

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

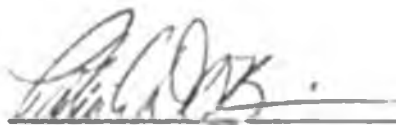
8929 SENATE LABOR & COMMERCE



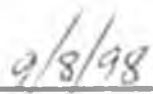
RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original documents after microfilm reproductions have been made.



Signature of Camera Operator



Date

MONETARY TERMS OF COLLECTIVE
BARGAINING AGREEMENTS

EXECUTIVE ORDER 93

EXECUTIVE ORDER 94

SB 25

SB 28

SB 43

SB 47

SB 54

SB 55

SB 58

SB 65

SB 76

SB 78

SB 94

SB 95

SB 99

SB 100

SB 104

SB 108

SB 109

SB 119

SB 131

SB 157

1995-1996
SENATE LABOR & COMMERCE COMMITTEE
LIST OF FILES (PAGE 2)

MICROFICHE #

SB 158
SB 160
SB 178
SB 179
SB 184
SB 186
SB 193
SB 197
SB 202
SB 227
SB 229
SB 239
SB 253
SB 261
SB 273
SB 276
SB 282
SB 288
SB 299
SB 305
SB 316
SB 382
SB 404

SL&C19

1995-1996
SENATE LABOR & COMMERCE COMMITTEE
LIST OF FILES (PAGE 3)

MICROFICHE #

HB 23

HB 32

HB 46

HB 60

HB 73

HB 116

HB 158

HB 168

HB 180

HB 220

HB 224

HB 231

HB 237

HB 284

HB 288

HB 291

HB 319

HB 328

HB 359

HB 369

HB 405

HB 428

HB 432

SL6C19

1995-1996
SENATE LABOR & COMMERCE COMMITTEE
LIST OF FILES (PAGE 4)

MICROFICHE #

HB 436

HB 450

HB 457

HB 478

HB 480

HB 497

HB 502

HB 533

HJR 62

MONETARY
TERMS
OF
COLLECT.
BARGAIN
AGREE.

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P.O. BOX 110200
JUNEAU ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

January 24, 1995

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1102

Dear Madam President:

Pursuant to Alaska Statute 23.40.215, I am submitting the monetary terms of the collective bargaining agreement between the State of Alaska and the Labor, Trades and Crafts Unit represented by Public Employees Local #71.

The enclosed memorandum from me to Ms. Annalee McConnell identifies the specific monetary terms applicable to this unit. Spreadsheets are enclosed projecting the estimated cost of the monetary terms. Funding for these terms will be formally requested by the Office of Management and Budget. The monetary terms of a collective bargaining agreement are subject to funding by appropriation by the Legislature; if funding is not appropriated, the terms are considered disapproved and the parties to that agreement may resume negotiations or explore other options.

In accordance with AS 23.40.215(b), we respectfully request that the Legislature advise the parties by concurrent resolution of its approval or disapproval of this submission within 60 legislative days of receipt.

Sincerely,



Mark Boyer
Commissioner

MB/ni

Enclosure

cc: Annalee McConnell
Director
Office of Management and Budget

Pat Pouchot
Legislative Liaison
Office of the Governor

Division of Response
Labor Relations Section

February 1: President Pearce referred to Labor and Commerce Committee with a further referral to the FINANCE COMMITTEE.

Labor Trades & Craft

— Represented by Public Employees Local #71 —

1400 10/22/95

MEMORANDUM

STATE OF ALASKA

Department of Administration
Office of the Commissioner

To: Annalee McConnell
Director
Office of Management and Budget
Office of the Governor

Date: January 18, 1995
Tele: 465-2200

From: Mark Boyer *M. Boyer*
Commissioner
Department of Administration

Re: Monetary Terms of Labor,
Trades and Crafts Agreement

The State of Alaska has concluded negotiations with the Public Employees Local 71 representing employees in the Labor, Trades and Crafts Bargaining Unit. The following monetary terms are provided so that the appropriate budget amendment requests may be made to the legislature. I will be providing the legislature with the monetary terms as required by AS 23.40.215(b).

Monetary Terms

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes that will require an appropriation for their implementation, changes that will result in a change in state revenues, or changes that will result in a change in productive work hours for state employees. These provisions apply to 1,294 positions.

- I. Require Appropriation.
 - A. Effective July 1, 1995, the standard workweek will increase from 37.5 hours to 40 hours per week. This will result in an additional two and one-half hours of compensable work time each week for each full-time employee.
 - B. Effective July 1, 1995, the State will make a lump sum payment of two hundred twenty thousand dollars (\$220,000) to the Public Employees Local 71 Health and Welfare Trust.
 - C. Effective July 1, 1995, the tool allowance for qualified employees will increase by ten dollars (\$10) per month.
 - D. Effective July 1, 1995, the reimbursement rate for employees using privately owned aircraft for state business will increase to 45 cents per mile.

E. Effective July 1, 1996, the State will make a lump sum payment of two hundred twenty thousand dollars (\$220,000) to the Public Employees Local 71 Health and Welfare Trust.

II. State Revenue.

There are no provisions in the tentative agreement that would change state revenues.

III. Productive Work Hours.

The change in the standard work week will increase the productive work hours of all full-time employees.

Other Terms

There are other terms of the collective bargaining agreement which will not require an appropriation but may have a budgetary impact.

- Overtime provisions have been modified to provide payment at the rate of time and one-half for all work performed in excess of eight (8) hours of work per day or 40 hours of work per week. This change is expected to result in an overall savings.
- Travel and per diem provisions have been modified. This change is expected to result in an overall savings.

Conclusion

Funding of certain monetary terms will be required. Please prepare and forward to the legislature the necessary documents. Please feel free to call on the staff of the Labor Relations Section for any assistance desired.

cc: Michael P. McMullen
Acting Director
Division of Personnel/OEEO

Sharon Barton
Director
Division of Administrative Services

LTC

Monetary Terms

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes which will require an appropriation for their implementation, that will result in a change in state revenues, or that will result in a change in productive work hours for state employees. These provisions apply to 1,294 positions.

1. Require appropriation

FY 96

- A. Effective July 1, 1995, the standard workweek will increase from 37.5 hours to 40 hours. This will result in an additional two and one-half hours of compensable work time for each full time employee. \$5,903,447.00
<\$600,290.00>

CY 94: \$635,212.09 Straight-time OT

CY 93: \$664,369.88 Straight-time OT

CY 92: \$603,605.01 Straight-time OT

- B. Effective July 1, 1995, the State will make a lump sum payment of two hundred twenty thousand dollars (\$220,000) to the Public Employees Local 71 Health and Welfare Trust. \$220,000.00

- C. Effective July 1, 1995, the tool allowance for qualified employees will increase by ten dollars (\$10.00) per month. \$21,120.00

In CY 94, tool allowance payments totaled \$97,795.00 to the FTE of 176 employees.

FY97

- A. Effective July 1, 1996, the State will make a lump sum payment of two hundred twenty thousand dollars (\$220,000) to the Public Employees Local 71 Health and Welfare Trust. \$220,000.00

2. State Revenue

There are no provisions in the tentative agreement that would change state revenues.

3. Productive Work Hours

The change in the standard work week will increase the productive work hours of all full-time employees.

Other Terms

There are other terms of the collective bargaining agreement which will not require an appropriation but may have budgetary impact.

Overtime provisions have been modified to provide payment at the rate of time and one-half for all work performed in excess of eight (8) hours of work per day or 40 hours of work per week. This change is expected to result in an overall savings.

Travel and per diem provisions have been modified. This change is expected to result in an overall savings.

Labor Trades and Crafts
FY 96 - 97 Monetary Terms

Summary

Funding Source	① FY95 Authorized	② FY 96 Hickel	③ FY 96 Monetary Terms	Total FY 96	④ FY 97 Monetary Terms
General Funds	54,051,756	53,697,701	3,463,484	57,172,789	3,463,484
Other Funds	43,698,263	44,026,162	2,659,963	46,695,641	2,659,963
⑤ Adjustments			-579,170		-579,170
Total Funds	97,750,019	97,723,863	5,544,277	103,868,430	5,544,277

- ① FY 95 Authorized amounts based on FY 95 Authorized PACS file (scenario 66) Amounts shown are the vacancy adjusted amounts from report of 1-16-95
- ② FY 96 Hickel amounts based on FY 96 Hickel PACS file (scenario 67) Amounts shown are the vacancy adjusted amounts from report of 1-16-95
- ③ See Schedule A (attached) for FY 96 calculations
- ④ All FY 96 contractual provisions apply to FY 97 There are no new monetary terms taking effect in FY 97 Accordingly, assuming no change in the workforce FY 97 costs are the same as FY 96
- ⑤ Adjustments This shows amounts which have not yet been broken out by funding source It includes an increase in tool allowance costs and a reduction in overtime costs (See Schedule A) The bulk of the savings are expected to be non-general funds

Labor Trades and Crafts
FY 96 - 97 Monetary Terms

Schedule A - FY 96 Cost

Funding Sources	① 40 Hr Workweek	② Adjustment for current OT	Net 40 Hr Workweek	Tool Allowance	Health Trust	TOTAL
General funds	3,243,484		3,243,484		220,000	3,463,484
Other funds	2,659,963		2,659,963			2,659,963
③ Adjustments		-600,290	-600,290	21,120		-579,170
Total funds	5,903,447	-600,290	5,303,157	21,120	220,000	5,544,277

- ① Based on FY 96 Hickel PACS (scenario 67). All amounts are adjusted for budgeted vacancy.
- ② Adjustment for current OT. This amount is the average annual straight-time overtime paid to LTC members over the past three calendar years. Since 1/2 hour per day straight-time overtime has been paid when employees work an eight hour day, this cost will no longer be incurred. This offsetting cost reduction has not yet been broken out by funding source, however it is expected that the bulk of the savings will be in non-general funds.
- ③ Adjustments. Costs (savings) which have not yet been broken out by funding source.

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

P O BOX 110200
JUNEAU ALASKA 99811-0200
PHONE (907)465-2200
FAX (907)465-2135

January 24, 1995

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

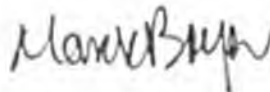
Dear Madam President:

Pursuant to Alaska Statute 23.40.215, I am submitting the monetary terms of the collective bargaining agreement between the State of Alaska and unlicensed employees on the Alaska Marine Highway System represented by the Inlandboatmen's Union.

The enclosed memorandum from me to Ms. Annalee McConnell identifies the specific monetary terms applicable to this unit. Spreadsheets are enclosed projecting the estimated cost of the monetary terms. Funding for these terms will be formally requested by the Office of Management and Budget. The monetary terms of a collective bargaining agreement are subject to funding by appropriation by the Legislature; if funding is not appropriated, the terms are considered disapproved and the parties to that agreement may resume negotiations or explore other options.

In accordance with AS 23.40.215(b), we respectfully request that the Legislature advise the parties by concurrent resolution of its approval or disapproval of this submission within 60 legislative days of receipt.

Sincerely,



Mark Boyer
Commissioner

MB/rl

Enclosure

cc: Annalee McConnell
Director
Office of Management and Budget

Pat Pouchot
Legislative Liaison
Office of the Governor

Division of Personnel
Labor Relations Section

February 1: President Pearce referred to Labor and Commerce Committee with a further referral to the FINANCE COMMITTEE.

MEMORANDUM

STATE OF ALASKA Department of Administration Office of the Commissioner

To: Annalee McConnell
Director
Office of Management and Budget
Office of the Governor

Date: January 18, 1995

Tele: 465-2200

From: Mark Boyd *M. Boyd*
Commissioner
Department of Administration

Re: Monetary Terms of
Inlandboatmen's
Union of the Pacific
Agreement

The State of Alaska has concluded negotiations with the Inlandboatmen's Union of the Pacific. The following monetary terms are provided so that budget amendment requests may be made to the legislature. I will be providing the legislature with the monetary terms as required by AS 23.40.215(b).

Monetary Terms

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes that will require an appropriation for their implementation, changes that will result in a change in state revenues, or changes that will result in a change in productive work hours for state employees. These terms apply to 625 employees.

I. Require Appropriation.

- A. Rule 9.02 Maintenance Rates. Effective July 1, 1994, maintenance rates increased from \$30.00 to \$45.00 per day. Increases in that rate will be paid retroactively on July 1, 1995, subject to legislative approval.
- B. Rule 17.01 Pay Plan. Effective July 1, 1995, all employees, other than those in the Steward classification, shall receive a pay increase equal to 3.5%.
- C. Rule 17.01 Pay Plan. Effective July 1, 1995, employees in the Junior Engineer classification shall have \$1.10 per hour added to their hourly wage. Employees in the Oiler classification shall have \$0.60 per hour added to their hourly wage. These wage rates are reduced by 22.5% for employees residing outside the State of Alaska.
- D. Rule 17.02 Probationary pay rates. Effective, July 1, 1995, probationary employees shall be paid at 80% of the normal hourly rate.

E. Rule 29: Health Insurance. Effective July 1, 1996, IBU may opt for \$450.00 per month per eligible employee contribution in lieu of the state provided health insurance plan. Note: The IBU had the same option for July 1, 1995, and did not elect the health insurance trust.

F. Travel pay minimums have been decreased to four (4) hours. This change is expected to result in an overall savings.

II. State Revenue.

There are no provisions in the agreement that would change state revenues.

III. Productive Work Hours.

There are no provisions in the agreement that would change productive work hours.

Conclusion

Funding of certain monetary terms will be required. Please prepare and forward to the legislature the necessary documents. Please feel free to call on the staff of the Labor Relations Section for any assistance desired.

cc: Michael P. McMullen
Acting Director
Division of Personnel/EEO

Sharon Barton
Director
Division of Administrative Services

IBU

Monetary Terms

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes that will require an appropriation for their implementation, changes that will result in a change in state revenues, or changes that will result in a change in productive work hours for state employees. The terms of these provisions apply to 625 employees.

1. Require Appropriation.

- A Effective July 1, 1994, maintenance rates increased from \$30.00 per day to \$45.00 per day. Increases in that rate will be paid retroactively on July 1, 1995, subject to legislative approval. \$0.00
- Rate increase will not increase contract cost as maintenance payments are covered by Risk Management. Increase to maintenance rates may eventually increase premiums but are only one factor in determining premiums.
- B Effective July 1, 1995, all employees, other than those in the Steward classification, shall receive a pay increase equal to 3.5%. \$718,200.00
- Provision will effect approximately 400 employees.
- C Effective July 1, 1995, employees in the Junior Engineer classification shall have \$1.10 per hour added to their hourly wage. Employees in the Oiler classification shall have \$0.60 per hour added to their hourly wage. These wage rates are reduced by 22.5% for employees residing outside the State of Alaska. \$111,100.00
- Provision will provide increases to 48 employees.
- D Effective July 1, 1995, probationary employees shall be paid at 80% of the normal hourly rate. <\$52,800.00>
- Provision will decrease the wages of approximately 90 employees per year. Probationary period covers 13.84 hr work assignments in the SE system, or 6 months of service in the SW system.
- E Effective July 1, 1996, IBU may opt for \$450.00 per month per eligible employee contribution in lieu of the state provided health insurance plan. \$193,300.00
- Note: The IBU had the same option for July 1, 1995, and did not elect the health insurance trust, this cost is associated solely with FY96.
- F Travel pay minimums have been decreased from eight (8) hours to four (4) hours. <\$12,000.00>

2. State Revenue.

There are no provisions in the agreement that would change state revenues.

3. Productive Work Hours.

There are no provisions in the agreement that would change productive work hours.

Inlandboatmen's Union of the Pacific
FY 96 - 97 Monetary Terms

Summary

Funding Source	① FY 96 Monetary Terms	② FY 97 Monetary Terms
1076 Alaska Marine Highway fund	764,500	957,800
Total	764,500	957,800

- ① FY 95 Authorized amounts as reported by the Department of Transportation and Public Facilities
- ② FY 96 Hikel amounts as reported by the Department of Transportation and Public Facilities
- ③ See inset below for calculation of FY 96 costs
- ④ See inset below. All FY 96 contractual provisions apply to FY 97 so the costs are included in the FY 97 column. The only monetary terms change that might impact FY 97 is that the union may opt to receive \$450.00 per month in lieu of the state provided health insurance plan. This option was available to the union in FY 96 and was not selected. Although the union has not indicated that it is likely to select this option for FY 97, the cost is shown for information purposes.

Funding Sources	FY 96 Cost				TOTAL
	3.5% Wage increase	Chief Engineer/ Oiler increase	Probationary pay change	Travel pay change	
1076 Alaska marine highway fund	718,200	111,100	-52,100	-12,000	764,500
Total	718,200	111,100	-52,100	-12,000	764,500

Funding Sources	FY 97 Cost		TOTAL
	FY 96 cost	Potential health insurance change	
1076 Alaska marine highway fund	764,500	193,300	957,800
Total	764,500	193,300	957,800

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

PO BOX 110200
JUNEAU ALASKA 99811-0200
PHONE (907)465-2200
FAX (907)465-2135

January 24, 1995

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

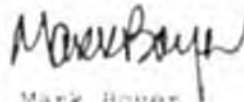
Dear Madam President:

Pursuant to Alaska Statute 23.40.215, I am submitting the monetary terms of the collective bargaining agreement between the State of Alaska and the Supervisory Unit represented by the Alaska Public Employees Association.

The enclosed memorandum from me to Ms. Annalee McConnell identifies the specific monetary terms applicable to this unit. Spreadsheets are enclosed projecting the estimated cost of the monetary terms. Funding for these terms will be formally requested by the Office of Management and Budget. The monetary terms of a collective bargaining agreement are subject to funding by appropriation by the Legislature; if funding is not appropriated, the terms are considered disapproved and the parties to that agreement may resume negotiations or explore other options.

In accordance with AS 23.40.215(b), we respectfully request that the Legislature advise the parties by concurrent resolution of its approval or disapproval of this submission within 60 legislative days of receipt.

Sincerely,



Mark Hoyer
Commissioner

MB/ni

Enclosure

cc: Annalee McConnell
Director
Office of Management and Budget

Pat Fouchet
Legislative Liaison
Office of the Governor

Division of Personnel
Labor Relations Section

February 1: President Pearce referred to Labor and Commerce Committee with a further referral to the FINANCE COMMITTEE.

1030-1040 PMS

Supervisory Unit

Represented by Alaska Public Employees Assoc.

MEMORANDUM

STATE OF ALASKA

Department of Administration
Office of the Commissioner

To: Annalice McConnell
Director
Office of Management and Budget

Date: January 18, 1994

From: Mark E. *Boyer*
Commissioner
Department of Administration

Subject: Monetary Terms of the 1995-98
Supervisory Unit Agreement

The State of Alaska has concluded negotiations with the Alaska Public Employees Association representing the Supervisory Unit for an agreement extending from 7-1-95 through 6-30-98. The membership has ratified that agreement. I will be providing the legislature with the monetary terms, as required by AS 23.40.215(b).

Monetary Terms

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes which will require an appropriation for their implementation, that will result in a change in state revenues, or that will result in a change in productive work hours for state employees. These provisions apply to 1,213 positions.

1. Require appropriation

FY96

- A. Effective July 1, 1995, the standard workweek will increase from 37.5 hours to 40 hours. This will result in an additional two and one-half hours of compensable work time for each overtime-eligible employee in the bargaining unit.
- B. Effective July 1, 1995, the salary schedule for overtime exempt employees will be increased by 6.67% across the board.
- C. Effective July 1, 1995, the health insurance contribution will be increased from \$418.80 to \$423.50 per employee per month. Employees will no longer pay the difference between \$418.80 and \$423.50.
- D. Effective July 1, 1995, the State's contribution to the Legal Trust Fund will increase by \$1.50 per employee per month.
- E. Effective July 1, 1995, the standby rate of pay for overtime ineligible employees will increase from .75 hour per day to 1.25 hours per day.

FY97

- A. Effective July 1, 1996, the health insurance contribution will be increased from \$423.50 to \$450. The agreement presumes a change effective that date to a flexible benefits plan for this unit. If for any reason a flexible benefits plan is not implemented, the State remains obligated for \$450 per month per employee for health insurance benefits.

FY98

- A. Wages will be subject to contract reopener negotiations.
- B. Health insurance rates will be subject to contract reopener negotiations.
- C. Overtime provisions will be subject to contract reopener negotiations.

2. State revenues

There are no provisions in the tentative agreement that would change state revenues.

3. Productive work hours**FY96**

- A. Effective July 1, 1995, the standard workweek will increase from 37.5 to 40 hours for all bargaining unit members.
- B. Effective July 1, 1995, leave accrual rates will be adjusted to reflect the 8 hour day. Leave balances will not be affected, except for a small number of employees covered by a separate letter of agreement negotiated in conjunction with this contract.

FY97

- A. Effective 1997, the Lincoln's birthday floating holiday (for which a day of annual leave has been added to personal leave accounts under previous agreements) will be eliminated.

Other Terms

There are other terms of the tentative agreement which will not require an appropriation but may have a budgetary impact.

- 1. Sea duty rates will follow any changes in sea duty rates negotiated for members of the General Government Unit.
- 2. Overtime eligibility will be determined strictly according to the FLSA.
- 3. Rates charged for rental of State owned housing will be increased by 6.67% effective July 1, 1995 and will be subject to the contract reopener negotiations.
- 4. Rates paid for travel entitlements modified. Changes are expected to result in overall savings.

Conclusion

Funding of certain monetary terms will be required. Please prepare and forward to the legislature the necessary documents. Please feel free to call on the Labor Relations Section for any assistance desired.

cc: Michael P. McMullen
Acting Director
Division of Personnel/OEEO

Sharon Barton
Director
Division of Administrative Services

SU

Monetary Terms

Monetary terms of an agreement are defined in AS 23.40.250(4) as changes which will require an appropriation for their implementation, that will result in a change in state revenues, or that will result in a change in productive work hours for state employees. These terms apply to 1,213 positions.

1. Require appropriation

FY96

- A. Effective July 1, 1995, the standard workweek will increase from 37.5 hours to 40 hours. This will result in an additional two and one-half hours of compensable work time for each overtime eligible employee in the bargaining unit. \$31,915.00
- 10% (@100) of the SU is overtime eligible. In CY94, SU members received \$31,915 in straight time overtime, which can be deducted from the estimated cost increase as it is currently being paid.
- CY 94: \$31,915.00
CY 93: \$23,478.35
CY 92: \$17,684.49
- B. Effective July 1, 1995, the salary schedule for overtime exempt employees will be increased by 6.67% across the board. \$5,249,602.00
- 90% (@900) of the SU is overtime ineligible. The change in workweek results in a 6.67% across the board increase. Dollar amount reflects the amount of increase for entire unit.
- C. Effective July 1, 1995, the health insurance contribution will be increased from \$418.80 to \$423.50 per employee per month. Employees will no longer pay the difference between \$418.80 and \$423.50. \$63,432.00
- Contribution will be \$4.70 x 1346 budgeted months
- CY 93 \$3,926,841.15
CY 94 \$4,976,653.21
- D. Effective July 1, 1995, the State's contribution to the Legal Trust Fund will increase by \$1.50 per employee per month. \$20,239.00
- Contribution will be \$1.50 x 1346 budgeted months
- CY 94 contribution was \$105,706.00
- E. Effective July 1, 1995, the standby rate of pay for overtime ineligible employees will increase from .75 hour per day to 1.25 hours per day. \$30,972.00
- CY 92 OT eligible: \$96,540.50
CY 92 OT Ineligible: \$112,566.81
- CY 93 OT eligible: \$92,287.61
CY 93 OT ineligible: \$70,877.35

CY 94 OT Eligible: \$83,016.51
CY 94 OT Ineligible: \$24,372.31

Estimated cost of this provision: \$30,972.03. (\$1.50 x the number of standby hours worked by OT eligible employees in CY 94 less the amount of standby paid to OT ineligible employees paid in CY 94) Actual increase based solely on the adjust dollar amount is \$55,344.34.

FY97

- A Effective July 1, 1996, the health insurance contribution will be increased from \$423.50 to \$450. The agreement presumes a change effective that date to a flexible benefits plan for this unit. If for any reason a flexible benefits plan is not implemented, the State remains obligated for \$450 per month per employee for health insurance benefits. \$357,573.00

\$26.50 per month x 1346 budgeted months

FY98

- A Wages will be subject to contract reopener negotiations
B Health insurance rates will be subject to contract reopener negotiations.
C Overtime provisions will be subject to contract reopener negotiations.

2. State revenues

Rates charged for rental of State owned housing will be increased by 6.667% effective July 1, 1995 and will be subject to the contract reopener negotiations.

Negligible; only 3-4 SU members remaining in State housing.

3. Productive work hours

FY96

- A Effective July 1, 1995, the standard workweek will increase from 37.5 to 40 hours for all bargaining unit members
B Effective July 1, 1995, leave accrual rates will be adjusted to reflect the 8 hour day. Leave balances will not be affected, except for a small number of employees covered by a separate letter of agreement negotiated in conjunction with this contract.

FY 97

- A Effective 1997, the Lincoln's birthday floating holiday (for which a day of annual leave has been added to personal leave accounts under previous agreements) will be eliminated. \$228,000

Other Terms

There are other terms of the tentative agreement which will not require an appropriation but may have a budgetary impact:

1. Sea duty rates will follow any changes in sea duty rates negotiated for members of the General Government Unit.
Note: No change at this date
2. Overtime eligibility will be determined strictly according to the FLSA.
Theoretically eliminates extra grants of eligibility, few if any exist this date.
3. Rates paid for travel entitlements modified. Changes are expected to result in overall savings.
Savings associated primarily with 10 hour day trip rule. Savings realized if travel patterns remains the same.

Supervisory Unit
FY 96 - 97 Monetary Terms

Summary

Funding Source	① FY95 Authorized	② FY 96 Hickel	③ FY 96 Monetary Terms	Total FY 96	④ FY 97 Monetary Terms
General funds	46,158,507	49,096,738	3,068,762	52,165,500	3,274,551
Other funds	34,012,487	36,208,961	2,264,515	38,473,476	2,416,299
⑤ Adjustments			-943		-943
Total funds	80,170,994	85,305,699	5,332,334	90,638,976	5,689,907

- ① FY 95 Authorized amounts based on FY 95 Authorized PACS file (scenario 66) Amounts shown are the vacancy adjusted amounts from report of 1-15-95
- ② FY 96 Hickel amounts based on FY 96 Hickel PACS file (scenario 67) Amounts shown are the vacancy adjusted amounts from report of 1-16-95
- ③ See Schedule A (attached) for FY 96 calculations
- ④ See Schedule B (attached) for FY 97 calculations
- ⑤ Adjustments are additional costs and cost savings which have not yet been broken out by funding source

Supervisory Unit
FY 96 - 97 Monetary Terms

Schedule A - FY 96 Costs

Funding Sources	① 40 Hr Workweek	② Adjustment for current OT	③ Standby Pay	④ Legal Trust	⑤ Health Insurance	TOTAL
General funds	3,020,612			11,649	36,501	3,068,762
Other funds	2,228,990			8,590	26,935	2,264,515
Adjustments		-31,915	30,972			-943
Total funds	<u>5,249,602</u>	<u>-31,915</u>	<u>30,972</u>	<u>20,239</u>	<u>63,436</u>	<u>5,332,334</u>

- ① Based on FY 96 Hickel PACS (scenario 67). All amounts are adjusted for budgeted vacancy.
- ② This is the amount of straight-time overtime paid employees working 8 hour days in calendar year 1994. Assuming the same amount would be paid in FY 96, this would offset part of the cost of going to a 40 hour workweek. This amount has not yet been broken out by funding source.
- ③ This amount is based on experience in calendar years 1992 - 1994. This amount has not yet been broken out by funding source.
- ④ Based on 13,496 budgeted months.
- ⑤ Based on 13,496 budgeted months.

Supervisory Unit
FY 96 - 97 Monetary Terms

Schedule B - FY 97 Costs

Funding Sources	① FY 96 Cost	② Health Insurance	TOTAL
General funds	3,068,762	205,789	3,274,551
Other funds	2,264,515	151,784	2,416,299
Adjustments	-943		-943
Total funds	<u>5,332,334</u>	<u>357,573</u>	<u>5,689,907</u>

① See Schedule A (attached) for calculations

② Health insurance contribution increase effective July 1, 1996

EEO

93

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
JUNEAU, ALASKA 99811 0001
(907) 465-3500
Fax (907) 465-3532

2013

January 8, 1996

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 23, of the Alaska Constitution, I am transmitting an Executive Order to transfer the Alaska regional economic assistance program (AS 44.53.026) from the Department of Commerce and Economic Development (DCED) to the Department of Community and Regional Affairs (DCRA).

The transfer of this program to DCRA is in the interest of more efficient functioning of state government. There are already several loan programs administered by DCRA to encourage rural economic development. Because the Alaska regional economic assistance program has essentially the same goals, placing this program in DCRA should result in more efficient operation.

I urge your support of this Executive Order.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

FISCAL NOTE

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: EO - ARDOR BRU: Employment/Training/Rural Dev.
 Component: Rural Development Grants
 Sponsor: Rules Committee
 Requestor: Governor COMPONENT SERIAL NO. 667

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other 1007 I/A						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year (FY96)
costs: _____

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The ARDORS program is being transferred by Executive Order from the Department of Commerce and Economic Development to the Department of Community and Regional Affairs. Fiscal impacts will be addressed by budget amendment at a later date.

Prepared by: Fernand Henderson, Director *Fernand Henderson* Phone: 465-4708
 Division: Division of Administrative Services Date: 01/04/96
 Approved by Commissioner: Mike Irwin *Mike Irwin* Date: 01/04/96
 Agency: Community & Regional Affairs

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

FISCAL NOTE

No. 2
 Bill Version: EO 93
 (S) Publish Date: 1/8/96

STATE OF ALASKA
 1996 LEGISLATIVE SESSION

Revision Date: _____ Department: Commerce and Economic Development
 Title: Executive Order transferring the ARDOR Program BRU: Trade and Development
 to the Department of Community and Regional Affairs Component: Trade and Development
 Sponsor: Rules
 Requestor: Governor COMPONENT SERIAL NO. 2056

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00

CAPITAL EXPENDITURES

CHANGE IN REVENUES

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF Program Receipts						
1006 GF MHTIA						
Other						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 96) cost: \$ _____

POSITIONS	
FULL-TIME	
PART-TIME	
TEMPORARY	

ANALYSIS: (Attach a separate page if necessary)
 This Executive Order will have no fiscal impact. The financial transfer will be accomplished with an amendment to the FY 97 budget transferring the \$650.0 grant program and \$15.0 for administrative costs from the Department of Commerce and Economic Development, Division of Trade and Development, to the Department of Community and Regional Affairs.

Prepared by: Guy Bell Director Phone: 465-2505
 Division: Administrative Services Date: January 5, 1996
 Approved by Commissioner: William L. Mensiev Date: 1-5-96
 Agency: Commerce and Economic Development

MEMORANDUM

TO: ALL LEGISLATORS
FROM: ALASKA ARDOR ASSOCIATION

RE: GOVERNOR'S EXECUTIVE ORDER MOVING THE ARDOR PROGRAM FROM COMMERCE TO DCRA, BUDGET ISSUES, PRIVATIZING CERTAIN GOVERNMENT SERVICES

DATE: JANUARY 20, 1996

The ARDORS (Alaska Regional Development Organizations) exist to promote private development and jobs throughout Alaska. The ARDORS are private corporations recognized by the State of Alaska and governed by boards of directors comprised of local company representatives and local government representatives. (See attached example)

In the past, many cities have seen each other as competitors for state funds. The driving logic behind the ARDORS is to promote cooperation between communities and to achieve more private based, self sufficient communities through regional cooperation. ARDORS are held accountable by the requirement to file a specific work plan and to make periodic progress reports as a condition of obtaining and maintaining a State \$46,000 organizational grant.

In addition to promoting private sector development, the ARDORS are very well placed to take on specific initiatives such as designing and implementing a regional welfare reform strategy focussed on providing jobs and targeted training for people moving off welfare.

EXECUTIVE ORDER:

The ARDOR Association does not object to the Governor's executive order moving the ARDOR program from Commerce to DCRA. One of the advantages we see to this move is the ability to integrate our development efforts with the training and CDQ programs in DCRA.

It really makes sense to pull all the state's economic development programs into one agency. Therefore, we also do not object to Rep. Pete Kelly's bill to create a Department of Community and Economic Development.

We are also aware that Senate President Pearce and House Speaker Phillips have been considering efforts to pull together all of the State's international trade efforts.

In all these consolidation and coordination efforts, we see a key role for the ARDORS in helping the state achieve efficient delivery of economic and community development services. We feel that due to our extensive contacts within our regions, we can be particularly effective in outreach and referral activities for state and federal programs.

No other agency has the statewide reach of the ARDORS or the direct connections to businesses and local governments in our regions.

BUDGET ISSUES:

The ARDORS recognized by the State each receive a grant of \$46,000 which they must match with private funds. Some of the ARDORS in less developed areas can only make the minimum match. Some ARDORS match state funds at a much higher ratio - up to 10 to 1. In this sense, the ARDORS are one of the best investments Alaska makes in economic development through this private/public partnership.

Previously, the ARDORS received up to \$68,000 in state funding for a total of \$900,000. In 1995 the legislature reduced the ARDOR funding to \$650,000. This has required the ARDORS to come up with even more matching local funds. We feel that this current level of funding is the minimum level of funding for the ARDORS to continue to exist.

The Governor's budget changes the funding source from Department of Commerce general funds to AIDEA earnings funds. This funding connection will facilitate a closer relationship between the ARDORS and AIDEA, particularly in the area of outreach, referral and loan packaging.

Whereas the bond rating agencies are concerned about removing large amounts of AIDEA's asset base, they are not so concerned about appropriating the interest earned from these assets.

In 1993, the Legislature passed a law allowing the ARDORS to contract directly with state agencies to provide services where they were deemed more efficient. As the State of Alaska reduces its budget and consolidates government agencies, the ARDORS will be looking for ways they can contract with the state to provide the same level or even a higher level of services to Alaska's people.

COPPER VALLEY ECONOMIC DEVELOPMENT COUNCIL, INC.
 P. O. BOX 9
 GLENNALLEN, ALASKA 99588

BOARD OF DIRECTORS

Carol Neeley, President Term expires 4/97
 Copper Basin Sanitation (Owner)
 P. O. Box 88
 Glennallen, AK 99588

John Downes, Vice President Term expires 4/97
 Mechanix Warehouse (Owner)
 P. O. Box 309
 Copper Center, AK 99573

Theresa Absher, Secretary Term expires 4/96
 State of Alaska
 Glennallen Employment Center (Manager)
 P. O. Box 109
 Glennallen, AK 99588

Darby Hobson, Treasurer Term expires 4/97
 National Bank of Alaska (Branch Manager)
 P. O. Box 67
 Glennallen, AK 99588

Susan Winingham Term expires 4/96
 Kenny Lake Mercantile (Owner)
 HC60 Box 230
 Copper Center, AK 99573

Thelma Schrank Term expires 4/96
 Duffy's Roadhouse (Owner)
 S. R. Box 380
 Gakona, AK 99586

Will Tipton Term expires 4/97
 National Park Service (Facility Manager)
 P. O. Box 29
 Glennallen, AK 99588

Mary Bowman, Alaska Native Representative Term expires 4/97
 Rather Rough It Adventures (Owner)
 HC50 Box 722
 Copper Center, AK 99573

Dr. Vickie Nelson Term expires 4/97
 Nelson Chiropractic Center (Owner)
 P. O. Box 48
 Glennallen, AK 99588

JAN-11-1996 11:36

SEC&JUNEPU CHAMBER

907 463 5670 P.01

SOUTHEAST CONFERENCE

Tel (907) 463 3445

FAX (907) 463.5670

124 West 5th Street

Juneau, Alaska 99801

BOARD OF DIRECTORS FOR FISCAL YEAR 1996

J. Allan MacKinnon President (Private - expires 1997)	AT&T Wireless Services P.O. Box 32760 Juneau, AK 99803	TEL 789-5755 FAX 789-3940 MSG 1-800 928-7324
Gunny Tierney Immediate Past President (Public - expires 1996)	Administrator - City of Thome Bay P.O. Box 19484 Thome Bay, AK 99919	TEL 828-3908 FAX 828-3374
John Tronrud First Vice President (Public - expires 1998)	Council - City of Skagway P.O. Box 415 Skagway, AK 99840	TEL 983-7297 FAX 983-2151
Dick Smith Second Vice President (At Large - expires 1999)	Consultant 4775 Halibut Point Road Sitka, AK 99835	TEL 747-5775 FAX 747-5335
Rosemary Hagering Treasurer (Public - expires 1998)	Assembly - City of Juneau Box 240423 Douglas, AK 99824	TEL 465-8715 FAX 465-3396
Linda Snow Secretary (Public - expires 1998)	Manager - City of Petersburg P.O. Box 329 Petersburg, AK 99833	TEL 772-4511 ext 22 FAX 772-3759
Bobbie Permenter Director (Private - expires 1996)	Prince of Wales Island Chamber of Commerce P.O. Box 89 Craig, AK 99921	TEL 826-2927 FAX 826-2929
Bob Ward Director (Private - expires 1997)	Skagway Convention & Visitors Bureau P.O. Box 415 Skagway, AK 99840	TEL 983-2854 FAX 983-7151
The Honorable Forrest DeWitt Director (Public - expires 1998)	City of Saxman Route 2 Box 1 Saxman, AK 99901	TEL 225-4164 FAX 225-4450
Maneke Nordlinger Director (Private - expires 1997)	Consultant 517 Revilla Street Ketchikan, AK 99901	TEL 225-6191 FAX 217-4872
David Stode Director (Private - expires 1998)	Echo Bay Mines 3100 Channel Drive - Suite 2 Juneau, AK 99801	TEL 463-5704 FAX 463-5740
Berne Miller Executive Director (Ex Officio)	Southeast Conference 124 West Fifth Street Juneau, AK 99801	TEL 463-3445 FAX 463-4425 463-5670

Revised November 28, 1995

"Working For All Alaska"

TOTAL P.01

EO

94

TONY KNOWLES
GOVERNOR



94
P O Box 110001
Juneau Alaska 99811 0001
1007) 465-3500
Fax (907) 465-3532

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 8, 1996

The Honorable Drue Pearce
President of the Senate
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.08.210, I am transmitting an Executive Order to formally transfer the functions of the division of international trade to the Department of Commerce and Economic Development (department). The department intends to continue its administrative assignment of these functions to the division of trade and development in that department.

This action formally changes the statutes to reflect what has already been done administratively to increase the efficiency of the department. With both domestic and foreign arms of the economic development mission working closely together, the programs can be harmonized to produce the best possible results. This action will also result in cost savings as certain duplicate administrative functions have been eliminated.

I urge your support of this Executive Order to streamline state government operations.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tony Knowles".

Tony Knowles
Governor

FISCAL NOTE

No. 1

Bill Version: ED 94

(S) Publish Date: 1/8/96

STATE OF ALASKA
1996 LEGISLATIVE SESSION

Revision Date: _____
Title: Executive Order consolidating DCED divisions

Department: Commerce and Economic Development
BRU: Trade and Development
Component: Trade and Development

Sponsor: Rules
Requestor: Governor

COMPONENT SERIAL NO. 2056

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00

CAPITAL EXPENDITURES

CHANGE IN REVENUES

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF Program Receipts						
1006 GF MHTIA						
Other						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 96) cost: \$ _____

POSITIONS
FULL-TIME
PART-TIME
TEMPORARY

ANALYSIS: (Attach a separate page if necessary)
This Executive Order will have no fiscal impact.

Prepared by: Guy Bell Director Phone: 465-2505
Division: Administrative Services Date: December 21, 1995
Approved by Commissioner: William L. Hensley Date: 12/21/95
Agency: Commerce and Economic Development

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
For further distribution information, call the Governor's Legislative Office

SB

25



SENATOR DAVE DONLEY
ALASKA STATE LEGISLATURE

SB 25
REPEALING VEGETABLE DEALER LICENSING
SPONSOR STATEMENT
(January 20, 1995)

SB 25 would repeal AS 03.57 which now requires a \$25 license for vegetable dealers. In addition to this license, a vegetable dealer must also have a business license and that requirement would continue.

There are apparently no health or safety regulations which are attached to this license.

Currently this license provision is not enforced. It seems to be an unnecessary use of state government time and money.

For additional information regarding SB 25, contact Amber Ala of my staff at 465-4987.

DD/aa **B**

known or reasonably identifiable, shall be notified and given reasonable opportunity to restrain the dog before it is lawful to kill it. Persons authorized to enforce the Alaska Fish and Game Code (AS 16.05) and peace officers may enforce this section. (§ 33-3-93 ACIA 1949)

Cross references. — For power of a municipality to regulate licensing, impounding and disposition of animals, AS 29.48.035(a)(5); for killing of vicious or mad dogs, see AS 03.55.010.

Sec. 03.55.010 - 03.55.060. Dog control by governmental units. [Repealed, § 9 ch 109 SLA 1966.]

Chapter 57. Vegetables of Alaska Origin.

Section	Section
10 License required	30 Unfair trade practices
20 Bond required	40 Definitions

Sec. 03.57.010. License required. (a) A person may not engage in business as a dealer in vegetables without a license.

(b) The fee for the license is \$25. The director of the division of agriculture of the Department of Natural Resources shall grant a license to each person who pays the fee.

(c) The license shall be posted at the dealer's place of business. (§ 1 ch 74 SLA 1967)

Sec. 03.57.020. Bond required. Each dealer is required to obtain and file with the director of the division of agriculture of the Department of Natural Resources a bond in the amount of \$5,000. The bond shall be conditioned on the faithful performance of the legal duties of the dealer as set out in this chapter and the payment for vegetables purchased by the dealer. The bond is payable to the person injured to the extent of the damages. The aggregate liability of the surety for all breaches of the conditions of the bond shall, in no event, exceed the amount of the bond. The surety may cancel the bond upon giving 30 days' notice in writing to the director and thereafter shall be relieved of any liability for a breach of condition occurring after the effective date of cancellation. (§ 1 ch 74 SLA 1967)

Sec. 03.57.030. Unfair trade practices. (a) It is a breach of a dealer's legal duties to engage in the following unfair trade practices:

(1) failure to pay within 30 days after receipt of vegetables unless otherwise agreed upon at time of purchase in accordance with a contract or agreed purchase price;

(2) failure to account truly and accurately for all vegetables handled as a broker or on consignment or joint account;

(3) rejection without reasonable cause of vegetables purchased or contracted to be handled on consignment;

(4) dumping, discarding, or destroying vegetables on consignment without reasonable cause, or reinspection by the director or an agent;

(5) failure to deliver in accordance with the terms of a contract, without reasonable cause;

(6) discriminating or deceptive practices in weighing or counting vegetables bought or sold;

(7) misrepresentation of the grade, quantity, condition, weight, count, or state of origin of vegetables.

(b) A dealer shall keep accurate records of all transactions. The records shall be retained for 18 months and subject to examination by the director. (§ 1 ch 74 SLA 1967)

Sec. 03.57.010. Definitions. In this chapter

(1) "broker" means a person engaged in the business of negotiating sales and purchases of vegetables on behalf of the seller or the purchaser;

(2) "dealer" means a person engaged in the business of buying or selling vegetables in intrastate, interstate, or foreign commerce, except

(A) producers selling vegetables of their own raising;

(B) retailers; and

(C) a frozen food broker who acts as an independent agent negotiating sales for the vendor and whose only sales of perishable agriculture commodities consist of frozen vegetables;

(3) "vegetables" means fresh vegetables of Alaska origin, including vegetables packed in ice. (§ 1 ch 74 SLA 1967)

Revisor's notes. This section was reorganized in 1983 to alphabetize the defined terms.

Chapter 60. General Provisions.

Section
10 "Department" and "commissioner" defined

Sec. 03.60.005 Use of decompression chamber prohibited. [Repealed, § 2 ch 59 SLA 1982.]

Sec. 03.60.010. "Department" and "commissioner" defined. In this title, unless otherwise indicated,

(1) "commissioner" means the commissioner of natural resources;

(2) "department" means the Department of Natural Resources. (am Executive Order No. 51, § 17 (1981))

Revisor's notes. — This section was reorganized in 1983 to alphabetize the defined terms.

Effect of amendments. — The 1981 amendment added "unless otherwise indicated" following "in this title."

**CARR
GOTTSTEIN** FOODS CO

February 12, 1995

LEGAL DEPARTMENT
Michael Moxness, General Counsel

Senator Tim Kelly
State Capitol
Room 101
Juneau, Alaska 99801-1142

VIA FAX 465-3756

Re: Support of SB 25

Dear Senator Kelly:

I am writing to urge your support for SB 25, a bill intended to repeal AS 03.57. As I am sure you know, AS 03.57 requires that any party wishing to purchase vegetables on a wholesale level first obtain a bond. More importantly, the law then defines the failure to pay for your vegetables as an Unfair Trade Practice. This declaration makes a failure to pay for vegetables a violation of the Alaska Unfair Trade Practices Act. The enforcement of that act is by action of the state attorney's general office.

To be quite frank, the current law does not hurt Carrs one bit. We always pay our bills, and if we did not, we have 36 stores in the state of Alaska against which a disappointed seller could execute. Our financial size permits us to get small bonds like this size for free. We are also strong supporters of Alaska agriculture. Our aggressive promotion of Alaska-grown produce has won us governors' awards.

The only reason we got involved here is that we take the most recent legislature's pronouncement of fiscal conservatism seriously. When you require a bond, someone has to track compliance. Someone has to chase down violators. When you declare a private breach of contract to be an unfair trade practice, a state attorney has to get involved, even if only to ultimately reject the case.

Then you might ask why the state should pay to enforce one kind of private sale contract. We at Carrs have to write off tens of thousands of dollars of bad debts a year, yet no attorney general will come to our aid. In fact, the Anchorage and Fairbanks attorney general's offices are so swamped that we often cannot get them to prosecute shoplifters! Why is one state attorney too busy to prosecute thieves, but another is spending time enforcing a private contract to sell vegetables?

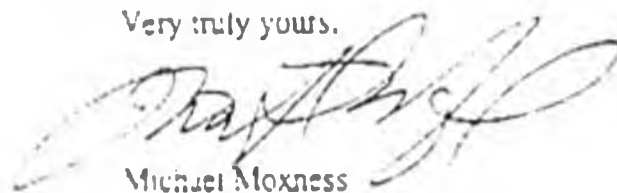
Letters of Support

Senator Tim Kelly
February 10, 1995
Page 2

Repealing AS 11.57 will not save a lot of money, but it will save some. It will not help CARE much, but it might reduce the costs of some little guys trying to get into the business. But most importantly, our legislators can truthfully stand up and call them or herself a fiscal conservative and then allow programs like this to sit unattached while schools, water systems and law enforcement departments go unfunded.

We urge your support for SB 25.

Very truly yours,



Michael Moxness

MM/mjc

January 21, 1995

Senator Dave Donley
State Capitol, Room 11
Juneau, AK 99801-1182

Dear Senator Donley

We at Carrs agree with and applaud the new legislature's announced intention of promoting responsible, simple and effective state regulation. Going hand-in-hand with this program is the effort to eliminate costly and unnecessary regulation.

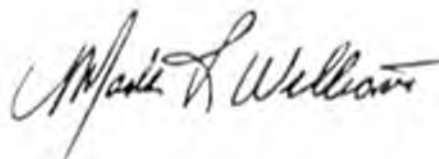
I would like to call your attention to the existence of Chapter 57 of Title 3 of the Alaska Statutes. (copy enclosed) It requires that any party engaged in the business of buying or selling vegetables obtain a vegetable dealer's license from the state. In addition to a \$25 annual fee, the party must also obtain and keep in force a \$5,000 bond. If this were intended to promote public safety through health regulations, this license/bonding requirement would make some sense. However, there are no health or safety standards in the law at all. The sole operative provision in the chapter makes it an "unfair trade practice" for someone buying vegetables to fail to pay for them. As you know, labelling the failure to pay a bill as an "unfair trade practice" permits the state attorney general's office to intervene on behalf of the unpaid seller.

In other words, the sole function of this whole licensing/bonding scheme is to use the state's attorneys to enforce commercial contracts between growers and dealers. In these days of shrinking state revenues, it seems absurd that the state should administer a program dedicated solely to the enforcement of a special brand of private contracts. Even if this were a good idea, I would point out that according to the people administering this program, its enforcement provision have never been invoked. In other words, the state continues to administer a program forcing anyone buying vegetables to purchase a license and a bond just to be sure the vegetable grower gets paid. AND the state has never even used the program.

Last fall, we received a letter from the Division of Agriculture, asking for our thoughts on increasing the bonding requirement and adding new penalties for non-compliance. Here is a program that serves no purpose and that has never been used, and someone wants to increase the cost of it. Carrs has always maintained its license and bond, but this frankly seems an absolute waste of both our and the state's time.

In view of the your stated goal of reducing unnecessary state expense and eliminating excess regulation, I would respectfully request that you consider repeal of this entire chapter.

Sincerely,



Mark R. Williams
President & CEO

February 1, 1994

Senator Dave Donley
State Senate
State Capitol, Room 11
Juneau, Alaska 99801-1182

Dear Senator Donley,

Chapter 57 of Title 3 of the Alaska Statutes (copy enclosed) requires that any party engaged in the business of buying or selling vegetables obtain a vegetable dealer's license from the state. In addition to a \$25 annual fee, the party must also obtain and keep in force a \$5,000 bond. If this were intended to promote public safety through health regulations, this license/bonding requirement would make some sense. However, there are no public health or safety rules in the law at all. The sole operative provision in the chapter makes it an "unfair trade practice" to fail to pay, unreasonably reject, or fail to deliver vegetables.

In other words, the sole function of this whole chapter is to use the state's power to enforce commercial contracts between growers and dealers. In these days of shrinking state revenues, it seems absurd that the state should administer a licensing and bonding scheme dedicated solely to the enforcement of private contracts. Other than forcing businesses to get one more license, I would ask if its enforcement provision have even been invoked. Does the state attorney general's office really have the time to intervene in contractual disputes between food dealers? Would the state come to our aid if one of our customers refused to pay us?

We recently received the enclosed letter from the Division of Agriculture, asking for our thoughts on increasing the bonding requirement and the addition of new penalties for non-compliance. Carrs has always maintained its license, but it frankly seems an absolute waste of both our and the state's time.

In view of your stated goal of reducing unnecessary state expense and eliminating excess regulation, I would respectfully request that you consider repeal of this entire chapter.

Sincerely,

Mark R. Williams

Mark R. Williams
President & COO

Enclosures

*Suggests repeal
of whole statute
Chapter 57*

SB

28

April 24, 1995

Labor and Commerce Committee
Alaska State Senate
State Capitol
Juneau, AK 99801-1102

Dear Senators,

On behalf of the Alaska Pharmaceutical Association and with the approval of the Alaska State Board of Pharmacy, I am requesting your favorable consideration of Senate Bill 158, "An Act relating to pharmacists and pharmacies"

This project was begun approximately four years ago when the pharmacy community recognized the need to revise and update antiquated, obsolete and inadequate statutes related to the practice of pharmacy in the state. The following problems were identified:

1. Most statutes were very dated (1950's, 1970's) and did not reflect current practice of pharmacy or the changing nature of the profession.
2. Many statutes were overly restrictive or specific in areas which were more appropriately addressed in regulation.

For example, AS 08 80 350 Technical Aids Required requires pharmacies to have reference texts which are no longer published. AS 08 80 300 requires records to be kept for five years while federal law only requires two years. AS 08 80 040 discusses renewal of licenses every four years while centralized licensing statutes require renewal of licenses every two years.

3. Existing statutes have been introduced in a very piecemeal, fragmented approach resulting in overlap, conflict, and ambiguity.
4. As evidenced in its annual report, the Board of Pharmacy has been recommending specific statute revisions every year since 1981.
5. There are major omissions in the existing statutes. For example, nowhere in existing statutes is the practice of pharmacy defined. The use of support personnel, pharmacy technicians, is not addressed.
6. The investigative personnel within the Division of Occupational Licensing have continually experienced difficulty in investigating and processing complaints against licensed personnel and facilities because of vague, inadequate or non-existent language regarding unprofessional conduct and disciplinary sanctions.

- LETTER FROM AK PHARMACEUTICAL ASSOCIATION -

Senate Bill 158

"An Act Relating to Pharmacists and Pharmacies"

Page 2

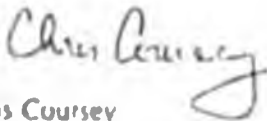
At that time the Alaska Pharmaceutical Association formed a task force to draft proposed statutes. The State Board of Pharmacy appointed two members to serve as liaison and represent the Board on this task force. Subsequently, using the Model State Pharmacy Act of the National Association of Boards of Pharmacy as a template, the task force completed its draft of proposed statutory changes. This was subsequently approved by the Association and the Board of Pharmacy.

Upon review by specific legislators and Legislative Legal Services, the proposed statutes were returned to the Alaska Pharmaceutical Association with the recommendation that they be rewritten within the existing framework of statutes, as opposed to a complete repeal and reenactment of the Pharmacy Practice Act. The Alaska Pharmaceutical Association asked myself, as an original drafter of the project, to accomplish that task. Senate Bill 158 represents years of effort and evaluation on the part of many people.

This bill is necessary to keep the practice of pharmacy in Alaska in step with national standards and to afford the public the safety and protection it deserves.

Thank you for your consideration.

Sincerely,



Chris Coursey
President, Alaska State Board of Pharmacy
Member, Alaska Pharmaceutical Association
work ph 264-1159

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

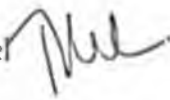
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 24, 1995

SUBJECT: Pharmacies and Pharmacists (SB 158)

TO: Senator Tim Kelly
Attn: Sherman Ernouf

FROM: Terri Lauterbach
Legislative Counsel 

You have asked a number of questions relating to SB 158. This memo will give the answer I am best able to come up with, given the limitations of my understanding of the technical language used in the pharmacy profession. I urge you to put these same questions to a member of the Board of Pharmacy who would be more familiar with the technical language of the profession and the effect of the changes in SB 158.

Question #1: *What effect does SB 158 have on an Advanced Nurse Practitioner's ability to "dispense" prescription drugs?*

To my knowledge, an ANP can only prescribe drugs and does not dispense them directly. I don't see anything in SB 158 that affects an ANP's prescriptive authority. If an ANP can dispense drugs directly, then it appears to me that sec. 25 of SB 158 might impose new requirements for dispensing that may not have existed before, in terms of record keeping, etc.

Question #2: *What effect does this bill have on physician assistants not practicing in a physician's clinic?*

I would give this question the same answer as Question #1.

Question #3: *How will SB 158 affect rural and specialty clinics that dispense drugs?*

There are no new requirements in SB 158 relating to clinics. SB 158 does repeal the current law relating to clinics, AS 08.80.390, which requires either a pharmacist or the prescribing physician to dispense drugs at a clinic. Under sec. 4 of SB 158, in AS 08.80.030(b)(7), requirements relating to dispensing of drugs at clinics would be left to regulations. These regulations may or may not be similar to current requirements so the effect of SB 158 on clinics is not certain.

Senator Tim Kelly
April 24, 1995
Page 2

Question #4: *Does SB 158 require that physicians and other practitioners dispensing "sample" drugs maintain the same records as a pharmacy?*

It appears to me that the answer to this question is "yes" under sec. 25 of the bill. I see no exception for "sample" drugs.

These are the best answers I have to your questions with the information currently available to me. Again, I suggest that the Board of Pharmacy be contacted about these issues. I would be glad to work with them on any clarifying language that may be necessary to either ensure the accuracy of the answers above or to clarify that the answers are not the intended result.

TML:klb
95-290 klb

SENATE BILL 158
"An Act Relating to Pharmacists and Pharmacies."

SECTION ANALYSIS AND COMMENTS
Prepared by:

Chris Coursey
President, Board of Pharmacy

Section 1: AS 08.02.010(a)

Amended to change verbage from registered to licensed for consistency with balance of statutes. A license is a permission to act granted by competent authority as opposed to register which indicates to enroll or record.

The next two sections along with the definition of the Practice of Pharmacy (08.80.003, 08.80.005, 08.08.480(39)) set forth the foundation upon which the Act is constructed. It clearly declares and acknowledges that safeguarding the public interest is the foremost compelling reason for regulating the Practice of Pharmacy and the distribution of drugs and related devices. It also circumscribes the activities included within the Practice of Pharmacy.

Section 2: AS 08.80.003 Practice of Pharmacy as a Profession

New. Pharmacy is a learned profession affecting public health and welfare and should be declared as such. The Practice of Pharmacy, from time to time, has been erroneously viewed as a commercial business rather than a profession. The status of pharmacy as a profession has been, and will continue to be, of particular importance in litigation.

AS 08.80.005 Statement of Purpose

New. The statement of purpose is designed to define the general scope of the Pharmacy Act. It provides for the control and regulation of the practice of pharmacy and the licensure of facilities engaged in the distribution of drugs and related devices. It should be noted that "distribution" is defined as delivery of a drug or device other than by administration or dispensing. Therefore, practitioner's offices and medical clinics would not be subject to licensure by the Board of Pharmacy.

OCC. LIC.
⊙ fluency to comm.
in English is
required here, not req.
in other regulating
statutes.
- why here? p. 5 Timell

Section 3: AS 08.80.010 Creation and Membership of Board

Amended to establish term limits for officers elected by the Board. This is done to prevent any one person from serving in an office for up to eight years and to promote participation and leadership on a continuing basis.

Section 4: AS 08.80.030 Powers and Duties of the Board

Repealed and reenacted to empower the Board to make such regulations as are necessary to fully administer and implement the Act. The underlying philosophy of this approach is the Statute should create goals, guidelines, and policies in general areas, and permit the Board to provide the specifics in regulations. This approach recognizes that it is impossible for the legislature to enact comprehensive provisions regarding all matters with which the Board may be confronted or to anticipate the rapidly changing conditions of the professions and the delivery of health care. This section clarifies the responsibilities of the Board in order to protect the public health and welfare including licensure and renewal of licenses of personnel and facilities, regulation of pharmacists, interns, and technicians, the establishment of rules of conduct, professional standards and standards for education and training. Redundant language in the existing section is repealed.

Occ. Lic. has pub.

Section 5: AS 08.80.047 Embargo Powers

New. This section provides for the ability to and guidelines for embargoing adulterated or misbranded drugs or related devices in order to protect the public safety and welfare.

Section 6: AS 08.80.060 Meetings of the Board

Amended to specify at least three meetings annually. This conforms to current practice (no increase in expenses) and is necessary to conduct the business of the Board.

Section 7: AS 08.80.065 Executive Secretary of the Board

New. Allows the Department of Commerce and Economic Development to employ an Executive Secretary of the Board if deemed necessary at some time. This position may include duties as inspector and investigator.

*DO NOT NEED
will get rid of
fiscal prob
with this.*

Section 8: AS 08.80.070 Quorum

Amended to change verbage from registration to licensure.

Section 9: AS 08.80.105 Removal of Board Members

Repealed and reenacted to specify that Board members may be removed only for cause.

Section 10: AS 08.80.110 Qualifications for Licensure by Examination

Repealed and reenacted to to change verbage from registration to licensure. Removes the vague phrase "freedom from addiction to the use of drugs or alcoholic liquors". Recognizes that applicants for licensure must pass multiple examinations (national board and state law exam, currently) and recognizes the score transfer process administered by the National Association of Boards of Pharmacy. Removes specifics from the internship training clause, allowing that to be modified by regulation as needed. Allows a mechanism for graduates of foreign colleges of pharmacy to receive licensure upon meeting strict requirements of the National Association of Boards of Pharmacy. Also anticipates NAFTA requirements.

Section 11: AS 08.80.116 Internship and Other Training Programs

Repealed and reenacted. Provides broad authority to establish internship and training requirements. Specific requirements are repealed which will be addressed in regulation.

Section 12: AS 08.80.120 Grading and Content of Examination

Repealed and reenacted. Specific requirements are repealed and will be addressed in regulation. Allows the Board to affiliate with the National Association of Boards of Pharmacy in using the national board examinations.

Section 13: AS 08.80.145 Reciprocity; License Transfer

New. Provides and clarifies guidelines for reciprocity of license from another state.

AS 08.80.147 Renewal of Licensure

New. Provides guidelines for renewal of licenses which have been lapsed for five years or more.

Section 14: AS 08.80.150 Temporary License

Repealed and reenacted. Grants the Board the authority to issue temporary licenses. Repeals specific language which can be modified as needed by regulation.

Section 15: AS 08.80.155 Emergency Permit

Repealed and reenacted. Grants the Board the authority to issue emergency permits. Repeals specific language which can be modified as needed by regulation.

Section 16: AS 08.80.157 Licensing of Facilities

Repealed and reenacted. Grants and clarifies authority of the Board to license and renew licenses of facilities involved in the practice of pharmacy or the manufacture, sale, or distribution of drugs. Allows the Board to determine classifications and criteria for licensure. Specifies that each location must be licensed and that a license is not transferable or assignable. Provides reporting requirements for licensed facilities and grounds for denying a license or taking disciplinary action against a license.

} pro's

Section 17: AS 08.80.160 Fees

Amended for changes in terminology.

Section 18: AS 08.80.165 Continuing Education Requirements

New. Specifically grants the Board authority to establish continuing education requirements for pharmacists.

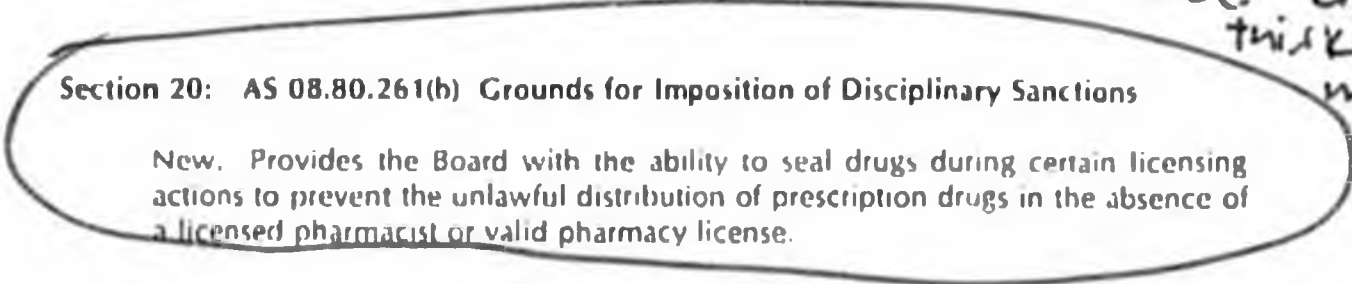
Section 19: AS 08.80.261 Grounds for Imposition of Disciplinary Sanctions

Amended. At the heart of the Pharmacy Act is the enforcement power of the Board. The Board must have the authority to discipline and/or prohibit unfit practitioners from continuing to threaten the public, if it is to fulfill its responsibilities. The grounds for disciplinary action are written to insure protection of the public, while allowing the Board to adapt them to changing conditions as necessary. Board regulations will make the grounds for disciplinary action specific, understandable and reasonable. Also amended to clarify verbage.

OCC. USC. thinks needs more work

Section 20: AS 08.80.261(h) Grounds for Imposition of Disciplinary Sanctions

New. Provides the Board with the ability to seal drugs during certain licensing actions to prevent the unlawful distribution of prescription drugs in the absence of a licensed pharmacist or valid pharmacy license.



Section 21: AS 08.80.295 Substitution of Equivalent Drug Products

Contact
AMA

Repealed and reenacted to continue authority for substitution of equivalent drug products while allowing the Board to address specific requirements in regulation. An equivalent drug product is defined in AS 08.80.480.

Section 22: AS 08.80.315 Confidentiality of Records

New. Clarifies the confidentiality of certain records and information.

Section 23: AS 08.80.330 Licensed Pharmacist as Pharmacist in Charge

Amended to standardize terminology to Pharmacist in Charge instead of manager. Also allows for owners who are pharmacists but not actively practicing to appoint a Pharmacist in Charge.

Section 24 & 25: AS 08.80.400 Practice of Medicine Not Affected

Amended. This statute was written when medical doctors were the only practitioners authorized to prescribe and dispense. Current federal laws including the Omnibus Budget Reconciliation Act (OBRA), impose requirements on all practitioners who dispense drugs to Medicaid patients. Most states have extended these requirements to all patients to avoid different standards of care for non-Medicaid patients.

It is the position of the Board that a pharmacist is held to standards and requirements in order to protect the public health and welfare.

If it is important enough to require a pharmacist to label a bottle of prescription drugs dispensed to a patient (with name of drug, directions for use, etc.), then it follows that it should be important for any other health care provider who dispenses a prescription drug to a patient.

If it is important enough to require a pharmacist to keep a record of a drug dispensed to a patient for a specific period of time, then it follows that it should be important enough for any other health care provider to maintain a record of a drug dispensed to a patient.

The Board is concerned from the viewpoint of the drug being dispensed; the quality of drug, the security and conditions of drug storage, the labeling and recordkeeping necessary for the health and safety of the public. The Board of Pharmacy should be the entity responsible for establishing these standards. It is not the intent or the wish of the Board to affect the choice or selection of drugs by a prescribing practitioner.

Section 26: AS 08.80.410 Use of Term "Pharmacist" Prohibited

Amended to change terminology from registered to licensed.

Section 27. AS 08.80.430 Use of Pharmacy Symbols Prohibited

Amended. The symbol "Rx" is the universal characteristic pharmacy symbol. The statute as written is archaic.

Section 28 - 31: AS 08.80.480 Definitions

Amended to include new definitions for terms used in suggested amendments. Includes repeal of definitions of terms no longer used as result of suggested statute changes. Amended to update archaic language.

The definition of the "Practice of Pharmacy" is one of the most important clauses in the Act. The definition is purposely expressed in broad terms to provide latitude to the Board of Pharmacy in the adoption of implementing regulations. Pharmacy has been a very dynamic profession and a broad definition of the practice will permit the Board to make necessary changes from time to time to meet the changing practice. Such changes may be affected by new or amended regulations, which would be promulgated pursuant to the Administrative Procedures Act, affording all interested parties an opportunity to review and comment on any proposed regulations.

Included in the definition is the administration of drugs. This has been requested to address the changing nature of pharmacy such as pharmacies specializing in home health and infusion pharmacy in which the pharmacist may be required to connect pumps or change software dosing parameters on infusion pumps. Other circumstances include requests for hospital pharmacists to assist in administering drugs during cardiac arrest situations.

APA
Criteria

Section 32: Repealed.**AS 08.80.040 Duties of the Board**

These duties would be specified in regulation based upon AS 08.80.030. Powers and Responsibilities of the Board.

AS 08.80.130 Reexamination

Specific requirements will be addressed in regulation.

AS 08.80.220 Prescription Department Required for Issuance of License

Specific standards to be addressed by regulation.

AS 08.80.230 Sanitary Conditions Required for Issuance of License

Specific standards to be addressed by regulation.

AS 08.80.240 Form and Display of Registration Certificate and License

Specific standards to be addressed by regulation.

AS 08.80.270 Report of Employee

Overly burdensome and unnecessary. More appropriately addressed in regulation if needed.

AS 08.80.280 Responsibility for Goods Sold

Only addresses those drugs dispensed by the owner or manager - not other employee pharmacists. Does not account for manufacturing problems which may affect quality and be unknown or uncontrollable by the owner or manager.

AS 08.80.290 Affixing of Label

More appropriately addressed in regulation.

AS 08.80.300 Record of Prescriptions

More appropriately addressed in regulation

AS 08.80.310 Record of Sales

More appropriately addressed in regulation.

AS 08.80.320 Pharmacist Required

Specific requirements addressed in regulation.

AS 08.80.340 Who May Prepare Prescriptions

Specific requirements addressed in regulation.

AS 08.80.350 Technical Aids Required

More appropriately addressed in regulation. Existing statute specifies texts no longer published.

AS 08.80.360 Sale of Dangerous Materials

More appropriately addressed in regulation.

AS 08.80.365 Partial Closure of Pharmacy

Facility requirements addressed in regulation to allow for modification as necessary.

AS 08.80.370 Vending Machine Sales Prohibited

Unnecessary. Powers of the board give the board the authority to prohibit this.

AS 08.80.390 Pharmacists Required in Hospital and Clinics

Specific facility requirements more appropriately addressed in regulation.

AS 08.80.440 Denial of Examination or License.

Overly restrictive. Current statutes and suggested amendments to licensing standards replace this section.

AS 08.80.475 Federal Facilities Not Affected.

Since federal facilities are not licensed by the Board this section is unnecessary.



Margaret D. Soden, RPh
 PO Box 61328
 Fairbanks, AK 99706-1328

April 17, 1995

Senator Mike Miller
 Senate District Q
 State Capitol, Room 125
 Juneau, AK 99801-1182

RE: SB 158 "An Act relating to pharmacists and pharmacies"

Dear Senator Miller:

I am writing to urge you to support SB 158, "An Act relating to pharmacists and pharmacies." This bill will revise and update the antiquated, obsolete and inadequate statutes that currently govern the practice of pharmacy in Alaska. Many of our current statutes were enacted in a piecemeal fashion in the 1950's and 1960's and no longer reflect the current practice of pharmacy nor the changing nature of our profession. This has resulted in much overlap, ambiguity, vagueness, and omission, and there is often a conflict with federal law or other state statutes that also govern parts of our daily practice. Because of vague, inadequate, or non-existent language regarding unprofessional conduct and disciplinary sanctions, the Alaska Board of Pharmacy's investigators in the Division of Occupational Licensing have difficulty investigating and processing complaints against licensed personnel and facilities.

When I served on the Alaska Board of Pharmacy from 1981-1989, we made numerous unsuccessful attempts to revise our statutes in response to Legislative Audit Committee recommendations. Realizing the need to have the statutes governing our profession move into the 1990's and beyond, a task force from the Alaska Board of Pharmacy and the Alaska Pharmaceutical Association was formed with this goal in mind. The task force has been working for the last four years to draft these proposed statutory changes using the Model State Pharmacy Act of the National Association of Boards of Pharmacy as a guide. The membership of both groups have approved the changes proposed by the task force.

As a pharmacist, I work every day to care for the medication needs of my patients. I have worked in my chosen profession for 30 years and hope to work for 30 more. Because it is dynamic and ever changing, the laws that govern pharmacy practice need to be written to allow for change while still protecting the public's health. I believe this revision of the pharmacy statutes will accomplish this and urge you to support SB 158 in its entirety.

Sincerely yours,

Margaret D. Soden RPh
 Margaret D. Soden, RPh

7M
 - LETTER OF SUPPORT -

Post-It™ brand fax transmittal memo 7671

of pages 1

To	Sen. Kelly	From	Lynn Rodda
Co.	Alaska Legislature	Co.	
Dept.	J	Phone #	261-3078
Fax #	465-3256	Fax #	261-4961

Lynn E. Rodda
8251 Pioneer Drive
Anchorage, AK 99504
home: 338 - 1995
work: 281 - 3078
FAX: 261 - 4961

Senator Tim Kelly
State Capitol
Juneau, AK 99801-1182
FAX : 465-3756

April 23, 1995

Dear Senator Kelly:

The Alaska Pharmaceutical Association in conjunction with the Alaska Board of Pharmacy has presented a bill this legislative session that will revise the current pharmacy statutes. Senator Miller has introduced this legislation (SB 158), which is being co-sponsored by Senators Lehman and Taylor.

SB 158 is need for the following reasons.

1. The present statutes do not reflect the current practice of pharmacy nor do they reflect the changing nature of the profession. Most of the present statutes date from the 1950s and the 1970s.
2. Many of the present statutes are overly restrictive and are more appropriately addressed in regulations.
3. Existing statutes have been introduced in a very piecemeal, fragmented approach resulting in overlap, conflict and ambiguity.
4. The Board of Pharmacy has been recommending specific statute changes since 1984, as evidenced in the Board's annual reports.
5. There are major omissions in the existing statutes. For example, nowhere in the existing statutes is the practice of pharmacy defined. The use of support personnel (ie: pharmacy technicians) is not addressed.
6. Investigative personnel within the Division of Occupational Licensing have experienced ongoing difficulty in investigating and processing of complaints against licensed personnel and facilities because of vague, inadequate or non-existent language regarding unprofessional conduct and disciplinary sanctions.

As a past president of the Alaska Pharmaceutical Association and one of your constituents, I urge you to support the passage of SB 158, important legislation for Alaskans and for the profession and practice of pharmacy in Alaska. If I can provide you with further information regarding the urgent need, please do not hesitate to contact me.

Sincerely,

Lynn E. Rodda

SB

43

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. SB 43

Revision Date January 30 1995 Department: Commerce and Economic Development
 Title: Relating to membership on the Board of BRU: Occupational Licensing
Architects, Engineers and Land Surveyors Component: Operations
 Sponsor: Senator Leman
 Requestor: Senator Leman COMPONENT SERIAL N 1844

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	00	00	00	00	00	00

CAPITAL EXPENDITURES	
----------------------	--

CHANGE IN REVENUES	
--------------------	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 General Fund						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	00	00	00	00	00	00

Estimate of any current year (FY 95) cost: \$ 00

POSITIONS						
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SB 43 amends the composition of the Board of Registration for Architects, Engineers and Land Surveyors, but does not increase the size of the board. The bill also makes amendments to the meaning of practicing or offering to practice, and deletes teachers of postsecondary land surveying courses from a registration exemption. New funds are not required to implement these provisions.

Prepared by: Jennifer Strickler Admin Officer Phone: 465-2144
 Division: Occupational Licensing Date: 1/30/95
 Approved by Commissioner: William L. Hensley Date: 1/31/95
 Agency: Commerce and Economic Development

PREPARED TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information, call the Governor's Legislative Office

RSA Engineering, Inc. Facsimile

To: Senator Loren Leman

Company:

Phone: 1-907-465-2095

Fax: 1-907-465-3810

From: Dick Armstrong *RA*

Company: RSA

Phone: 907-276-0521

Fax: 907-276-1751

Date: 02/27/95

Pages including this
cover page: 1

Project: AELS Registrant Mix by Discipline

Comments:

	# Registrants	% of total
Civil	2,328	58.08
Electrical	451	11.25
Mechanical	519	12.95
Mining	44	1.10
Petroleum	63	1.57
Chemical	65	1.62
Architect	538	13.42
TOTAL	4,038	

As discussed, I researched our registrant mix by discipline with the below listed results. These numbers certainly justify my opposition to requiring a mining engineer or a requirement for either a mining or petroleum engineer when there are no requirements for representation of electrical or mechanical disciplines, who are also very well represented (10 times more people).

Also, please find attached the addresses of the Engineer of the Year nominees.

SB

47

by the Commission. The authority to regulate some types and sizes of utilities is limited under the law. Many electric utilities in bush communities are exempt from regulation because of their small size. Some cooperatives and government-owned utilities are also exempt because they have alternative means of accountability to the consumer. Of the 359 certificates held, the Commission currently regulates the rates, services, practices, or facilities of 104 utilities and 15 pipeline carriers.

In addition, the Commission is responsible for computing the power costs and resultant state assistance amounts for customers of electric utilities participating in the Power Cost Equalization (PCE) program.

The Commission carries out its regulatory responsibilities through several means. It conducts audits, investigations, public meetings, tariff action meetings, formal adjudicatory proceedings, informal meetings, and conferences; and resolves complaints by telephone, mail, meeting, or adjudication.

The Commission functions as a quasi-judicial body when rendering decisions in formal proceedings and as a quasi-legislative body when promulgating regulations. Its proceedings and determinations are governed by the statutes and regulations of the state.

APUC FY94 overview (continued)

Funding

Funds to pay for Commission operations have historically been provided through the state's general fund. In 1992 following the legal mandate of the legislature, the Commission enacted regulations allowing it to recover its operating costs through an assessment on the revenues of the utilities and pipeline carriers it regulates. That Regulatory Cost Charge (RCC) shows up as a surcharge on monthly billing statements to consumers and shippers.

The legislature appropriated and the governor approved a FY95 budget of \$3.635 million, funded 100 percent from program receipts, in the form of the Regulatory Cost Charge. There are no unrestricted general funds in the FY95 appropriation. To raise the \$3.7 million for operating costs, the revenue assessment was set at 43 cents per \$100 for all utilities except electric utilities (assessed at .0412 cents per kilowatt hour).

With provisions of the sunset law clouding the Commission's long-term existence and its funding mechanism set to expire even sooner, the APUC has been forced to adapt to an uncertain future at least until corrective action can be taken by the Legislature.

Alaska Public Utilities Commission

	FY93	FY94	Percent change
Appropriations			
71000 Personal services	\$2,455,400	\$2,612,500	6%
72000 Travel	57,800	53,600	-7%
73000 Contractual	1,163,500	872,400	-25%
74000 Commodities	43,700	60,700	39%
75000 Equipment	20,400	25,000	23%
TOTALS	\$3,740,800	\$3,624,200	-3%

**Operating
Budget
FY94
(7/1/93
to 6/30/94)**

	FY93	FY94	Percent change
Expenditures			
71000 Personal services	\$2,366,884	\$2,462,960	4%
72000 Travel	47,777	56,508	18%
73000 Contractual	913,309	800,962	-12%
74000 Commodities	94,049 ¹	63,615	-32%
75000 Equipment	71,327	33,470	-53%
TOTALS	\$3,493,346¹	\$3,417,515	-2%

Revenue receipts²

General Fund Program Receipts:	\$3,897,553 ¹	\$3,482,122	-11%
TOTAL REVENUES	\$3,897,553	\$3,482,122	-11%

1. Corrected number from FY93 Annual Report.
2. The Commission received revenues under various provisions of its statutes including copying and postage charges (AS 42.05 201) and cost allocations in proceedings (AS 42.05.651/AS 42.06.610).
3. The Commission funding was changed to General Fund Program Receipts in FY93 (3 AAC 47) under the Regulatory Cost Charge program.

The Alaska Public Utilities Commission is working this fiscal year in the shadow of a dilemma. While the Commission remains charged with carrying out its regulatory mandate, its annual funding mechanism was not extended by the last Legislature, nor was the APUC's very existence extended beyond June 1995.

There was no formal opposition to extending the APUC — in fact the state's 1995 budget includes full funding for the Commission. But because no legislative action was taken to the contrary, the Commission fell victim to the state's sunset law and was terminated June 30, 1994. That began the Commission's one-year wind-down period. Under the 1977 Sunset Law, several state boards and commissions are set to periodically and automatically expire unless specifically renewed.

Compounding the confusion is the fact that legislation extending the APUC's authority to levy a Regulatory Cost Charge (RCC) from utilities and pipeline carriers was held up and died on the House floor during the last day of the regular session. Because the Legislature did not act on the RCC issue, which generates 100 percent of the funding for the Commission's approximately \$3.63 million annual budget, there is no mechanism for collecting money after December 31, 1994.

With provisions of the Sunset Law clouding the Commission's long-term existence and its funding mechanism set to expire even sooner, the APUC has been forced to adapt to an uncertain future -- at least until corrective action can be taken by the Legislature.

With legal guidance from the State Attorney General's office, the APUC will continue undiminished in pursuit of its regulatory mandate until it is forced to close its office on June 30, 1995 under the sunset law. As the Assistant Attorney General's June opinion to the APUC stated, "We advise that the Commission should continue to perform its statutory duties to the extent possible while developing a plan to phase out its work by the close of the sunset year."

In August the APUC also adopted a policy strongly recommending to the Legislature and the Governor that a simple reauthorization bill be promptly introduced and passed to do just two things: extend the Commission for four years and to make permanent the RCC. Other APUC legislative business could be deferred in the interest of prompt passage of these bills.

The Alaska Public Utilities Commission is doing everything possible to maintain a normal schedule during its wind-down year. However, those things that will be neglected, and the consequences from such neglect, may grow more serious each day.

As the Commission is compelled to complete its affairs the potential disruption may become severe:

1) applications for a certificate of public convenience and necessity, or for changes in service area or transfer of a certificate received after December 31, 1994 may not be processed before June 30, 1995;

APUC: Working in the shadow of the Sunset Law

2) processing of new cases involving utility or pipeline rate changes or new requests may be disrupted. Normally, when a filing is suspended for investigation, the suspension period is five or six months. Therefore, dockets cannot be opened after December 31, 1994 with the normal suspension period. Accelerating the dockets is not an option because utilities and pipeline carriers are entitled to due process; and

3) regulatory proceedings will be suspended for dockets where the regulations may not take effect before the termination date.

The Commission is mandated by law to **conclude** its affairs by June 30, 1995. AS 44.66.010(b). To wrap up as many dockets as possible by that deadline, and to minimize the loose ends, the Commission must, according to statutes, focus its attention on concluding its affairs.

Additionally, under current law the authority to charge the Regulatory Cost Charge (RCC) expires December 31, 1994, halfway through the fiscal year. The Commission has obtained an Attorney General's opinion citing that the Commission can collect the full amount of the annual FY95 appropriation by December 31, 1994, and has adopted regulations to accomplish this. The Commission was directed to submit its FY96 budget request with program receipts as the source, thereby assuming that the RCC will be reenacted.

Sunset extension early in first session of the Legislature is needed to avoid severe disruption of utilities and pipeline carrier regulation. It was only the hurried activity of the closing days of last year's legislative session that prevented action assuring the extension of the Alaska Public Utilities Commission. The Commission looks forward to a prompt and positive resolution of the issues affecting its authority and funding.

APUC: Working in the shadow of the Sunset Law (continued)



Tamara Alexander (records and filings supervisor), Balassa Doughty (documents processor), Sonia Cornejo (documents processor)

Pat Oldenburg (administration supervisor)

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

907-465-3867 or 465-2430
FAX 907-465-2029
Mail Stop 5101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 30, 1995

SUBJECT: Sectional summary of SB 47
(APUC extension and other utility matters)

TO: Senator Tim Kelly
Attn: Josh Fink

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Sec. 1 permits the Alaska Public Utilities Commission (APUC) to exercise the powers expressly granted or reasonably implied by the chapter. The section removes a requirement that the powers of the APUC be liberally construed to accomplish the commission's stated purpose.

Sec. 2 establishes a regulatory cost charge on utilities. Under subsection (a), regulated public utilities pay an annual charge not to exceed 8 percent of in-state gross revenue and exempt public utilities pay the actual cost of services provided by the commission.

Under subsection (b), the commission adopts regulations to set the method for determining the annual amount of the regulatory cost charge. Subsection (c) establishes special rules for utilities selling services at wholesale, local exchange telephone utilities, and electric utilities.

Subsection (d) directs the commission to allocate the total amount of the regulatory cost charge to be paid by electric utilities by using an equal charge per kilowatt hour.

Subsection (e) directs the Department of Revenue to collect and enforce the regulatory cost charge and the Department of Administration to identify how much of the APUC's operating budget lapses into the general fund each year. This will permit the legislature, if it wishes, to appropriate that amount for the following year's budget so that the APUC can set a lower regulatory cost charge for the second year to reflect the surplus from the previous years' collection.

~~_____~~
- LEG. LEGALS SECTIONAL

Subsection (f) requires the APUC to allow public utilities to bill their customers for the cost of the regulatory cost charge.

Subsection (g) allows the APUC and the Department of Revenue to adopt regulations.

Subsection (h) defines terms used in the section.

Sec. 3 directs the APUC to consider the amount that a utility pays as a regulatory cost charge when allocating the costs of a hearing.

Sec. 4 provides that the subscribers of small electric and telephone utilities can petition to place the utility under APUC regulation by following the procedures set out in AS 42.05.712(h), which is amended by sec. 12 of the bill.

Sec. 5 permits electric and telephone utilities that do not gross \$500,000 annually to elect to be exempt from regulation under AS 42.05.712. The current threshold is \$325,000.

Sec. 6 permits utilities, other than electric and telephone utilities, that do not gross \$150,000 annually to elect to be exempt from regulation under AS 42.05.712. The current threshold is \$100,000.

Sec. 7 exempts garbage collection utilities that gross \$300,000 or less from rate regulation unless the subscribers petition for regulation under AS 42.05.712(h), amended by sec. 12 of the bill. The current threshold is \$200,000. The section retains the right of subscribers representing 25 percent of the gross revenue of a utility to petition the APUC for rate regulation.

Sec. 8 provides that the subscribers of cable television service utilities can petition to place the utility under APUC rate regulation under AS 42.05.712.

Sec. 9 permits the subscribers of a utility that is exempt from regulation under AS 42.05.711(e), (i), or (k) to use the procedures of AS 42.05.712 in an election imposing regulation.

Sec. 10 establishes a regulatory cost charge for pipeline carriers. Under subsection (a), pipeline carriers pay an annual charge not to exceed .8 percent of in-state gross revenue. A regulatory cost charge may not be assessed unless the pipeline carrier operations are within the jurisdiction of the APUC.

Under subsection (b), the commission adopts regulations to set the method for determining the annual amount of the regulatory cost charge.

Subsection (c) directs the Department of Revenue to collect and enforce the regulatory cost charge and the Department of Administration to identify how much of the

Senator Tim Kelly

January 30, 1995

Page 3

APUC's operating budget lapses into the general fund each year. This will permit the legislature, if it wishes, to appropriate that amount for the following year's budget so that the APUC can set a lower regulatory cost charge for the second year to reflect the surplus from the previous years' collection.

Subsection (d) allows the APUC and the Department of Revenue to adopt regulations.

Subsection (e) defines "gross revenue" as used in this section.

Sec. 11 directs the APUC to consider the amount that a pipeline carrier pays as a regulatory cost charge when allocating the costs of a hearing.

Sec. 12 extends the sunset date for the Alaska Public Utilities Commission until June 30, 1999.

Sec. 13 adjusts the way in which the terms of members of the APUC are staggered to ensure that no more than one commission member's term expires each year.

Secs. 14 and 15 provide that the amendment, in sec. 1, concerning how the APUC's powers are to be interpreted applies only to proceedings begun on or after the effective date of sec. 1, which is set in sec. 15 as July 1, 1996.

Sec. 16 states that, except for sec. 1, the Act takes effect immediately.

TC kib

95-023 ktc



Alaska
Rural
Electric
Cooperative
Association, Inc.

716 W. 4th Ave. #200
Anchorage, AK 99501
907. 561. 6101
FAX 907. 561. 6547

Electric Service for 191,041 Alaskans

August 2, 1993

Sen. Tim Kelly
716 W 4th Ave., Suite 400
Anchorage, AK 99501-2133

Dear Sen. Kelly

I am pleased to know that you plan to schedule consideration of APUC Sunset Review for early September. Our association has three priority issues we would like for your committee to consider in this review. One of these issues is also raised by the Audit Report

APUC Powers Liberally Construed

For many years, the APUC has tended to expand the authority it exercises, and the courts have permitted this expansion to take place. The reason for this is the provision in AS 42.05.141(a)(1) that directs that "the powers of the commission shall be liberally construed . . ." This can work either to the advantage or disadvantage of the regulated utility, but in either case, we do not think it is appropriate. We have long believed that a more appropriate directive would be that "the powers of the commission shall be those specifically conferred by the legislature or necessarily implied from those specific grants of authority."

We have long believed that this power to define the role of the commission should rest with the legislature rather than the commission itself, but this issue now takes on much more critical importance. Now that the commission is funded primarily by a variable tax it imposes on the utilities called the "regulatory cost charge," the commission potentially has the resources to fund whatever level of regulation it wishes to develop. No agency of state government should have that kind of power.

Enclosed is a letter from Roger Kemppel, our attorney, which details a few recent examples in which the commission and the courts relied on the "liberally construed" language to expand their authority.

We ask that this section be amended so that the legislature reclaims its appropriate authority over the commission.

~~_____~~
- Letters on "Liberally
Construed" - CTION

Negotiated Rulemaking

Negotiated rulemaking is authorized at the federal level, and it is being used there with increasing frequency. Without any special authorization, the Alaska Department of Environmental Conservation has also used this technique quite effectively. We think this approach to rulemaking has considerable merit at the APUC as well. The problem in implementing that approach at the commission without legislative directive is that it would violate existing rules of procedure at the commission which presume adversarial proceedings.

The federal energy legislation of 1992 contained a requirement that state regulatory bodies consider implementing "integrated resource planning." Negotiated rulemaking could be particularly useful in complying with that requirement.

Regulatory Cost Charge

This association objects to the whole idea of this special tax on utilities. We think that operations of the APUC should be paid for from unrestricted general revenue funds. However, if one assumes that the RCC will stay in place in some form, our concern is the same as that of the auditor. There has to be some way to make the allocations of cost under the RCC more equitable.

The audit report recommends that a timekeeping system be established which would be used to allocate responsibility for the RCC the next year. The commission objects to this recommendation because they think this timekeeping would increase their costs significantly. Because the industry is paying the commission's bills, we also have to be sensitive to their costs. So although we are in complete agreement with the audit report in how it defines the problem, we are ambivalent about the cure it recommends.

We recommend a more direct approach to solving the problem. Our proposal is to reconsider the amendment submitted by then Rep. Bert Sharp in the House Finance Committee when the RCC as it exists today was being drafted. The Sharp proposal was to adjust the gross electric revenues by deleting the cost of power before the RCC is calculated. The rationale for doing this is that the distribution function of an electric utility, without the cost of the electricity itself added in, is comparable to the service provided by a local telephone exchange. By deleting the cost of power from the calculation, a great deal more fairness between telephone and electric would be introduced into the system.

As the RCC calculation exists now, electric paid 39% of the total in FY 93, and that will increase to 43% of the total for FY 94. By contrast, the audit report estimates that telephone companies account for 45% of the workload while under the FY 94 plan they will be paying only 21% of the RCC. If the Sharp amendment were in place, the share of RCC for electric would drop to approximately 28% while the share for telephone would increase to approximately 27%.

I look forward to discussing these and other proposals which may be under consideration when your committee meets on APUC sunset review.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dave", written in dark ink.

David Hutchens

LAW OFFICES OF
KEMPEL, HUFFMAN AND GINDER
A PROFESSIONAL CORPORATION

ROGER R. KEMPEL
RICHARD R. HOFFMAN
PETER C. GINDER
DONALD C. ELLIS

ANDREW J. FERRO
GEORGE S. HARRINGTON, JR.
SCOTTY DEAN SMITH
LLOYD BURTON

July 23, 1993

ANCHORAGE OFFICE
228 E. FIREWEED LANE SUITE 200
ANCHORAGE ALASKA 99503 2004
19071 277 1804
TELECOPIER 19071 278 2493

CORDOVA OFFICE
220 2ND STREET
P.O. BOX 1829
CORDOVA ALASKA 99574
9071 424 7410
TELECOPIER 19071 424 7454

David Hutchens
Executive Director
Alaska Rural Electric
Cooperative Association, Inc.
703 W. Tudor Road, Suite 200
Anchorage, AK 99503

Re: APUC Powers "Liberaly Construed"

Dear Dave:

You have asked whether the "liberaly construed" language found in AS 42.05.141(a)(1) has any operative effect; that is, whether the Alaska Supreme Court cites or relies upon this statutory language in reaching decisions involving the APUC.

The answer is that both the APUC and the Alaska Supreme Court find it necessary to cite this statutory section in order to create APUC jurisdiction in matters not expressly conferred by the legislature.

The two most recent supreme court cases citing this statutory section of which I am aware occurred just last year. In February 1992, the Alaska Supreme Court issued its opinion in the case of *Far North Sanitation v. APUC*, 825 P.2d 867 (February 7, 1992). In that decision, the court dealt with the question of the APUC's power to order interim refundable rates. The court quoted the APUC's argument that the legislature granted the APUC broad powers to accomplish its purposes and, further, provided that these powers should be liberaly interpreted [citing AS 42.05.141(a)(1)] but went on to state that, on the question of whether the APUC has authority to declare a rate interim and refundable after hearing, there is conflicting case law. The court concluded, however, that the APUC had such implied authority, again citing AS 42.05.141(a)(1) and stating:

Alaska's statute mandates that the powers of the APUC be liberaly construed.

Far North Sanitation v. APUC at p. 873.

Two months later, the court issued its opinion in *Colville Environmental Services, Inc. v. North Slope Borough*, 831 P.2d 341 (April 24, 1992), this time addressing the power of the APUC to attach conditions to a certificate of public convenience and necessity which conflicted with another state statute (AS 29.35.050). In concluding that the Commission had such power the court again relied upon the liberaly construed statutory language in reaching this result.

David Hutchens
July 23, 1993
Page 2

In reaching its decision in *Colville*, the Alaska Supreme Court cited its earlier 1991 decision in *Homer Electric Association v. City of Kenai*, 816 P.2d 182, again discussing the effect of AS 42.05.141(a) and concluding in part that that section stands for the proposition that the Commission's "powers to adjudicate are plenary, as broad as the specific provisions of the act permit." *HEA v. City of Kenai* at p. 186.

I have not attempted to completely research all of the instances in which the APUC or the courts have relied upon AS 42.05.141 to expand the APUC's specific legislative powers, but I believe that the above cases illustrate that the courts have utilized this section on more than one occasion and have done so quite recently.

You should also note that the cases cited above have been decided both for and against the utility. That is to say that the existence of AS 42.05.141(a)(1) has not always worked to the detriment of the utility, but I do think it is fair to say that it has always worked to expand the APUC's jurisdiction and power beyond that otherwise explicitly granted to it by the legislature.

If you have any further questions or wish me to compile a more exhaustive list of court citations, please feel free to contact me.

Sincerely yours,

KEMPEL, HUFFMAN AND GINDER, P.C.



Roger R. Kempel
General Counsel for ARECA

RRK:ka

"Liberally Construed"

HB 213 would extend the Alaska Public Utilities Commission and the Regulatory Cost Charge that funds it until 1998. An amendment may be proposed to delete the phrase "liberally construed" from the Commission's enabling statute. The Commission opposes this amendment.

The current language of Section 42.05.141 of Alaska Statutes, entitled "GENERAL POWERS AND DUTIES OF THE COMMISSION", states in part:

(a) The Alaska Public Utilities Commission may
(1) regulate every public utility engaged or proposing to engage in such a business inside the state, except to the extent exempted by AS 42.05.711, and the powers of the commission shall be liberally construed to accomplish its stated purposes;(emphasis added)

1. Does not expand the powers of the APUC.

In HEA vs. City of Kenai the Supreme Court said:

In sum, we have construed AS 42.05.141(a)(1) to mean that the actual areas in which the APUC may exercise its adjudicatory authority are quite narrow. Within those narrow areas, however, the APUC's powers to adjudicate are plenary, as broad as the specific provisions of the act permit....

This provision presents two guiding principles for determining the extent of the APUC's jurisdiction under specific provisions of the Act. On the one hand, it includes a principle of limitation, restricting the APUC's power to the specific jurisdictional areas of its "stated purposes." On the other hand, it includes a principle of expansion, mandating that the APUC's power to act within its specific areas of jurisdiction "is to be liberally construed." (emphasis added)

2. Benefits utilities.

Routinely the Commission allows interim rates to go into effect without requiring the utility to escrow funds or post a bond under AS 42.05.421(c). It does this by making rates interim refundable, which again benefits the utility. The authority for this is "liberally construed."

"Liberally Construed"

Page 3

whenever a court finds a gap in an agency's power. This forces the legislature back into the regulatory role that they sought to escape by creating the commission in the first place. Removing "liberally construed" from the Commission's powers and duties section would have impacts well beyond statutory construction in the courts.