly funded enhancements of the delivery system. This chapter profiles four states that have undertaken diverse steps to broaden access.

Although a number of states have considered or are considering universal, tax-based, single-payor systems, none has yet been enacted. The most comprehensive efforts, to date, continue to rely on work place private insurance for the majority, supplemented with public programs, incentives and public/private partnership efforts.

In addition to the states highlighted below, several other states undertook multi-pronged access strategies in 1990. For instance,

- Kentucky's employer insurance pool and tax credit discussed in Chapter V were part of a law that emphasizes access for residents of underserved areas. The statute increases Medicaid payments for physicians practicing in such communities and expands the use of mid-level practitioners working in newly established health care "networks".
- Delaware will begin to phase in a program of Medicaid expansions, medical insurance for general assistance recipients, and managed care for the uninsured using community health centers.
- Connecticut's law regulating the small group insurance market reform also expands Medicaid, establishes an outreach program for pregnant women and children, authorizes new insurance programs for low income children, pregnant women, and the disabled, provides grants for community health centers, and establishes low cost insurance for uninsured small firms.

The four states below are discussed in greater detail because their earlier start-up dates have allowed experience in developing and implementing their initiatives that may benefit other states. These bold initiatives are to be commended, especially in the light of the difficult fiscal and political realities states currently face. It is not clear, however, that they will achieve the objective of insuring access to all, or even most, of their populations.

All four states have recognized the importance of cost containment to the political acceptability and fiscal management of these efforts. Most express a preference for the use of

managed care plans, such as HMOs or PPOs to underwrite risk and deliver care. Some make use of other cost containment strategies such as provider discounts or utilization review. Nevertheless, all of these initiatives were undertaken in a period of economic growth and steady or growing state revenues, allowing a substantial new commitment of state dollars. In the current recession, with declining revenues, the new initiatives are in peril and cost containment measures take on added importance.

Some policy analysts argue that strategies to truly contain costs (rather than shifting costs to new payors or new segments of the health delivery system) can only be achieved through a single payor system with global price negotiation. In light of the current urgency regarding the development of effective cost containment strategies, this chapter includes a discussion of a New York proposal, not yet enacted, that links broadened access with the development of a single payor agency to control costs.

Hawaii

Hawaii has recently augmented its employer mandate with a publicly-subsidized insurance program for lower income residents. Since 1974 employers in the state have been required to provide hospital and medical insurance with statutorily defined benefits and cost sharing features to all full-time (20 hours/week or more) employees. Seasonal agricultural workers, students under age 21, government employees, public assistance recipients, self-employed individuals, and employees' dependents are exempt from the mandate. Employers must contribute at least half the premium for each employee (employees pay up to 1.5 percent of their wages toward the premium, but no more than half the premium). A public hardship fund is available for very small employers, but it has never been used. The law reduced the number of uninsured Hawaiians to a low of under 2 percent in 1977, but the number has increased in recent years, possibly due to more part-time or seasonal workers. The ERISA amendment authorizing the Hawaii employer mandate does not permit the state to modify that law, for instance by requiring coverage of part-time workers or dependents. Therefore the state developed an alternative to meet the needs of its remaining uninsured population.

The Hawaii State Health Insurance Program (SHIP), enacted in 1989 and implemented in 1990, is designed to provide access to basic preventive and primary and limited secondary care. An HMO (Kaiser Permanente) and an indemnity insurer (Hawaii Medical Service Association, the Blue Shield organization)¹ underwrite SHIP policies, which are available to residents with incomes up to 300 percent of the federal poverty level on an income-based sliding scale. Families pay up to \$160 per month per family under the current scale. The state expects to subsidize about 80 percent of the average premium. The benefits comprise inpatient and outpatient services, including well child, well adult, and maternity care. Physician care is limited to 12 visits per year and pre-approved hospitalization to five days per year. Outpatient services are subject to a \$5 per visit copayment. The plan does not

¹ IDMSA pays its entire provider network on a fee-for-service basis but is developing a PPO for the SHIP plan.

cover drugs, dental, or vision care. In the first four months of plan operation, about 4500 individuals were enrolled out of about 35,000 potentially eligible residents. Administrators attribute this success to a very broad community-based outreach effort.

Unable to expand its successful employer mandate, Hawaii has begun a broad publicly-subsidized basic benefits program designed to cover the self-employed, employee dependents, and the unemployed. Due to a strong, creative outreach effort, early experience suggests that the plan is well-received, though it will be important to learn how many of the uninsured are willing to enroll voluntarily and whether the state can afford the approximately \$17 million in state funds needed to subsidize all its lower income uninsured residents as well as whether the limited benefits under SHIP will meet most enrollee needs.

As mentioned in Chapter III, Hawaii has earmarked part of its SHIP funds for care of the uninsured through community health centers. This feature adds a direct service component to a system that otherwise relies exclusively on insurance mechanisms to assure access. Even more importantly, this illustrates that a subsidized health care infrastructure may be required to assure access to primary care for the disadvantaged.

Massachusetts

In 1988 Massachusetts enacted the "Health Security Act," a series of programs designed to enhance health care access for most of its residents. The "pay or play" payroll tax for firms of six or more employees (with a credit for firms offering insurance) was described in Chapter V. The state pool to be funded by this tax (plus revenues from the hospital rate-setting system) will make insurance available to uninsured employed and unemployed state residents, using managed care plans. Massachusetts also enacted several public programs to supplement the pool. It revised the state's hospital rate-setting law, mandated that private insurers cover well child care, provided grants to community health centers, augmented its general assistance medical program, and expanded state-funded Medicaid eligibility for lower income pregnant women, people leaving welfare for work, disabled children, and uninsured disabled workers (who can "buy in" to Medicaid on an income-based sliding scale).² A second employer tax of 0.12 percent of payroll (up to \$16.80 per employee per year) began in 1990 to fund insurance for recipients of unemployment compensation. For such recipients with incomes under 300 percent of poverty, this program will either buy COBRA continuation coverage or a limited benefit insurance package underwritten by the state and administered by an insurer. Colleges are also required to insure their students. Even firms of five or fewer employees that are exempt from the pay or play tax can participate in the state's current health insurance demonstrations (described in Chapter IV) and receive income tax credits for their insurance costs.

²Some of these Medicaid expansions were subsumed into the state's federally-matched Medicaid program when Congress extended eligibility for pregnant women and children in 1988 and 1989.

Massachusetts' strategy relies on work place insurance and the as-yet-undefined state pool to cover most of its residents. Its low income programs target limited categories of residents, and its demonstrations and tax credits for small employers will result in coverage for some, but not all. One of the major questions with regard to the Massachusetts strategy is the likely response of small employers to the changes. Because of cost and other barriers faced by employers of businesses with fewer than fifty workers (discussed in Chapter VI), many of these employers may find it advantageous (or their only option) to pay the tax rather than provide coverage. Businesses of five or fewer face even more extreme barriers and the tax incentives offered to them may be insufficient to increase coverage much in this sector.

Lack of movement toward work place coverage could result in a significant burden on the state pool. Policy makers in Massachusetts are this year considering regulatory reform options in the small group insurance market (see Chapter VI) to stabilize the market and expand coverage options for small employers.

As discussed in Chapter V, the future of the "pay or play" model depends on both the outcome of a current lawsuit and the success of political pressure to abandon the program before it begins. It will also depend upon the size of the fund generated by the tax and other sources and the state's ability to subsidize premiums for lower income residents and encourage a large and representative group of the uninsured to enroll in the state's pool plan. Part-time workers, employee dependents, and workers in small firms may not be assisted directly through employer plans under the design of the current tax. Nor are longer-term unemployed residents eligible for insurance through the unemployment insurance tax pool. The state pool must be able to subsidize insurance for these groups and be sufficiently appealing and inexpensive to attract most of the uninsured while remaining within the state's budget.

Oregon

Oregon's approach of augmenting public programs with incentives (and ultimately a "pay or play" tax on employers) is somewhat similar to that of Massachusetts. But unlike Massachusetts' patchwork of public programs, in 1989 Oregon's legislature explicitly assumed public responsibility for all families with incomes below the federal poverty level, while making employers responsible for their employees.¹ Employer insurance incentives include authority for small firms to buy low cost insurance (about \$55 per month) from several carriers under the state pool plan and the income tax credit described in Chapter V. By offering a larger credit in its earlier years and by extending to subsequent years if certain numbers of previously uninsured people are enrolled in the state pool, the tax credit is designed to encourage early pool enrollment. Oregon has chosen a public pool to lower premium prices for small firms rather than regulation of the remaining small group private

¹ Although the program is described as dividing responsibilities between the state and employers, it is not clear from SB 27 and SB 933 whether the state or the employer is supposed to cover workers with incomes below poverty or whether the payroll tax will apply to low wage workers.

insurance market. Insurance offered through the state pool plan has thus far been one HMO and several traditional indemnity plans (whose prices are reduced by age-rating and raising cost sharing contributions rather than more creative benefit design, provider network, or other managed care strategies). Pool carriers can also deny coverage based on medical underwriting, though the hope is that rejected individuals can enroll in the state's high risk pool.

The proposed new Medicaid program has generated the most national attention because, while expanding eligibility for Medicaid to all people living below poverty (approximately twice the number now covered under Medicaid in Oregon), the law established a process by which a commission ranks covered benefits by priority "representing the comparative benefits of each service to the entire population to be served." The ranking will consider health benefits, costs, and consumer preferences regarding all the services the Medicaid program now covers. Services are to be provided through prepaid capitated health plans, to the extent they exist in the state, and providers are to be paid the costs of providing services. The commission will forward the priority list to the legislature to set the Medicaid budget based on the cumulative costs of services funded in their order of priority.

Depending on its overall budget commitment, the Legislature will have to decide where to draw the cut-off point, below which benefits will not be available to the Medicaid population. The bill's supporters have suggested that it is politically unlikely that funding could be set at an unreasonably low level and that overall health care funding for the poor will have to increase. But opponents of the law assert that the line may be drawn arbitrarily and eliminate important services that can benefit many people.

As currently designed, Oregon's program requires several types of Medicaid waivers: (1) agreement by the federal government to share in funding care for all residents under the poverty line (which includes both the lowest income non-categorical groups like single individuals as well as higher income groups well above the state's current medically needy income eligibility standard), (2) authority to eliminate some currently required medical services from the Medicaid program, and (3) freedom of choice waivers to permit enrolling all Medicaid beneficiaries into prepaid managed care plans. Congress and HCFA have been reluctant to grant waivers until the design of the service list and state budget are clearly defined.

The "priority-setting" bill brings several important issues to public debate: the unspoken rationing of medical care that currently exists for the non-Medicaid poor, the need for more research and consensus on what services are effective, and the need for society to discuss how to allocate scarce public health care funds in the absence of definitive research or consensus. Nevertheless, the law also raises several questions of equity. The priority-setting process is initially aimed at the poor, although the state pool law requires insurance plans for small employers to "include substantially similar services recommended" and funded through the priority-setting process. Furthermore, the program does not treat all the poor equally, since it applies to only families and children, not the elderly, blind, and disabled that account for

almost half the state's current Medicaid budget. The state's response to this concern is that it already rations long-term care and that it would be difficult to re-define benefits for the elderly and disabled who have dual Medicare and Medicaid coverage. Another concern is the statutory exemption of uncovered services from malpractice liability. Although it may be logically necessary to encourage prepaid health plans to contract with the state, it raises further concerns about equity when only poor families are subject to this limitation.

Finally, the approach of ranking benefits based on average beneficial effects across a population ignores a fundamental reality of medical practice: while some medical care may be entirely useless or useful for only a few patients, most care is valuable for some individuals. Cardiac surgery and organ transplantation may save lives or enormously improve the quality of life for some people under specific conditions. These procedures can be cost-effective for some patients when compared with alternative therapeutic approaches, while for other patients, they may be entirely inappropriate or even harmful. A significant current challenge for medical care researchers and health professionals is to reach consensus on criteria by which patients who can benefit from a given service (by defined standards, including cost-effectiveness and personal and societal preferences) can have access to it, while those for whom benefits are minimal could be denied access (at least publicly funded access). Including criteria for when services should be available makes a simple list substantially harder to draft but the task is not impossible. Standards for utilization review decisions about whether certain treatments should be provided to certain patients would require a modest expansion of UR activities in many current Medicaid programs and might actually obviate Oregon's need to seek a waiver on the issue of benefits.⁴

Even without the controversy surrounding its "priority-setting" law, the Oregon program is unlikely to cover all the state's uninsured. The "pay or play" tax will not become effective if 150,000 formerly uninsured residents obtain insurance through the state pool. This represents an estimate of the number of uninsured workers in small firms (the target of the state pool), but is only a fraction of the more than 400,000 uninsured Oregonians. Thus the pay or play tax would not become effective if about 40 percent of the currently uninsured receive coverage through the pool. By design, the state would apparently be satisfied if most full-time employees of small firms receive insurance, omitting part-time workers, employee dependents, the uninsured, and workers in larger firms.⁵

It is, however, unlikely that the tax incentives and state pool will encourage enough voluntary insurance to meet the target of 150,000 newly insured employees by October 1993. Employers may not be fully aware of the subtle and complex signals sent by the tax credit

⁴ In other words, the priority-setting process would become a standard-setting process to develop detailed guidelines on medical appropriateness and necessity, which the state could implement in a more global and sophisticated way rather than a list of services that are either covered or not covered entirely.

⁵ Larger firms can be offered insurance under the pool as of July 1990 but do not receive an income tax credit for insurance costs.

and pay or play law. After a year and a half of operation, in late 1990 the state pool had enrolled about 3800 employees and 3200 dependents in 1730 firms and so seems unlikely to reach the goal of 50,000 by October 1991 (which triggers an extension of the income tax credit) or 150,000 in late 1993 (which would repeal the pay or play tax).

If the pay or play tax becomes effective in 1993, it is likely that more employees and dependents will become insured. But part-time workers and the unemployed may remain without coverage. Whether the revenue funded by the tax will be sufficient for the state to offer attractive and affordable insurance to uninsured workers and others is the same question the Massachusetts program will face. Healthy residents without work place insurance may choose to remain uninsured, depriving the pool of their premium contributions and narrowing the spread of risk, while sicker residents may self-select into the pool and drive up premiums.

Maine

Over the past four years, Maine has taken an incremental approach to covering several groups of the uninsured. Its focus has been incentives for small firms and low wage workers, children, and the unemployed to enroll in private or public insurance programs. In 1989 the state began enrolling employees in small firms in an HMO under its MaineCare plan, described in Chapter IV, with subsidies for workers and families with incomes under 200 percent of the poverty line. In the same year, the state implemented a High Risk Insurance program to provide coverage for those with "uninsurable" medical conditions (including subsidies for low income subscribers). The following year the state implemented the Maine Health Plan (described in chapter II) to subsidize either public or private insurance for very low income children and adults. This program has both a Medicaid "buy-in" feature where individuals can receive services from any Medicaid participating provider at Medicaid rates, and a "buy-out" feature, where eligible employed workers will receive coverage through their employer's plan at the state's expense. To help assure provider participation, the state accompanied the implementation of the Maine Health Plan with a substantial rate increase for providers.

Maine's legislative package also included a relief fund for hospitals especially hard hit by bad debt and short-falls in Medicare reimbursement. The level of funding for this program, administered by the state's hospital rate-setting commission, is tied to expenditures under the Maine Health Plan. For every two dollars allocated to expanded coverage through the Maine Health Plan, one dollar will be appropriated for the hospital program. Both programs are funded through the state's general revenues. In addition, Maine instituted a community grants program (discussed in Chapter III) to encourage the development of preventive and primary health care services in underserved areas.

Recognizing that a large share of the state's uninsured work in small firms that have great difficulty entering and remaining in the small group insurance market, in 1990 the state also enacted one of the nation's first small group insurance regulation laws. This statute



ALASKA STATE MEDICAL ASSOCIATION

4107 Laurel Street • Anchorage, Alaska 99508-5334 • (907) 562-2662

March 5, 1992

Representative David Donley
Alaska House of Representatives
Alaska State Legislature
P. O. Box V (MS3100)
Juneau, Alaska 99811

Dear Representative Donley:

At a recent meeting of the Alaska State Medical Association Legislative Affairs Committee, your House Bill 460 was discussed. This bill would provide an advisory vote on State-wide health care. This bill was strongly supported. As you know, the medical association has been instrumental in developing the Comprehensive Health Insurance and Payment Reform Act of 1992 (CHIPRA) which, indeed, would make health care available for all State residents.

I would suggest that the ballot language be expanded to ask the voters if they would approve of monies from Permanent Fund Dividends being used to help pay for health insurance coverage.

I would be happy to work with you on this legislation, if you wish. If I can be of assistance, do not hesitate to contact me.

Sincerely yours,

Donald R. Lehmann, M. D.
Chairman, Legislative Affairs Committee

HOUSE COMMITTEE REPORT

(7)

Date Referred: February 12, 1992

FURTHER REFERRALS:

State Affairs
Finance

Date of Committee Action: 3/25/92

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 460

HOUSE BILL NO. 460

ADVISORY VOTE/STATEWIDE HEALTH CARE

"An Act providing for an advisory vote on statewide health care; and providing for an effective date."

RECOMMENDATIONS:

be replaced with CS HB 460 (HES) the same title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Type)

APPROVES PREVIOUS: (Type Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note clear on S

zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>[Signature]</i> Carney	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i> Davis	<input checked="" type="checkbox"/>				
		<i>[Signature]</i>		<input checked="" type="checkbox"/>	
		<i>[Signature]</i> Markley		<input checked="" type="checkbox"/>	

[Signature]
_____'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 460

Revision Date: _____
Title: Advisory Vote on Statewide Health Care and
Effective Date
Sponsor: Representative Donley
Requestor: House Health and Social Services Committee

Department Affected: Office of the Governor-Elections
BRU: Division of Elections
Component: II-Primary and General Elections

COMPONENT SERIAL NO.

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

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0	0
CONTRACTUAL	2.2*	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0	0
TOTAL OPERATING	2.2*	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	2.2*	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0	0
TOTAL	2.2*	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.) * This figure covers cost of inclusion of information about this issue in the Official Elections Pamphlet as required by AS 15.18, and programming for separate counting of votes cast on this measure. However, only 4 measures can be printed on a single ballot card. Should this measure require printing an additional ballot card, the fiscal impact would be: 53.6.

Prepared By: Laura A. Slagter, Projects Coordinator Phone: 465-4611
Division: Elections Date: 01/23/92

Approved by Commissioner: _____
Agency: Office of the Governor Date: _____

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

Rev 10/07/91
08100.002

Page 1 of 1

REPRESENTATIVE DAVE DONLEY

ALASKA STATE LEGISLATURE
DISTRICT ELEVEN
SEAT A

ALASKA LANDINGS • BENTZEN • BIRCHWOOD • CHESTER CREEK • HILTIER MEADOWS • LINCOLN PARK • MIDTOWN • NORTHSTAR
NORTHBROOK • ROMIG • ROOSEVELT PARK • SPENARD • THOMPSON • TURNAGAN • WINDMERE • WOODLAND PARK

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ANCHORAGE, ALASKA 99503
(907) 561-7629 (FAX) 562-4376



CHAIRMAN
FISCAL COMMITTEE
VICE CHAIRMAN
REGULATION REVIEW COMMITTEE
MEMBER
RULES COMMITTEE
LABOR AND COMMERCE COMMITTEE

MEMORANDUM

TO: Representative Georgianna Lincoln, Co-Chair
Representative Pat Carney, Co-Chair
Health, Education and Social Services Committee

FROM: Representative Dave Donley *DD*

RE: Request for hearing on HB 460, providing for an
advisory vote on statewide health care.

DATE: February 18, 1992

I would appreciate it very much if you would schedule HB 460 for a hearing before your committee as soon as possible.

This is a very simple bill which merely provides that the following question be placed on the next general election ballot:

"Shall the Alaska State Legislature enact a law that would make health care available to all state residents?"

Although the Health Resources and Access Task Force is continuing to work on the issue and to develop options for legislative consideration, I feel that it is important to get a reading from the voters on whether they feel that creation of state health care plan is a priority issue for them.

Thank you for your consideration of this request.

DD/hk



P.O. BOX

SPONSOR STATEMENT



House State Affairs Committee

Representative Gene Kubina, Chair

DATE: April 6, 1992

PLACE: Capitol Room 102

SUBJECT OF MEETING:

- *HB 421-Relating to Disclosure by Certain Fiscal Officers
- *HB 460-Relating to Advisory Vote/Statewide Health Care
- *HB 569-Relating to Longevity Bonus Program Regulations
- HJR 63-Relating to Support Military at Fort Richardson
- SB 135-Relating to Personnel Board/Personnel Officers
- SB 409-Relating to Search and Rescue Expenses

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Barbara Bitney	Sen. Craft	B State Capitol - RM. 125	99801		465-3834	(Y) N	HB 569 ✓
Rod Mourant	Revenue				465-2300	(Y) N	HB 421 ✓
MARY LOU MEINERS	AARP	805 Stead. Bldg Box 110201 Juneau, AK	99801		586-2568	(Y) N	HB 569 ✓
Mike McMullen	DOA	Box 110201 Juneau, AK	99811		465-4480	(Y) N	SB 135 ✓
Debra Dewitt	Dir of Pensions Bd	Box 110211 Juneau, AK	99811		465-4480	Y N	HB 569 ✓
Gordon Evans	HIAA/Seel	318 4th St.	99801		586-3210	(Y) N	HB 460 ✓
Lois Walker	Leg. Audit	PO Box W	99811		586-3830	Y N	HB 569 ✓
Joe Alter	AARP	Box 30304	99802		586-4400	Y N	HB 569 ✓
Lois K...						Y N	
						Y N	
						Y N	

HB

463

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 463

Revision Date: _____
Title: An Act Requiring the Department
of H&SS to provide voter registration info.

Department Affected: Health & Social Services
SRU: Public Assistance Administration
Component: Eligibility Determination

Sponsor: B. Davis

Requestor: _____

COMPONENT SERIAL NO.

0	2	3	6
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 94	FY 95	FY 96	FY 97	FY 98
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 FUND SOURCE	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

FUNDING (Thousands of Dollars)

GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	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:

ANALYSIS: (Attach a separate page if necessary.) Distribution and processing voter registration forms in Division of Public Assistance offices will have a workload impact. It increases administrative complexity by adding an additional process and responsibility of unrelated work. Time required would impinge on an already excessive workload. This is a group that currently work overtime and has a backlog of applications and cases; adding the voter registration work results in either lower public assistance services or higher wait times.

Prepared by: Jan L. Hansen, Director

Division: Public Assistance

Approved by Commissioner: 

Theodore A. Mala, MD/MPH

Agency: Department of Health & Social Services

Phone: 465-3347

Date: 4/24/92

Date: 4/24/92

Distribution by Preparer: Leg. Fin., Legislative Sponsor, Requestor, DMB/DBR, Gov. Leg. Cts., & impacted Agencies/Dept.

ALASKA STATE LEGISLATURE

Office of Majority Whip

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(907) 489-2875/8994

VICE CHAIR
HEALTH EDUCATION
& SOCIAL SERVICES

COMMUNITY AND
REGIONAL AFFAIRS

INTERNATIONAL TRADE
AND TOURISM

CHAIR
CHILDREN'S CAUCUS

REPRESENTATIVE BETTYE DAVIS

DISTRICT 14 SEAT B - EAST ANCHORAGE - MULDOON

M E M O R A N D U M

TO: REPRESENTATIVE GENE KUBINA
CHAIR STATE AFFAIRS

FROM: REPRESENTATIVE BETTYE DAVIS *BD*

RE: HB 463

DATE: APRIL 14, 1992

.....
I respectfully request that HB 463, a bill, "requiring the Department of Health and Social Services to provide voter registration information to a person seeking public assistance," be scheduled for hearing before the House State Affairs Committee, at your earliest convenience. I have attached for your review a copy of HB 463 and a sponsor statement.

Your prompt response is appreciated. If you have any questions, please feel free to contact me, or Caren Robinson of my staff, at X3875.

HOUSE COMMITTEE REPORT

4-24-92

Rules

(7)
Date Referred: April 16, 1992

FURTHER REFERRALS:

Date of Committee Action: 4/24/92

The STATE AFFAIRS Committee considered:

HB 463

HOUSE BILL NO. 463

VOTER REGISTRATION/PUBLIC ASST. APPLICANT

"An Act requiring the Department of Health and Social Services to provide voter registration information to a person seeking public assistance."

RECOMMENDATIONS:

be replaced with CSH0463 (S-A)

the same title
 a new title

have attached amendment(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dep)

APPROVES PREVIOUS: _____ (Dep/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note State Affairs/Dept of DHS

zero fiscal note(s) Gov 4/16/92

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eugene J. Kubisa</i>	<input checked="" type="checkbox"/>				
<i>Tom Miller</i>	<input checked="" type="checkbox"/>				
<i>David ...</i>	<input checked="" type="checkbox"/>				
<i>...</i>	<input type="checkbox"/>				
<i>...</i>	<input type="checkbox"/>				
<i>...</i>	<input type="checkbox"/>				

Eugene J. Kubisa
CHAIRMAN'S SIGNATURE

1992 LEGISLATIVE SESSION

CALL NO. 18-163

Revision Date: _____ Department Affected: Dept. of Health and Social Serv.
 Title: Voter registration/public asst. applicant BRU: _____
 Component: _____

Sponsor: Rep. R. Davis
 Requestor: House State Affairs Committee COMPONENT SERIAL NO.

--	--	--	--

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
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						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0	0	0	0	0	0

POSITIONS: N/A

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: 0

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: George Craig, House Committee Phone: 445-1810
 Division: _____ Date: 1/24/92
 Approved by Commissioner: Barbara Harris *[Signature]*
 Agency: House State Affairs Committee Date: 1/24/92

Distribution (by present): Leg. Fin., Legislative Sponsor, Requester, OMB/OSR, Gov. Leg. Dir., & Impacted Agencies.



JOHN B. COGHILL
LIEUTENANT GOVERNOR

STATE OF ALASKA
P O BOX 88
JUNEAU 99811-0111
(907) 465-3520

March 16, 1992

Representative Bettye Davis
Pouch V
Juneau, Alaska 99811

Dear Representative Davis:

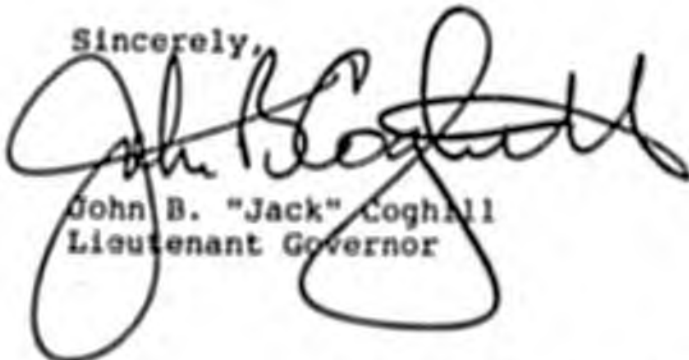
I would like to express my support of House Bill 463, " An Act requiring the Department of Health and Social Services to provide voter registration information to a person seeking public assistance."

The premise from which this legislation is based is innovative, but grounded in the basic principle that everyone should exercise their right to vote. I believe that every Alaskan deserves an opportunity to access the voter registration process. Any way we can help take the process to the people is a positive step towards encouraging all Alaskans to take pride in themselves and voice their opinions at the ballot box.

I understand that your proposal is similar to the Motor Voter concept where Alaskans can obtain voter registration forms at the Department of Motor Vehicles. I have supported this program and I support your legislation which would reach yet another group of Alaskans; those who presently need to apply for services administered through the Department of Health and Social Services and may not own a car or who otherwise might not realize how easy it is to register to vote.

Representative Davis, I hope your colleagues in the Legislature will join me in enthusiastically supporting your endeavor. If you have any further questions, or if I can be of assistance in any way, please don't hesitate to call.

Sincerely,



John B. "Jack" Coghill
Lieutenant Governor

OFFICE OF THE GOVERNOR

DIVISION OF ELECTIONS
P.O. BOX AF
JUNEAU, ALASKA 99811-0105
PHONE (907) 465-4811

March 16, 1992

Representative Bettye Davis
Pouch V
Juneau, Alaska 99811

Dear Representative Davis:

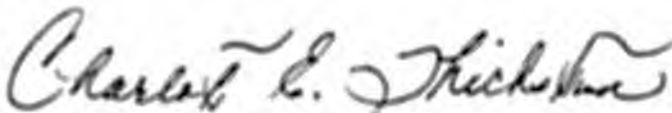
The Division of Elections would like to express its support of House Bill 463, " An Act requiring the Department of Health and Social Services to provide voter registration information to a person seeking public assistance."

It is encouraging to see the consideration given this innovative concept. This legislation, when passed, would enable those Alaskans who for one reason or another might not have the opportunity to access the voter registration process.

While similar to the Motor Voter concept where Alaskans can obtain voter registration forms at the Department of Motor Vehicles, this legislation would reach yet another group of Alaskans; a group whose members may not own a car or who otherwise may not have realized how easy it is to register to vote.

Representative Davis, the Division of Elections supports your efforts to have voter registration forms available to state residents who apply to the Department of Health and Social Services for general relief, Medicaid, aid to families with dependent children, adult public assistance, or food stamps. If you have any further questions, or if I can be of assistance in any way, please don't hesitate to call.

Sincerely,



Charlot E. Thickstun
Director

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES

P.O. BOX V, JUNEAU 99811
(907) 465-3750



4/15/92

TO: Representative Gene Kubina, Chairman
House State Affairs Committee

FROM: Representative Georgianna Lincoln, Co-Chair
Representative Patrick Carney, Co-Chair
House Health, Education and Social Services Committee

RE: HB 463: "An Act requiring the Department of Health and
Social Services to provide voter registration
information to a person seeking public
assistance."

.....

The House HESS committee has considered and passed from committee HB 463 with a zero note from the Div. of Elections. The Dept. of Health and Social Services provided the committee with a fiscal note for \$1,800 which the committee felt inappropriate. DHSS has been asked by the committee to draft a zero fiscal note for the next committee of referral.

Handwritten signature of Rep. Georgianna Lincoln.

Rep. Georgianna Lincoln
Co-Chair

Handwritten signature of Rep. Patrick Carney.

Rep. Patrick Carney
Co-Chair



FISCAL NOTE

No. 1

Bill Version: HB 463

(H) Publish Date: 4-16-92

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: HEALTH & SOCIAL SERVICES

Title: AN ACT REQUIRING THE DEPARTMENT OF BRU: PUBLIC ASSISTANCE ADMINISTRATION

HEALTH & SOCIAL SERVICES TO PROVIDE VOTER Component: ELIGIBILITY DETERMINATION

REGISTRATION INFORMATION. Sponsor: B. DAVIS

Requestor: _____ COMPONENT SERIAL NO.

0	2	3	6
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	1.8	1.8	1.8	1.8	1.8	1.8
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	1.8	1.8	1.8	1.8	1.8	1.8

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	1.8	1.8	1.8	1.8	1.8	1.8
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	1.8	1.8	1.8	1.8	1.8	1.8

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: No FY92 Impact

ANALYSIS: (Attach a separate page if necessary.)

ESTIMATE OF EXPENDITURES IS BASED ON THE ASSUMPTION THAT ELIGIBILITY DETERMINATION STAFF WILL REGISTER 10 PERCENT OF THE 35,000 INDIVIDUALS WHO PARTICIPATE IN IN-OFFICE ELIGIBILITY INTERVIEWS EACH YEAR.

Prepared By: Jan L. Hansen, Director Phone: 465-3317

Division: Division of Public Assistance Date: APRIL 10, 1992

Approved by Commissioner: Theodore A. Hala MD, MPH

Agency: Health and Social Services Date: April 10, 1992

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. HB 482

Revision Dates: _____
Title: An Act Relating To The Dept. of Health and Social Services To Amend Various Provisions Relating To Contractual Services; Appropriation A. Davis
Author: Appropriation A. Davis
Committee: Public Health and Social Services Committee

Department Affected: Office of the Governor-Elections
EPA: Administrative Services
Comments: Municipal and General Elections

COMPONENT SERIAL NO.

1	2	3	4
---	---	---	---

EXPENDITURES/REVENUES (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 97	FY 98
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	FY 97	FY 98	FY 99	FY 00	FY 97	FY 98
CAPITAL	0	0	0	0	0	0

REVENUE FUND SOURCES:

REVENUE FUND SOURCES	FY 97	FY 98	FY 99	FY 00	FY 97	FY 98
REVENUE FUND SOURCES	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

FUNDING	FY 97	FY 98	FY 99	FY 00	FY 97	FY 98
GENERAL FUNDS	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCES	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

POSITIONS	FY 97	FY 98	FY 99	FY 00	FY 97	FY 98
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

REASON FOR CURRENT YEAR INCREASE: _____

ADDITIONAL: (Attach a separate page if necessary.)
While there will be additional funds available as a result of this legislation and those employees in the applicable departments in health and social services will require a 1/2 hour training by the Director of Elections, we feel there will be no real additional costs as this is simply an extension of voter outreach services.

Prepared by: LEIGH A. DUNN, FISCAL OPERATIONS Date: 4/10/92
 District: Electoral Date: 4/10/92

Approved by Commissioner: _____ Date: _____
 Approved: Office of the Director Date: _____

Distribution (by preparer): Leg. Fin., Legislative Counsel, Auditor, DHS/OS, Gov. Leg. Staff, & Involved Agencies.

Rev 10/27/91 0948.943

Page 1 of 1

ALASKA STATE LEGISLATURE

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VICE CHAIR
HEALTH, EDUCATION
& SOCIAL SERVICES

COMMUNITY AND
REGIONAL AFFAIRS

INTERNATIONAL TRADE
AND TOURISM

CHAIR
CHILDREN'S CAUCUS

REPRESENTATIVE BETTYE DAVIS

DISTRICT 14 SEAT B - EAST ANCHORAGE - MULDOON

S P O N S O R S T A T E M E N T

I appreciate the committee members hearing HB 463.

HB 463, "requires the Department of Health and Social Services to provide voter registration information to a person seeking public assistance."

According to U.S. Census eighty-six percent of all Americans who are registered to vote voted in the 1988 election, but more than 70 million eligible Americans are not registered.

Alaska voter registration laws are found in the election code (AS 15.07). These provisions provide for mail-in registration. Also, they authorize a form of "motor-voter" registration, but there is no other agency-based registration program. All employees of the division of motor vehicles who work at the windows issuing driver's licenses are also deputized registrars of the division of elections. There are signs in the building notifying applicants for driver's licenses that they may also register to vote on the premises.

HB 463 set up a similar program at the Department of Health and Social Services. Studies show that all citizens gain from the increased opportunities to register when a variety of agencies have this service. In some states, people may register at libraries when they apply for deer hunting licenses, or complete medical assistance forms. Proportionately, however, low-income citizens have the most to gain from agency-based voter registration. These groups are more likely to visit places such as public assistance offices, where registration efforts can be most effective. This demographic group is also among the least likely to have utilized motor-voter registration.

The bottom line is that registering to vote should be as convenient as possible for our citizens. We must remember that the purpose of the election process is not to test the fortitude and determination of the voter, but to discern the will of the majority.

Voting is a fundamental right. Lets do our part in making the process easier for all.



House State Affairs Committee

Representative Gene Kubina, Chair

DATE: April 24, 1992

PLACE: Capitol Room 102

SUBJECT OF MEETING:

- HB 568 - Relating to Appt of Workers' Comp. Director
- HB 526 - Relating to Contractors & Local Public Works
- HB 463 - Relating to Voter Registration/Public Asmt. Applicant
- HB 562 - Relating to Establish Community College System

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Loren Rosen	DOT/PE	9132 Channing Dr	99501	9-9728	2960	(Y) N	HB-526
Ralph Mc Gath	ACCFT 2409	2533 Providence	99504	562-2660		Y N	HB 562
Bambi Moore	UAA/AAC STUDENT	7641 Snow View Dr Anchorage AK	99507	349-3138		(Y) N	HB 562
ARNE J. Lyholm	UAS MURTV	11120 Glacier Hwy JUNEAU, AK 99801	99801	289-4428		Y N	HB 562
Chuck Mahlen	Lokov ISSUE				465-2700	(Y) N	HB 568
Laura A Glaiser	Electronics/ Lt Gov.	P.O. Box 110077	99511		3520	(Y) N	HB 463
Paul D Alexander	ACCFT	4201 E 104th. Av Anchorage AK	99516	346-3814	786-1535	(Y) N	HR 562
DAVE DAU	UAA	11800 Wayne Anchorage AK	99516	345-5338	716-1636	(Y) N	HB 562
Chuck Wade	ACCFT	Box 906 Bethel	99554	543-2840	543-4580	(Y) N	HB 562
Ann Hill	PWSec-Valdez ACCFT	Box 1053 Valdez	99686	88-2086	535-2681	(Y) N	HB 562
Ed Knisley	ACCFT	1220 E 16th Bethel	99504	278-0520	786-1740	(Y) N	HB 562



House State Affairs Committee

Representative Gene Kubina, Chair

SUBJECT OF MEETING:

DATE:

PLACE:

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
DON MILLER	ACCF	10340 KASLOF BLVD ANCHORAGE, AK 99516	99516	346-3332	786-1126	<input checked="" type="radio"/>	<input type="radio"/>	HB 562
W Redma	UA.					<input checked="" type="radio"/>	<input type="radio"/>	
Radene Schroeder	UAF	1149 W. Elm, Fairbanks	99709	479-6544	457-4223	<input checked="" type="radio"/>	<input type="radio"/>	HB 562
Sherene Gou	Alaska Commissioner	P.O. Box 22156 Juneau	99802		463-6744	<input checked="" type="radio"/>	<input type="radio"/>	HB 463
Hanna Schmitt	UAA-KAC ACCF	34820 College Road Soldotna, AK	99661	262-5821	283-6150	<input type="radio"/>	<input checked="" type="radio"/>	HB 562
Tom Bergstrom	UAF					<input type="radio"/>	<input type="radio"/>	
ERIC LEGGARD	ACCF	PO Box 22156	99802	750-4022	757-4432	<input checked="" type="radio"/>	<input type="radio"/>	HB 562
						<input type="radio"/>	<input type="radio"/>	
						<input type="radio"/>	<input type="radio"/>	
						<input type="radio"/>	<input type="radio"/>	
						<input type="radio"/>	<input type="radio"/>	

Handwritten letters 'H' and 'R' in a decorative, calligraphic style. The 'H' is formed by two horizontal strokes and a vertical stroke. The 'R' is formed by a vertical stem, a small loop at the top left, and a large, rounded arch at the top right.

Handwritten letters 'L' and 'O' in a decorative, calligraphic style. The 'L' is formed by a horizontal stroke and a vertical stroke. The 'O' is formed by a single, continuous, rounded stroke.

**HOUSE COMMITTEE REPORT
FURTHER REFERRALS:**

Referred: March 9, 1992

Finance

Date of Committee Action: 3/25/92

The STATE AFFAIRS Committee considered:

HB 465

HOUSE BILL NO. 465

RECYCLING/SOLID WASTE MANAGEMENT PLANS

"An Act relating to recycling and the management of solid and hazardous waste by state agencies."

RECOMMENDATIONS:

be replaced with CS HB 465 (RES)

the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact DEC

fiscal note(s) _____

zero fiscal note Admin, DOT

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>T. M. Meyer</i>	<input checked="" type="checkbox"/>	<i>not necessary</i>		<input checked="" type="checkbox"/>	
		<i>same</i>		<input checked="" type="checkbox"/>	
		<i>bring out notes</i>		<input checked="" type="checkbox"/>	
		<i>Eugene H. Kubera</i>		<input checked="" type="checkbox"/>	

Eugene H. Kubera
CHAIRMAN'S SIGNATURE

February 24, 1992

SECTIONAL ANALYSIS - HB 465 - PROCUREMENT OF RECYCLABLES

• **Section 1. Legislative Findings and Purposes.**

Subsection (a) That unrelated countries around the world are forging cooperative agreements to increase the economic competitiveness of their economies, and that five Northwest states and two Canadian provinces, the Pacific Northwest Economic Region (PNWER), can adopt purchasing standards for recyclable products which will increase the marketability of these products.

Subsection (b) To substantially increase the purchase of recycled products which will increase the market potential for those products and substantially affect the states waste management problems, and develop standards that are compatible with the other members of PNWER.

• **Section 2. Amends AS 36.30 to add a new section (36.30.075)**

Subsection (a) requires the Dept. of Admin. to develop a plan to increase the purchase of certain recycled products.

Subsection (b) requires the plan to have minimum purchase goals, expressed as a percentage of the total dollar amount of purchases by state agencies.

Subsection (c) requires goals for the purchase of recycled paper and compost products to increase on a total dollar basis to 60 percent by 1999.

Subsection (d) defines the standards for the purchase of motor oil products.

Subsection (e) defines the standards for the purchase of retread tires, and provides for the exception of certain emergency vehicles.

Subsection (f) requires that the plan include effort to eliminate the purchase of paper products that cannot be recycled.

Subsection (g) defines the terms "plan", "recycled product", and "retread tire."

• **Section 3. Amends AS 46.06 to add a new section (AS 46.06.025)**

Subsection (a) requires the Dept. of Environmental Conservation to develop a statewide plan to manage solid and hazardous

Memorandum

To: Rep. Davidson, Chair, House Resources Comm. March 5, 1992

From: Rep. Fran Ulmer

Re: CS for HB 465

The following changes have been made in HB 465 to address the concerns discussed in the comm. hearing of 3-3-92.

- * The substitute eliminates reference to hazardous waste. This will help reduce costs to DEC while conforming to EPA requirements.
- * The substitute clarifies the wording to limit the plans and goals to only state agencies.
- * The procurement goals for recycled paper products has been made consistent with current procurement standards under existing statute.
- * The Dept. of Admin. shall be responsible for defining the standards for "recycled product" as applied to paper products.
- * The effective dates for the reports has been moved back to July 1, 1993, to accommodate agency concerns the previous time line was too onerous.
- * The DOTPP has been included in Sec. 5, directing them to develop their own purchasing goals.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

February 24, 1992

SECTIONAL ANALYSIS - HB 465 - PROCUREMENT OF RECYCLABLES

• **Section 1. Legislative Findings and Purposes.**

Subsection (a) That unrelated countries around the world are forging cooperative agreements to increase the economic competitiveness of their economies, and that five Northwest states and two Canadian provinces, the Pacific Northwest Economic Region (PNWER), can adopt purchasing standards for recyclable products which will increase the marketability of these products.

Subsection (b) To substantially increase the purchase of recycled products which will increase the market potential for those products and substantially affect the states waste management problems, and develop standards that are compatible with the other members of PNWER.

• **Section 2. Amends AS 36.30 to add a new section (36.30.075)**

Subsection (a) requires the Dept. of Admin. to develop a plan to increase the purchase of certain recycled products.

Subsection (b) requires the plan to have minimum purchase goals, expressed as a percentage of the total dollar amount of purchases by state agencies.

Subsection (c) requires goals for the purchase of recycled paper and compost products to increase on a total dollar basis to 60 percent by 1999.

Subsection (d) defines the standards for the purchase of motor oil products.

Subsection (e) defines the standards for the purchase of retread tires, and provides for the exception of certain emergency vehicles.

Subsection (f) requires that the plan include effort to eliminate the purchase of paper products that cannot be recycled.

Subsection (g) defines the terms "plan", "recycled product", and "retread tire."

• **Section 3. Amends AS 46.06 to add a new section (AS 46.06.025)**

Subsection (a) requires the Dept. of Environmental Conservation to develop a statewide plan to manage solid and hazardous

waste generated by state agencies, and to consult with the affected state agencies.

Subsection (b) requires the plan to identify the characteristics of recyclable materials in the waste stream and their present destination.

Subsection (c) requires the plan to include an evaluation of those recyclable materials that can be used for trade in the state and in the PNWER.

Subsection (d) requires the plan to be updated every two years.

Subsection (e) requires the director of the court system to adopt a solid and hazardous waste management plan, consistent with (a) - (d) of this section.

Subsection (f) requires the legislative council to adopt a solid and hazardous waste management plan, consistent with (a) - (d) of this section.

Subsection (g) defines "plan" and "state agency."

• Section 4. Market Development Report.

Subsection (a) directs the Dept. of C&ED to submit a report to the legislature by January 1, 1993 on ways the state can encourage development of markets for recycled products.

Subsection (b) requires the report to have an analysis on the role procurement preferences can play in the development of recycled markets.

Subsection (c) requires the commissioner of C&ED to consult with the Dept. of Admin. and Dept. of Environmental Conservation when preparing this report.

• Section 5. requires the Dept. of Admin. to adopt the minimum purchasing requirements required by AS 36.30.075(b), section 2 of this Act, by January 1, 1993.

Memorandum

To: Rep. Davidson, Chair, House Resources Comm.

March 5, 1992

From: Rep. Fran Ulmer

Re: CS for HB 465

=====

The following changes have been made in HB 465 to address the concerns discussed in the comm. hearing of 3-3-92.

- The substitute eliminates reference to hazardous waste. This will help reduce costs to DEC while conforming to EPA requirements.
- The substitute clarifies the wording to limit the plans and goals to only state agencies.
- The procurement goals for recycled paper products has been made consistent with current procurement standards under existing statute.
- The Dept. of Admin. shall be responsible for defining the standards for "recycled product" as applied to paper products.
- The effective dates for the reports has been moved back to July 1, 1993, to accommodate agency concerns the previous time line was too onerous.
- The DOTPF has been included in Sec. 5, directing them to develop their own purchasing goals.

HOUSE COMMITTEE REPORT

(9)

Date Referred: February 12, 1992

FURTHER REFERRALS:

State Affairs
Finance

Date of Committee Action: 3/5/92

The RESOURCES Committee considered:

RECYCLING/SOLID WASTE MANAGEMENT PLANS

HOUSE BILL NO. 465

"An Act relating to recycling and the management of solid and hazardous waste by state agencies."

RECOMMENDATIONS:

be replaced with CS HB 465 (RS) the same title

have attached amendment(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (copy)

APPROVES PREVIOUS: _____ (Dept/Div)

fiscal impact Admin + DCED

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Davidson</i>					
<i>Finlandson</i>	<input checked="" type="checkbox"/>				
<i>MOBER</i>	<input checked="" type="checkbox"/>	<i>Carroll</i>		<input checked="" type="checkbox"/>	
		<i>Leahy</i>		<input checked="" type="checkbox"/>	
		<i>Hudson</i>		<input checked="" type="checkbox"/>	
		<i>Joan</i>		<input checked="" type="checkbox"/>	
		<i>Lincoln</i>		<input checked="" type="checkbox"/>	

SIGNATURE

Organizations that support CSHB 465

**Pacific NorthWest Economic Region
Alaskans for Litter Prevention and Recycling
Alaska Municipal League
Northwest EnviroService Inc.
Anchorage Recycling
Department of Environmental Conservation
Department of Transportation and Public Facilities**

MEMORANDUM

October 3, 1991

TO: Paula Scavera
Alaska Legislative Research Agency
P.O. Box Y
Juneau, AK 99811-3100

FM: Ken Langel *K. Langel* 243-7671
Manager 248-4550
Statewide Equipment Fleet

SUBJ: Retread Tires


The Statewide Equipment Fleet began a program to test the use of retread tires approximately two years ago. Based on initial results, we have begun to use retread tires on our heavy duty trucks in all areas of the state. We have also started a pilot program of using recapped radial grader tires in several locations. If this is successful, we would expect to practice this on a statewide basis. Currently, we do not use recapped tires on passenger cars or on the steering axle of trucks.

The use of retreaded tires represents a savings of 40-60 percent compared with buying new tires.

The Statewide Equipment Fleet is very supportive of using retreaded tires because of the cost savings and their record of reliability, wear characteristics, and safety.

Please do not hesitate to contact me if I can be of further assistance.

cc: Robert N. Bartholomew, Director, Admin Services
Reading File





**Northwest
EnviroService
Inc.**

March 24, 1992

Representative Ulmer
House of Representatives

Juneau Alaska

Subject: Comments on HB465

Dear Frans:

The subject House Bill would seem to have a lot of merit:
The following items might make it stronger.

Sec 36.30.075(a) why not add antifreeze and glass products?

Commentary: Recycled antifreeze is of high quality and available. Glass forms include fiberglass and "glassphalt". Both antifreeze and glass bottles represent major solid waste problems.

Sec 36.30.075(d)3 allows a 5% price preference. Why not use a more significant percentage like 10%.

Commentary: Government Procurement rules generally require placement with low bidder. With the trouble it will be to disrupt this tradition the 5% seems like a token amount.

The regional uniformity for actions by neighboring states has some merit but I didn't find anything in the HB465 that propected use or recycled products from these particular states.

I hope the above observations are useful to you.

Sincerely,


Larry E. Wilkinson

LEW83-24.1



Resolution of the Alaska Municipal League

Resolution No. 92-9

A RESOLUTION MAKING RECOMMENDATIONS TO THE STATE OF ALASKA REGARDING POLLUTION PREVENTION

WHEREAS, the Alaska Municipal League, in cooperation with the Alaska Department of Conservation has created the Municipal Pollution Prevention Roundtable, and

WHEREAS, the Municipal Pollution Prevention Roundtable is a forum for local government officials to share and exchange information useful in making informed waste management decisions and in preventing pollution to the fullest extent possible, and

WHEREAS, the Municipal Pollution Prevention Roundtable's goals are to expand awareness and discussion on 1) waste management and pollution prevention policy issues affecting local governments; 2) federal, state, and local government roles in pollution prevention; 3) incentives to promote waste reduction and recycling and recycled product procurement; 4) waste reduction and recycling and pollution prevention economics and technologies; 5) waste management and pollution prevention activities at the local and state level in Alaska; 6) the management of special wastes such as batteries, household hazardous wastes, tires, and glass, and

WHEREAS, the Municipal Pollution Prevention Roundtable is comprised of municipal solid waste professionals and elected officials from cities and boroughs across Alaska, and

WHEREAS, the Municipal Pollution Roundtable has met four times to explore these topics and has heard from a variety of experts in the field of pollution prevention, and

WHEREAS, the Municipal Pollution Roundtable has arrived at a number of recommendations which, if implemented, would advance the environmental well-being of the State of Alaska and benefit Alaska's citizens;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League recommends that the State of Alaska continue its current Solid Waste Management Planning Program and expand the funding to municipalities to include implementation and community visits from the Alaska Department of Environmental Conservation to expand the state's understanding of communities' unique needs and situations.

BE IT FURTHER RESOLVED that the Alaska Municipal League urges the State of Alaska to initiate a waste characterization and feasibility study in coordination with municipalities that will assess, identify, and quantify solid waste and other pollution concerns for the purposes of implementing waste reduction and recycling activities.



Pacific NorthWest Economic Region

February 25, 1992

Representative Fran Ulmer
Alaska State Legislature
District 4B - Juneau
P.O. Box V
Juneau, Alaska 99811-3100

Dear Representative Ulmer:

On behalf of the Pacific NorthWest Economic Region, I am writing to express our support for House Bill No. 465 to establish procurement policies throughout the State of Alaska. This legislation is the starting block to build a united coalition between the five northwestern states and the two provinces in Canada to develop minimum content standards for recycling.

The Northwest has traditionally held recycling as a key environmental issue. Northwest legislators now have the opportunity to enact legislation to provide a government model to encourage comparable commitment by its citizens and businesses in their purchasing practices. By encouraging the development of markets for recycled products, northwest legislators can strengthen the region's economy and also gain the full waste-reduction benefits from existing recycling efforts.

The Pacific NorthWest Economic Region consists of the states of Alaska, Idaho, Montana, Oregon, Washington, and the two provinces of Alberta and British Columbia. As a region, we are in a strategic position to act together in setting recycled procurement standards and therefore increasing the overall market effect of such standards.

We applaud Alaska's proposed recycling legislation which targets government procurement policies. The Pacific NorthWest Economic Region fully supports solutions to the region's waste management problems and commends you in pursuing a regional strategy to this critical issue.

Sincerely,

Alan Bruechel, President
Pacific NorthWest Economic Region
Vice-President Pro Tem
Washington State Senate

AB/bfswm

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Resolution of the Alaska Municipal League

Resolution No. 92-9

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BE IT FURTHER RESOLVED that the Alaska Municipal League urges the State of Alaska to initiate a waste characterization and feasibility study in coordination with municipalities that will assess, identify, and quantify solid waste and other pollution concerns for the purposes of implementing waste reduction and recycling activities,

pursuing an action-oriented cleanup program of specific problem wastes (such as batteries), promoting related business development, and developing a statewide solid waste management plan.

BE IT FURTHER RESOLVED that the Alaska Municipal League requests that the State of Alaska, Department of Commerce and Economic Development, Division of Business Development, encourage business development in recycling centers and manufacturing enterprises which use waste materials in their production process and pursue market development for use of recycled products.

BE IT FURTHER RESOLVED that the Alaska Municipal League recommends that the State of Alaska provide tax incentives for businesses to stimulate collection, handling, and final disposition of recyclables and other waste materials in rural and urban Alaska.

BE IT FURTHER RESOLVED that the Alaska Municipal League recommends that the State of Alaska, Department of Education, encourage schools to offer an environmental/earth sciences curriculum with an emphasis on pollution prevention.

BE IT FURTHER RESOLVED that the Alaska Municipal League recommends that the State of Alaska, Department of Environmental Conservation, continue to provide a forum for communication among municipalities regarding solid waste and pollution prevention issues.

Adopted this 15th day of November 1991 in Fairbanks, Alaska.



Jerome M. Selby, President

ATTEST:



Scott A. Burgess, Executive Director



Pacific NorthWest Economic Region

February 25, 1992

Representative Fran Ulmer
Alaska State Legislature
District 4B - Juneau
P.O. Box V
Juneau, Alaska 99811-3100

Dear Representative Ulmer:

On behalf of the Pacific NorthWest Economic Region, I am writing to express our support for House Bill No. 463 to establish procurement policies throughout the State of Alaska. This legislation is the starting block to build a united coalition between the five northwestern states and the two provinces in Canada to develop minimum content standards for recycling.

The Northwest has traditionally held recycling as a key environmental issue. Northwest legislators now have the opportunity to enact legislation to provide a government model to encourage comparable commitment by its citizens and businesses in their purchasing practices. By encouraging the development of markets for recycled products, northwest legislators can strengthen the region's economy and also gain the full waste-reduction benefits from existing recycling efforts.

The Pacific NorthWest Economic Region consists of the states of Alaska, Idaho, Montana, Oregon, Washington, and the two provinces of Alberta and British Columbia. As a region, we are in a strategic position to act together in setting recycled procurement standards and therefore increasing the overall market effect of such standards.

We applaud Alaska's proposed recycling legislation which targets government procurement policies. The Pacific NorthWest Economic Region fully supports solutions to the region's waste management problems and commends you in pursuing a regional strategy to this critical issue.

Sincerely,

Alan Bluechel

Alan Bluechel, President
Pacific NorthWest Economic Region
Vice-President Pro Tem
Washington State Senate

AB:bfwn

Pacific Northwest Economic Region



total population
14,858,485





Alaskans for Litter Prevention and Recycling

Keeping Alaska Beautiful

February 21, 1992

Representative Fran Ulmer
Room #421
State Capitol Building
Juneau, Alaska 99801

Dear Representative Ulmer,

On behalf of Alaskans for Litter Prevention and Recycling, I want to express my congratulations and support for House Bill Number 465.

As you know, a major dilemma confronting the practice of recycling is the lack of markets for recyclables. I believe that by increasing the procurement of recycled products by state governmental agencies your bill will help to develop those markets and to send a clear message to private business and individual citizens by government's example: that using recycled products is a vital part of the recycling process.

Requiring a statewide solid waste plan to manage waste generated by state agencies as indicated in the Bill is an obvious complement to the procurement requirement that will be an important step towards recycling overall waste. This evaluation will also fulfill another of ALPAR's key goals of truly recognizing the cost related to land fills in Alaska.

I applaud your efforts. If I can be of any assistance whatsoever in helping to achieve passage of this Bill, please don't hesitate to contact me,

Sincerely,

Roger Briley
President
Alaskans for Litter Prevention and Recycling

EXECUTIVE DIRECTOR

Audrey Lee

EXECUTIVE COMMITTEE

Roger Briley/President
General Manager
Pepsi Cola Bottling Company

Dave Kula/1st VP
Commercial Print Manager
Anchorage Daily News

Charles W. Grand/2nd VP
General Manager Alaska
Sea Land Service Inc.

Jimmy Doyle/Secretary
Vice President
Weaver Brothers, Inc.

Linda Larsen/Treasurer
Systems Analyst
ARCO Alaska, Inc.

*Jerry Curlee/Past President
Manager of Fisheries Services
Fisheries Fisheries Services, Inc.

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Coordinator Environmental Affairs
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*Mark R. Williams
Executive Vice President & COO
Carr-Gottstein Foods Co.

Jim Young

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Tom Turner
Anchorage Recycling Center

AREA DIRECTORS

Allen Auer/Sitka
Rick Meyer/Fairbanks
Donna Schmidt/Kodiak

*Past Presidents

PUBLIC OPINION MESSAGE

DEAR REPRESENTATIVE DAVIDSON

NAME: MICHAEL PALAMOR
TITLE: UAA STUDENT/EMPLOYE
DRESS: BOX 100971
CITY: ANC
PHONE: 345-1968

ZIP: 99519

CALL NO: ND 465

SUBJECT: RECYCLING/SOLID WASTE MANAGEMENT PLANS

MESSAGE: PLEASE SUPPORT THIS BILL PARTICULARLY THE SECTION IN SUPPORT OF MARKET
RESEARCH. RECYCLING IN ALASKA IS MARGINALLY EFFICIENT BECAUSE OF OUR DISTANCE
IN RECYCLING PLANTS. WE NEED TO CONCENTRATE ON USING RECYCLED PRODUCTS AND
FINDING NEW MARKETS FOR THE REUSABLE RESOURCES CONSUMED BY STATE AGENCIES.

FORMID: 03144550
DATE: 92/02/28
TIME: 14145150
SOURCE: ANCHORAGE LIO

COPIES: REPRESENTATIVES

CARNEY
FINNELSTEIN
HUSCH
IVAN
LEVIN
LINCOLN
MOTER
ZIMACKI

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

March 9, 1992

TO: Rep. Gene Kubina, Chair
House State Affairs Committee

FROM: Rep. Fran Ulmer

RE: HB 465 - Procurement of recycled products

I am requesting a hearing for HB 465 at your earliest convenience. HB 465 is a bill designed to begin developing a procurement plan by state agencies for recycled products. While recycled paper products are being purchased in sizable quantities, there are a number of other product areas where the purchase of recycled goods can be encouraged, such as plastics, tires, motor oils and compost products.

With this in mind, an organization called the Pacific Northwest Economic Region (PNER), of which Alaska is a member and I am a delegate, has proposed that the member states develop uniform legislation for procurement of recycled products. I have introduced HB 465 to begin this process here in Alaska.

Thank you for your prompt consideration of this legislation.

Minimum Content Standards:

**State and National Actions to Build Recycling Markets
through Mandating the Use of Secondary Materials**

by

**Karen Armstrong-Cummings, Director
and
Corey G. Miller, research assistant
Center for the Environment
Council of State Governments**

October 28, 1991

FOREWORD

The purpose of this paper is to provide a brief overview of states activities in legislating specific minimum content standards for recycled materials of various commodities. The paper was prepared as background material for a presentation to the Western States Recycling Coalition during September 1991. This update includes additional information on recent activities in Congress to address minimum content standards during national reauthorization discussions of the Resource Conservation and Recovery Act. The authors wish to thank William Hull, from the Council of State Governments Western Regional Staff, for allowing Karen Armstrong-Cummings to share this information to the Western States Recycling Coalition during their meeting.

OVERVIEW

During recent years, states have enacted various laws and implemented administrative policies to mandate or encourage manufacturers to use recycled products. These efforts all further a major policy emphasis on increasing states recycling activities, reducing use of virgin materials in manufacturing, and diverting the amount of products disposed at landfills and burned in incinerators.

At present, no national legislation mandates the amount of recycled content which paper, plastics or other commodities must contain. Seven states, as of Spring 1991, had established their own minimum recycled content standards for newsprint and some other commodities, while several regional and national coalitions of states have begun to work together toward voluntary standards. Congress, in the reauthorization of the Resource Conservation and Recovery Act, has entered into the discussion on minimum content standards. Congressional proposals, most recently by Representative Al Swift, for recycled-content standards present national approaches for manufacturing goals on ways to reduce waste and promote recycling markets for various products including glass, aluminum, paper and newsprint.

The present patchwork of state laws, regulations, policies and initiatives presents an unwieldy morass for manufacturers, many of who are beginning to call for federal intervention from Congress as well. Spurred by tough state initiatives, these national debates on recycling, methods to encourage use of recycled products, and the role of material content standards will proceed throughout discussion on the Resource Conservation and Recovery Act as Congressional action progresses during the 102nd Congress.

INTRODUCTION

Much of the discussion on minimum content standards covers three general areas:

- Which states mandate standards and what do they mandate;
- What efforts are underway to coordinate standards nationally and in multi-state regions, and;
- Where is all this heading - what trends can we observe on the issue of minimum content standards?

An initial overview of state actions on minimum content standards indicates action in several areas such as legislation, executive orders or administrative mandates, and voluntary initiatives.

According to the National Solid Wastes Management Association, seven states require manufacturers to use recycled materials. These include: Arizona, California, Connecticut, Illinois, Maryland, Missouri, and Wisconsin, all of which require newspaper publishers to use varying amounts of recycled newsprint. California also requires recycled content in plastic trash bags and glass food and beverage containers. Wisconsin requires recycled content in some plastic containers and Connecticut requires phone books to be printed on recycled stock. Connecticut and California were first to pass such laws. Since the National Solid Waste Management Association produced their summary report early in 1991, three additional states have enacted standards - North Carolina, Washington and Oregon.

The following summary examines each of the seven states specifically, discussing each state's requirements for recycled-content of newsprint, reporting requirements and enforcement mechanisms to implement the law, and any follow-up requirements, for those failing to meet the specified standards.

ARIZONA

Specific Requirements: Article eight of Arizona's Laws Relating to Environmental Quality entitled "Arizona Recycling Program", requires newspaper publishers to use at least 25% recycled-content newsprint in their publications by July 1, 1991, if the following conditions applied:

- Recycled content newsprint is available at a comparable prices to that of newsprint from virgin material;
- Recycled-content newsprint meets quality standards established by the Director of the Department of Environmental Quality, including:
 - (1) The director is to publish standards based on the average numerical standards of printing opacity, brightness level and cross machine tear strength available from all producers selling recycled-content newsprint in Arizona in quantities of at least 5,000 metric tons/year.
 - (2) The director is to review these standards once every two years and determine needed adjustments or changes, and;
- Recycled-content newsprint must be available within a reasonable period of time.

Arizona defines recycled-content newsprint to be newsprint in which not less than forty percent of its fiber consists of post-consumer wastepaper. Arizona requires the percentage of newsprint used to be made from recycled-content newsprint to be calculated in tons/year, increasing to 30% by 1/1/94; 35% by 1/1/96; 40% by 1/1/98 and 50% by 1/1/2000. Newsprint purchased before 1/1/90 is exempt.

Reporting Requirements and Enforcement Mechanisms: Consumers of newsprint must certify to Arizona's Department of Environmental Quality (DEQ) the number of tons of newsprint used and the number of tons of recycled-content newsprint used during the calendar year.

DEQ may conduct audits of the information; companies which supply newsprint to consumers (publishers) must certify the amounts of shipments. Publishers unable to obtain recycled-content newsprint must conduct a certification process, indicating who was contacted and why newsprint was not available.

CALIFORNIA

Specific Requirements: Chapter fifteen of California Senate Bill number 937 passed in March 1990 entitled "newsprint" requires that after 1/1/91, every consumer of newsprint in California must ensure that at least 25% of all newsprint used by that consumer is made from recycled-content newsprint, given several conditions. These conditions are almost exactly the same as in Arizona.

The recycled-content newsprint must:

- Be available at a price comparable to that of newsprint made from virgin material;
- Meet the quality standards established by the Board;
- Be available within a reasonable period of time.

California requires that the percentage of newsprint used, made from recycled-content newsprint, to be calculated in tons per year, increasing to 30% by 1/1/94; 35% by 1/1/96; 40% by 1/1/98 and 50% by 1/1/2000, and exempts papers purchased prior to 1/1/90.

California's Integrated Waste Management Board must set newsprint quality standards for each grade of newsprint and review their standards every two years. The Board began promulgating its regulations for these standards in May of this year, then modified the proposal in August, ending the comment period on September 11,

1991. The public comments and Board responses are not yet cleared for distribution by the Board, but California plans to soon have their standards in place.

In the Board's proposal for standards, California indicated that the Board will survey newsprint manufacturers, in July of each year, who sell more than 5000 metric tons of recycled-content annually for use in California. The Board will conduct testing and establish standards based on the results of the testing, following specifications using specified methods for sampling procedures, brightness, printing opacity and cross-machine tear strength. The Board will make available comparable quality standards by November 30 of each year.

Comparable prices, according to the proposal, will be the price comparable to each specific grade. A reasonable delivery time for recycled-content newsprint for a commercial publisher was proposed to be 45 days and for a commercial printer, 3 days.

Reporting Requirements and Enforcement Mechanisms: California, just as Arizona, requires a certification from newsprint consumers to certify to the California Board the number of tons of newsprint used during the preceding calendar year. Anyone who is found to have made false or misleading claims about the certification can be fined, but not more than one thousand dollars.

CONNECTICUT

Specific Requirements: In their state Substitute House Bill No. 5812, titled "An act concerning the recommendations of the Newsprint Recycling Task Force", Connecticut mandated that their newspaper publishers must work together to use a certain amount of recycled content in their newspapers. Connecticut set out the goals for materials content, that by:

- 12/31/91, 11% or more of the newsprint would contain recycled content;

- 1993, 16% or more;
- 1994, 20% or more;
- 1995, 23% or more;
- 1997, 40% or more;
- 1998, 45% or more and
- 1999, 50% or more and 50% for each year thereafter.

Unlike California and Arizona, Connecticut did not define recycled newsprint based on the 40% standard. Instead, Connecticut defined "recycled fiber" to mean the fiber derived from post-consumer waste paper or waste paper resulting from printing operations.

Reporting Requirements and Enforcement Mechanisms: If the newspaper publishers do not achieve these percentages as a group, each publisher individually must meet it for the remaining years. Beginning in the year following this failure to meet the standard, the newspapers face a fine of \$5 per ton for amounts not recycled, and can be fined no less than \$2500.

Newspaper publishers must report information to the Commissioner of Connecticut's environmental program, indicating the percentage of recycled fiber used in the preceding calendar year, along with any information regarding compliance provisions. Connecticut provides for certain exemptions, relating to availability of recycled fiber, and other issues.

ILLINOIS

Specific Requirements: In article two of state House Bill number 3183 cited as "The Recycled Newsprint Use Act", Illinois requires that newsprint used in the state shall have an annual average recycled fiber usage consistent with the goals established as follows:

- 22% beginning January 1, 1991;

- 25% beginning January 1, 1992;
- 28% beginning January 1, 1993.

Illinois defines recycled fiber to mean fiber of old newspaper or postconsumer waste paper dissolved into pulp and deinked and used to create recycled content newsprint. Illinois also defines old newspaper and postconsumer waste paper, and includes printing plant waste paper and old magazine print. Illinois does not set a percentage content in the law for present consumption, but does require that if goals of aggregate average usage of recycled fiber are not met, then everyone must ensure recycled fiber use of at least 28% in 1994. Certain exemptions do apply, related to availability of recycled fiber.

Reporting Requirements and Enforcement Mechanisms: Each newsprint consumer must submit a certification to the Illinois Department of Energy and Natural Resources, specifying the amount in tons of every type of newsprint used, and the percentage of recycled fibers present in each type of newsprint. The Department of Energy and Natural Resources can audit these reports and persons making false or misleading certifications are turned over to the Attorney General for prosecution for fraud.

MARYLAND

Specific Requirements: In state House Bill number 131 titled as "Newsprint Recycling", Maryland lists standards requiring 12% recycled content by 1992; 12% by 1993; 20% by 1994; 25% by 1995; 30% by 1996; 35% by 1997 and 40% by 1998 and all subsequent calendar years. The percentage attained applies, by weight, for all newspapers distributed in the state, whether or not the newsprint is produced in the state of Maryland.

A Newsprint Recycling Board was established, with representatives from various sectors involved in recycling and

newspaper publishing. The Board's duties include: to review reports filed by publishers, review required reports, to analyze availability and utilization of newsprint containing recycled material, to comment on the appropriateness of the recycled content percentage requirements, to comment on the need for the continuation of the program, and to work with local governments and other collectors of old newspapers to develop reliable systems of providing stable and quality supplies of old newspapers for recycling.

Reporting Requirements and Enforcement Mechanisms: Newspaper publishers are required to file a quarterly report with the state, indicating the total weight of newsprint used by the publisher and the weight of recycled material contained in that newsprint. These reports are reviewed by the Board described above. Maryland's law also establishes a newsprint recycling incentive fee of \$10 per ton of a publisher's recycled content deficiency for the year.

The "recycled content deficiency" is calculated as the total tons of newsprint used by the publisher for the year, multiplied by the required percentage for that year, and finally subtracted from the actual tonnage of recycled material contained in the newsprint used by the publisher for the year. The proceeds of these fees are credited to a state recycling trust fund, to be used for providing grants to counties for recycling plans and to fund the Office of Recycling.

Newspaper publishers may elect to be exempt from the recycling requirements. If they choose this option, however, then Maryland's Sales and Use Tax Exemption for the Printing and Sale of Newspapers [S 11-215(c)] do not apply to that publishers newspapers.

Maryland, in May 1991, enacted a laws which imposes recycled content percentage requirements on the publishers of telephone directories. The law requires publishers of those directories distributed in the state to satisfy a specified recycled content percentage requirement, or pay a fee of \$10 per ton.

MISSOURI

Specific Requirements: In section 260.255 of state Senate Bill number 530, Missouri requires recycled content standards of 10% recycled content by 1993, 20% by 1994, 30% by 1995, 40% by 1996 and 50% by the year 2000, with reporting requirements similar to those of other states. Missouri enacted its legislation in 1990.

Missouri also operates an aggressive state procurement program, spending \$2.1 million on products made from recycled material in 1990, after spending only \$323,000 in 1989. Missouri also mandates that at least 15% of the oil used in state vehicles be a re-refined product.

WISCONSIN

Specific Requirements: In section 159.31 of Wisconsin State Act 335, Wisconsin enacted targets for the use of recycled newsprint in the publication of newspapers and created a newspaper recycling fee to be paid annually by the publisher of a newspaper that fails to meet those targets. Recycled content is defined as the proportion of fiber in a newspaper which is derived from postconsumer waste. Targets for recycled content are: 10% by 1992; 25% by 1994; and 45% by 2001 and subsequent years.

Reporting Requirements and Enforcement Mechanisms: The amount of the newspaper recycling fee imposed on a publisher in any calendar year is 1% of the total cost of the newsprint used to print the newspaper during the year times the "recycling status." The "recycling status" is the target recycled content minus the average of the recycled content of all newsprint used by that publisher to print the publisher's newspaper during the year.

In addition to newsprint, Wisconsin requires that plastic containers used for products sold at retail, after 1/1/95, must consist of at least 10% recycled or remanufactured material. This

requirement applies to rigid plastic bottles, jars and cartons, but not for containers for food, beverages or drugs unless the FDA has approved the specific use of recycled material.

OTHER STATE INITIATIVES

While the seven states mentioned above have laws in place, other states have been active as well. Oregon recently passed laws setting recycled content for newsprint and mandated content for telephone directories. North Carolina also enacted a mandatory program for newsprint users, emphasizing standards for newsprint.

Some states have taken other types of actions to encourage the use of recycled materials in manufacturing. These types of measures include actions by executive order of the Governor, legislative task force discussions, or through regional, multi-state initiatives involving voluntary agreements. Many states, such as Indiana, have legislative task forces or committees examining the issue of paper content standards. At least 15 states have municipal solid waste task forces or councils looking at market development, recycling, packaging taxes, advance disposal fees or other aspects of recycling content such as minimum content standards.

Several states have achieved goals through actions of the Governor's Executive Orders and Policies, and through working in voluntary programs with other states. As of 1990, seven states (New York, Pennsylvania, Massachusetts, Michigan, Vermont, Iowa and Connecticut) had developed and negotiated voluntary practices. In these states, newsprint industries have negotiated voluntary purchase and use standards for recycled newsprint in lieu of mandatory laws.

These actions regarding legislating recycled content, and other initiatives, indicate the general trend to mandate certain actions for manufacturers. Whether or not this is achieving the overall goal of increasing recycling is difficult to measure, due

to the lack of national standards.

REGIONAL AND NATIONAL COORDINATION INITIATIVES

Several national activities are underway to coordinate minimum content standards, such as the National Association of State Purchasing Officials' (NASPO) project to establish nationwide standards on recycled paper and the Recycling Advisory Council's (RAC) actions on paper and other commodities. In addition, the U.S. Environmental Protection Agency has issued several procurement guidelines. These are regulations that require government agencies to buy products made of recycled materials.

The NASPO project, staffed by the Council of State Governments, includes representatives from NASPO meeting with paper and paper product producers, together with the American Standards and Testing Materials Society (ASTM) standards development subcommittee on recycled paper. The ASTM standards are voluntary standards approved by a consensus process. The actual voting is unbiased in that the producers can have no greater total of votes than the user plus the consumer plus general interest. This precludes the effected industry from developing standards by outnumbering the user, consumer or general interest parties.

Individual Task Groups are responsible for developing the proposed standards or specifications. Five Task Groups were formed to address specific areas: Terminology, Printing/Writing Paper, Tissue Paper, Newsprint and Packaging Paper and Board. After development, the proposed standards are forwarded to the Technical Subcommittee for balloting. The Technical Subcommittee votes by letter ballot on the proposed standards. The results must be sixty six and two-thirds percent affirmative based on a sixty percent return rate from the Subcommittee before the proposed standards are referred to the Main Society for approval.

At the Main Society level, the voting process must result in ninety percent affirmative ballots before a standard is accepted. A negative vote must contain technical reasons. At this point the

Main Society may return it to the Subcommittee and/or the Task Group for review and modification.

During NASPO's process of setting definitions, the issues causing considerable disagreement was the separation of pre and post consumer. The ASTM Recycled Paper Terminology Task Group, chaired by William Warstler of Michigan, agreed in June of this year to move away from defining "pre" and "post-consumer" and establish recycled paper definitions that are in line with the content standards proposed by the Recycling Advisory Council (RAC)².

The Recycling Advisory Council is a panel of experts selected by the National Recycling Coalition's Board, committed to establishing sound recycling and resource management policies. The RAC consists of 16 members representing industrial, environmental, business, government and community organizations. The Recycling Advisory Council's Recycled Paper Committee, in April, 1991, proposed recycled paper standards for government purchases of paper products which are based on two criteria, both of which must be met. These standards would be expressed as a percentage and measure "total recycled content" and "processed secondary fiber content"³. Content percentages would be calculated by fiber weight.

The ASTM Task Group took action to formally notify the ASTM that they accepted the criteria established by the RAC, but not the suggested standards. The Task Group submitted several additional terms for ballot, including processed secondary fiber, deinking, flotation, and washing processes. In relation to the RAC's proposed criteria, it is important to note that current EPA standards, as required by RCRA, measure only post consumer waste. A change in the statutory language of the law would be necessary to provide for a "total recycled content" component and to expand the definition of "post consumer recovered material" to include the "processed secondary fiber" element of the proposed standards⁴.

The most well known and highly successful regional initiative in this area is the Northeast Recycling Council (NERC). NERC

actually initiated discussions on minimum content standards, working with states in the Northeast, including Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont. In all the states except Delaware, there were existing laws or executive orders favoring the purchase of recycled products.

NERC facilitated working sessions between NERC state officials and newspaper publishers (The American Newspaper Publishers Association and New England Newspaper Publishers Association) to explore opportunities for accelerating demand for products containing secondary materials. As a result, a majority of the NERC member states have reached agreements with their newspaper publishers to increase consumption of recycled fibers from current levels of approximately seven percent to 40 - 50 percent by the year 2000⁵. NERC is currently working on a cooperative regional market development project.

FEDERAL LEGISLATION

Because of the intensity of state activity, and the wide variety of approaches, several groups have argued that Congress should establish national standards in RCRA. In June of this year, a coalition of public interest and environmental groups testified before Congress, calling for establishing rates for the use of post-consumer materials in the manufacturing and packaging of consumer goods. These groups set out specific proposals for standards for paper, plastics, glass, steel and aluminum.

One federal bill which addresses minimum content standards is H.R. 1201, the Recycled Paper Procurement Act of 1991, sponsored by Representative John Porter, and others. This bill sets a goal of 50 percent of paper purchased by federal agencies shall be recycled paper, by 1993, and sets out several grades of recycled paper, based on a definition using the terms "post-mill material" and "deinked material."

Representative Al Swift, a member of the House committee on