

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

9991 HOUSE RULES

8672



Alaska Municipal League Joint Insurance Association, Inc.

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MEMORANDUM

Date: March 1, 2000
From: Kevin Smith, Risk Manager *Kevin*
To: Rep. Norm Rokeberg, Chair, House Labor & Commerce Committee
REGARDING: HB378

Thank you for the opportunity to testify before the House Labor & Commerce Committee February 28. It is still the position of the Alaska Municipal League (AML) and the Alaska Municipal League Joint Insurance Association (AML/JIA) that public entities, especially municipalities, school districts, and joint insurance arrangements organized under AS21.76 be excluded from the bill. In the interests of maintaining the most cost-effective, efficient risk financing for Alaska's citizens, it seems reasonable to consider excluding their public agencies from the taxes proposed in HB378.

While it is true that public entities also use the Alaska Workers' Compensation Board (AWCB) and AK-OSH, it may not be at a rate comparable to the private sector. For example, the AML/JIA's 1999 Annual Report to the Division of Workers' Compensation shows a controversion rate of only 0.05 percent of all workers' compensation claims we handle. With respect to AK-OSH services, the AML/JIA provides loss control services to its 141 public entities comparable to AK-OSH's voluntary compliance program. Unless there is an increase in services, the AML/JIA sees no reason to cost-shift from the private insurance industry to the public sector at a time when local government entities are struggling for their survival.

The zero fiscal note accompanying this bill provides no reason to anticipate any improvements in the current backlog of hearing dates and claims handling. If the bill is revenue neutral, as the fiscal note indicates, then additional services may not be possible and the AML/JIA can see no reason to change the existing formula.

If you do not find this reasoning compelling, however, there are some points the AML/JIA would propose the committee consider before you send this bill on to the next committee of referral.

The bill proposes to tax all payments made on behalf of injured workers, including vocational specialist fees (to include monitoring the worker during the vocational rehabilitation plan and tuition costs), medical benefits, defense costs, injured worker attorney fees, any interest paid on a claim as well as any payments reported in category #21 of the Annual Report to the AWCB which is marked as

1

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HB378

"other." The "other" category would include adjusting fees paid to an independent adjusting agency for investigation of subrogation, recorded interviews of witnesses, or any potential claims handling. This category would also include photocopying expenses and court reporters or any other payments made that do not specifically fit within the other 20 categories listed on the Annual Report.

Payment of a "User Fee" on Medical Only claims would not be reasonable since these particular claims do not burden or bog-down the system. Medical Only claims significantly contribute to our safety programs in that they serve as a warning system of where potential problems lie. "Frequency breeds Severity." Medical Only claims make up just over 2/3 of our total claims, as is the case for most employers/carriers. If HB378 is approved, then perhaps a separate, lower "User Fee" should be imposed on these type of claims.

It seemed that a large majority of the testimony heard on February 28, focused on the idea that this bill would ensure an Alaska based Occupational Safety & Health Administration. However, this bill cannot exclusively dedicate the "User Fee" to the AWCBS and OSHA. Again, there is no reason to believe there would be an increase of services or retention of OSHA. Essentially, we would be paying additional funds to simply maintain the current level of service we have.

There would be less incentive, from an already largely claimant oriented Workers' Compensation Board, to give favorable decisions to employers since this would guarantee the division additional revenue. This would indicate a "conflict of interest".

The AML/JIA is successful, in part, due to good planning. Our rates are set well in advance, have already been negotiated and quotes sent to some members for the FY2001 fiscal year. It will be impossible to recoup the tax increase through premiums until July 1, 2002. The AML/JIA requests that the effective date be changed to July 1, 2002, or January 1, 2003, in order to provide joint insurance arrangements with adequate time to properly budget for the increased taxes proposed in this bill. Since commercial insurance companies would be seeing a decrease in taxes under this proposal, the effective date may not be an issue for them. However, we feel that the "User Fee" should only be assessed on claims generated within a calendar year and that fees should not be assessed on claims occurring in prior years. For commercial insurance companies, those premiums have already been taxed and this would make it impossible for prior premiums to be adjusted if a fee is continuing to be paid on claims that occurred in prior years and especially in the case where a particular employer is no longer insured with the same commercial carrier or joint insurance arrangement. The answer to this problem would be to assess a "User Fee" on claims generated in each calendar year only.

In summary, the AML and the AML/JIA would encourage you to exclude public entities from the provisions of this bill. The cost-shifting from the private insurance industry to the public sector could not come at a worse time. That failing, please consider revising the measure as suggested above.

Prior to and since the hearing held on February 28, the above issues have been discussed with the Municipality of Anchorage Risk Manager, Glen Smith and he concurs with these views and statements as were represented in his earlier testimony on February 28 before the committee.

Unfortunately, I will be out of town for the remainder of the week. Should you have questions, I would invite you to call Leandra Estep, our workers' compensation manager at 800-337-3682. She

2

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HB378

intends to monitor this afternoon's hearing via teleconference as well, and should be available at the Anchorage site to answer any questions.

Thank you for your consideration of these issues.

FISCAL NOTE

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date 1/27/00 Dept. Affected Administration
 Title "An act relating to the establishment, assessment, BRU Risk Management
collection and accounting for service fees for the administration Component Risk Management
administration of workers' compensation and workers' safety programs....."
 Sponsor Rules Committee
 Requester Governor Component No. 71

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	75.8	142.4	199.9	238.9	238.9	238.9
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	75.8	142.4	199.9	238.9	238.9	238.9

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1007 I/A Receipts	75.8	142.4	199.9	238.9	238.9	238.9
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	75.8	142.4	199.9	238.9	238.9	238.9

Estimate of any current year (FY2000) cost: 0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This legislation creates an increased expense to Risk Management operating costs for a new administrative assessment fee beginning in 2001.

Applying the proposed rate schedule to the average of the five most recent fiscal years workers' compensation experience (\$9,191,125) estimated costs are projected, although future loss experience will determine actual costs incurred.

As Risk Management is funded solely through inter-agency receipts, this additional expense will require increased cost of risk allocations (premium assessments) to all state agency operating budgets.

Prepared by: Brad Thompson, Director Phone 465-5723
 Division Risk Management Date/Time 1/27/00
 Approved by Commissioner Robert Poe Date 1/27/00
 Agency Administration

FISCAL NOTE

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Economic Development
 Title An act eliminating certain taxes under AS 21.09 on BRU Insurance
premiums from the sale of workers' compensation insurance. . . Component Insurance
 Sponsor Rule Committee
 Requester Governor Component No. 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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						
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CHANGE IN REVENUES ()	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)	(3,498.2)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill will result in the elimination of tax receipts from workers' compensation premiums currently collected by the Division of Insurance. Under the bill a service fee charged by the Department of Labor and Workforce Development against workers' compensation claims payments and costs will result in fee receipts that are estimated to offset the foregone tax receipts, when the amount generated from self-insured claims is included. The loss in revenue shown above equals the amount the Department of Labor and Workforce Development estimates it will receive in fee receipts.

Prepared by: Robert A. Lohr Phone 269-7900
 Division Insurance Date/Time 2/2/00 12:24 PM
 Approved by Commissioner Deborah B. Sedwick Date 2/2/00
 Agency Community & Economic Development

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FISCAL NOTE

No: 3

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction):
 Title: "An Act eliminating certain taxes
 under AS 21.09 on premiums from the sale"
 Sponsor: Rules
 Requestor: Governor

Department Affected: Labor
 BRU: Workers' Compensation
 Component: Workers' Compensation

COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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CHANGE IN REVENUE FUND SOURCE #						
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		(2,367.1)	(2,367.1)	(2,367.1)	(2,367.1)	(2,367.1)
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)		2,367.1	2,367.1	2,367.1	2,367.1	2,367.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared by: Paul Grossi, Director *Paul Grossi* Phone: 465-2790
 Division: Workers' Compensation Date/Time: 1/28/00 3:45 PM

Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor *Ed Flanagan* Date: 1/28/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. _____

Title: An Act eliminating certain taxes under AS 21.09 from the sale of worker's compensation insurance; relating to the establishment, assessment, collection, and accounting for service fees for state administration of workers' compensation and worker safety programs; establishing civil penalties and sanctions for late payment or nonpayment of the service fee; and providing for an effective date.

The bill would eliminate the 2.7% tax paid on workers' compensation insurance premiums under AS 21.09.150(b), and would replace it with an annual service fee. The annual service fee is to be paid by all insurers who provide workers' compensation insurance as well as those employers who are self-insured or uninsured.

The fee shall be paid each year to the department at the time that the annual report is required. This suggests that initial payments shall be received by the department in March, 2001 with funding available for appropriation to the workers' compensation program on July 1, 2001, FY2002.

For those insurers who provide workers' compensation insurance, the service fee is the following percent of all payments reported to the Alaska Workers' Compensation Board under AS 23.30.155(m) or (n):

- (1) for payment due in 2001. 3.3 percent:
- (2) for payment due in 2002. 3.1 percent:
- (3) for payment due in 2003. 2.9 percent
- (4) for payment due in 2004 and subsequent years. 2.6 percent

Other employers who are self-insured under AS 23.30.090 shall instead pay an annual service fee of the following amounts in the following years:

- (1) for payment due in 2001, 25 percent of the amount calculated for the service fee under AS 23.05.067;
- (2) for payment due in 2002, 50 percent of the amount calculated for the service fee under AS 23.05.067;
- (3) for payment due in 2003, 75 percent of the amount calculated for the service fee under AS 23.05.067; and
- (4) for payment due in 2004 and subsequent years, 100 percent of the amount calculated for the service fee under AS 23.05.067.

This fee would be deposited into a workers' safety and compensation administration account, and would be available, through appropriation, to fund the expenses incurred by the state in administering the workers' compensation program under AS 23.30. During the four-year phase-in period, this appropriation would replace the unrestricted general fund appropriation which currently funds a portion of the cost of the state's workers' compensation program.

The bill provides penalties for late payment of the fee, and amends AS 37.05.146(b)(4) to ensure that the receipts in the new account are accounted for separately and that appropriations from the account are not made from the unrestricted general fund.

The Division of Workers' Compensation does not anticipate any additional need for staff to administer this fee collection program.

FISCAL NOTE

No: 4

Bill Version: HB 378

(H) Publish Date: 2/16/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction): _____
 Title: "An Act eliminating certain taxes
under AS 21.09 on premiums from the sale"
 Sponsor: Rules
 Requestor: Governor

Department Affected: Labor
 BRU: Labor Standards and Safety
 Component: Occupational Safety and Health
 COMPONENT SERIAL NO. 970

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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						
CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match		(1,131.1)	(1,131.1)	(1,131.1)	(1,131.1)	(1,131.1)
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)		1,131.1	1,131.1	1,131.1	1,131.1	1,131.1
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared by: Alan Dwyer, Director *Alan Dwyer* Phone: 465-2790
 Division: Labor Standards and Safety Date/Time: 1/31/00 1:07 PM

Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor *Ed Flanagan* Date: 1/31/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. _____

Title: An Act eliminating certain taxes under AS 21.09 from the sale of worker's compensation insurance; relating to the establishment, assessment, collection, and accounting for service fees for state administration of workers' compensation and worker safety programs; establishing civil penalties and sanctions for late payment or nonpayment of the service fee; and providing for an effective date.

The bill would eliminate the 2.7% tax paid on workers' compensation insurance premiums under AS 21.09.150(b), and would replace it with an annual service fee. The annual service fee is to be paid by all insurers who provide workers' compensation insurance as well as those employers who are self-insured or uninsured.

The fee shall be paid each year to the department at the time that the annual report is required. This suggests that initial payments shall be received by the department in March, 2001 with funding available for appropriation to the workers' compensation program on July 1, 2001 (state fiscal year 2002).

For those insurers who provide workers' compensation insurance, the service fee is the following percentage of all payments reported to the Alaska Workers' Compensation Board under AS 23.30.155(m) or (n):

- (1) for payment due in 2001: 3.3 percent;
- (2) for payment due in 2002: 3.1 percent;
- (3) for payment due in 2003: 2.9 percent;
- (4) for payment due in 2004 and subsequent years: 2.6 percent

Other employers who are self-insured under AS 23.30.090 shall pay instead an annual service fee as follows, calculated according to the provisions of AS 23.05.067:

- (1) for payment due in 2001, 25 percent of the amount calculated for the service fee;
- (2) for payment due in 2002, 50 percent of the amount calculated for the service fee;
- (3) for payment due in 2003, 75 percent of the amount calculated for the service fee; and
- (4) for payment due in 2004 and subsequent years, 100 percent of the amount calculated for the service fee .

This fee would be deposited into a workers' safety and compensation administration account, and would be available, through appropriation, to fund the expenses incurred by the state in administering the occupational safety and health program. During the four-year phase-in period, this appropriation would replace the unrestricted general fund match appropriation which currently funds a portion of the cost of the state's occupational safety and health program.

The bill provides penalties for late payment of the fee, and amends AS 37.05.146(b)(4) to ensure that the receipts in the new account are accounted for separately and that appropriations from the account are not made from the unrestricted general fund.

The Division of Labor Standards and Safety does not anticipate any additional need for staff to administer this fee collection program.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 378

Revision Date/Time (Note if correction) March 8 '00 Dept. Affected All State Agencies
 Title "An act relating to the establishment, assessment, BRU
collection, and accounting for service fees for the administration
of workers' compensation and safety programs. Component _____
 Sponsor House Rules Committee
 Requester House Finance Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	75.8	142.4	199.9	238.9	238.9	238.9
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	75.8	142.4	199.9	238.9	238.9	238.9

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	7.5	14.1	19.8	23.6	23.6	23.6
1003 GF Match	1.9	3.6	5.0	6.0	6.0	6.0
1004 GF	36.6	68.8	96.5	115.4	115.4	115.4
1005 GF/Program Receipts	2.7	5.1	7.1	8.5	8.5	8.5
other (GF)	3.2	6.0	8.4	10.1	10.1	10.1
Other (Specify Type)	23.9	44.9	63.0	75.3	75.3	75.3
TOTAL	75.8	142.4	199.9	238.9	238.9	238.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Consolidation of statewide risk management costs to departments' personal services expense. See attached for detailed fund source amounts.

Prepared by: Joan Brown, Chief Budget Analyst *JK for JB* Phone 465-4681
 Division Office of Management and Budget Date/Time 3/7/00 3:59 PM
 Approved by Director Annalee McConnell *JK for AMC* Date 03/07/2000
 Agency Governor's Office

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Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration 10,518.81	Comm. & Econ. Dev. 619.73	Corrections 9,238.75	Court System 1,341.45	Ed & Early Dev. 1,107.94	Environmental Conservation 997.11	Fish & Game 2,953.22	Health & Social Svcs. 11,642.36	Labor & Workforce Dev. 1,973.8	Law 828.05	Legislature 534.56	Military & Veterans Affairs 798.45	Natural Resources 4,018.34	Office of the Governor 366.55	Public Safety 7,667.31	Revenue 900.20	Transportation & Public Facilities 19,293.36	Total
1002	Fed Rcpts	Fed	135	11	213		120	259	1,057	2,979	1,360	9		431	263	21	173	330	93	7,454
	Fed Incentive																			
1016	Payments	Fed																31		31
	Indirect Cost																			
1133	Reimbursement	Fed																14		14
	Fed Total		135	11	213	0	120	259	1,057	2,979	1,360	9	0	431	263	21	173	376	93	7,500
1003	GF Match	GF	41	13			20	64	21	1,431	84	3		66	33	33	57		17	1,881
1004	GF	GF	4,540	102	8,368	1,341	393	143	1,241	4,008	216	460	535	221	2,234	313	6,993	116	5,333	36,556
1005	GF/PR	GF	1,038	197			18	90	125	92	23	8			543		130	47	417	2,728
	GF/Mental																			
1037	Health	GF	1,474		352		2			702		1								2,531
1047	Title XX	GF								370										370
	Pioneers																			
1118	Homes Rcpts	GF	240																	240
	Tobacco																			
1119	Settlement	GF	37							26		3								65
	GF Total		7,369	312	8,720	1,341	433	297	1,386	6,629	322	476	535	286	2,810	346	7,180	163	5,767	44,371
1007	IA Rcpts	Other	671	81	28		312	26	279	1,589	257	328		41	286		215	42	247	4,401
	Advance																			
	College Tuition																			
1011	Payment Fund	Other																0		0
	Donated																			
	Commodity /																			
1014	Handling Fee	Other					5													5
	Benefit Systems																			
1017	Rcpts	Other	225																	225
	Exxon Valdez																			
1018	Oil Spill	Other						3	88						23					113
1021	Ag Loan Fund	Other													106					106
	FICA Admin																			
1023	Fund	Other	13																	13
	Fish & Game																			
1024	Fund	Other							786			2					62			850
1025	Science & Tech	Other		21																21
	Hwy Working																			
1026	Capital	Other																	1,482	1,482
	International																			
	Airports																			
1027	Revenue Fund	Other																0	3,374	3,375
1029	PERS	Other	366																	366
	Second Injury																			
1031	Fund	Other									6									6

Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration	Comm. & Econ. Dev.	Corrections	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs.	Labor & Workforce Dev.	Law	Legislature	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transportation & Public Facilities	Total
		Disabled	10,518.81	619.73	9,238.75	1,341.45	1,107.94	997.11	3,953.22	11,642.36	1,973.8	828.05	534.56	798.45	4,018.34	366.55	7,667.31	900.20	19,293.36	
		Fishermans																		
1032	Reserve Acct	Other									6									6
		Surplus																		
1033	Property	Other	29																	29
1034	TERS	Other	154																	154
		Vets Revolving																		
1035	Loan Fund	Other		2																2
		Comm Fish																		
		Revolving Loan																		
1036	Fund	Other		41																41
		UA Indirect Cost																		
1039	Recovery	Other																	1,210	1,210
		Real Estate																		
1040	Surety Fund	Other		3																3
		Judicial																		
		Retirement																		
1042	System	Other	1																	1
		Natl Guard																		
		Retirement																		
1045	System	Other	7																	7
		Student																		
		Revolving Loan																		
1046	Fund	Other																0		0
		Training &																		
1049	Building Fund	Other									15									15
		Perm Fund																		
1050	Dividend Fund	Other															24	55		79
		Rural Dev																		
1051	Initiative Fund	Other		2																2
		Oil/Haz																		
1052	Response Fund	Other						245												245
1053	ILTF	Other																0		0
1055	IA Oil & Haz	Other							3			9		20	4		7			43
		Small Bus Loan																		
1057	Fund	Other		0																0
1061	CIP Rcpts	Other	18	13	63		1	58	108	75				20	217			27	6,212	6,813
		Public School																		
1066	Fund	Other																0		0
		Mining																		
		Revolving Loan																		
1067	Fund	Other		0																0

Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Administration	Comm. & Econ. De	Corrections	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs.	Labor & Workforce Dev.	Law	Legislature	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transportation & Public Facilities	Total	
			10,518.81	619.73	9,238.75	1,341.45	1,107.94	997.11	3,953.22	11,642.36	1,973.8	828.05	534.56	798.45	4,018.34	366.55	7,667.31	900.20	19,293.36		
		Child Care																			
		Revolving Loan																			
1068	Fund	Other		0																0	
		Historical District																			
		Revolving Loan																			
1069	Fund	Other		0																0	
		Fisheries Enhancement																			
		Revolving Loan																			
1070	Fund	Other		6																6	
		Alternative Energy																			
		Revolving Loan																			
1071	Fund	Other		3																3	
		Clean Water																			
1075	Loan Fund	Other						10												10	
		Marine Hwy																			
1076	System Fund	Other																	830	830	
		Storage Tank																			
1079	Asst Fund	Other						20												20	
1081	ISF	Other	1,284																	1,284	
1092	MHTAAR	Other	7		7					148					59					222	
		Clean Air																			
1093	Protection Fund	Other						61												61	
		Mental Health																			
1094	Trust Admin	Other																9		9	
		Children's Trust																			
1098	Fund Earnings	Other																0		0	
		Alaska Drinking																			
1100	Water Fund	Other						11												11	
		Aerospace Dev																			
1101	Corp Rcpts	Other		0																0	
1102	AIDEA Rcpts	Other		47																47	
1103	AHFC Rcpts	Other																164		164	
		Municipal Bond																			
1104	Bank Rcpts	Other																1		1	
		Perm Fund																			
1105	Corp Rcpts	Other													96			59		155	
		Post-Secondary																			
1106	Ed Comm Rcpts	Other					208													208	
1108	SDPR	Other	222		207		29	7	106	222	8	4			155		6	3	81	1,049	

Workers' Compensation Fees Summary

Fund Code	Fund Source	Category	Adminstration	Comm. & Econ. Dev.	Corrections	Court System	Ed & Early Dev.	Environmental Conservation	Fish & Game	Health & Social Svcs.	Labor & Workforce Dev.	Law	Legislature	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transportation & Public Facilities	Total
			10,518.81	619.73	9,238.75	1,341.45	1,107.94	997.11	3,953.22	11,642.36	1,973.8	828.05	534.56	798.45	4,018.34	366.55	7,667.31	900.20	19,293.36	
	Test Fisheries																			
1109	Rcpts	Other							141											141
	International Trade & Bus Endowment																			
1115	Income	Other		4																4
1141	RCA Rcpts	Other		74																74
	Public Bldg																			
1147	Fund	Other	19																	19
	Other Total		3,017	297	305	0	555	442	1,511	2,034	292	343	0	80	946	0	314	362	13,436	23,932
	Grand Total		10,521	620	9,238	1,341	1,108	997	3,954	11,642	1,974	828	535	798	4,018	367	7,666	900	19,295	75,802

Assessment With Self Insureds Phased In

Insurer	1998 Total	Self Insured's	Self Insured's	Self Insured's	Self Insured's	Comments
	Compensation	at 25%	at 50%	at 75%	at 100%	
Other Insureds Assessment Rate		3.3%	3.1%	2.9%	2.6%	
* NOT INSURED EMPLOYER *	183,511	6,056	5,689	5,322	4,771	
AETNA CASUALTY & SURETY	2,181,973	72,005	67,641	63,277	56,731	Changed to Travelers In 1997
AGRICULTURAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
ALASKA AIRLINES, INC.	1,690,798	13,999	26,300	36,905	44,117	Self Insured Employer
ALASKA INS GUARANTY ASSN	427,108	14,095	13,240	12,300	11,105	Guaranty Association
ALASKA INSURANCE COMPANY	4,142	137	128	120	108	Listed as AIU Insurance Companies
ALASKA MUNICIPAL LEAGUE	2,166,857	17,877	33,586	47,129	58,338	Joint Insurance Association
ALASKA NATIONAL INS. CO.	23,530,320	776,501	729,440	682,379	611,788	
ALASKA PULP CORPORATION	1,599	13	25	35	42	Self Insured Employer
ALASKA RAILROAD CORPORATION	458,207	3,781	7,103	9,967	11,915	Public Self Insured Employer
ALASKA, STATE OF	9,030,579	74,502	139,974	198,415	234,795	Public Self Insured Employer
ALASKA TIMBER INSURANCE	4,996,295	104,078	154,805	144,893	129,904	
ALASKA, UNIVERSITY OF	1,100,454	9,120	17,150	24,065	28,768	Self Insured Employer
ALLSTATE INSURANCE CO.	98,624	3,255	3,057	2,860	2,564	No Premiums Written In 1998
ALYESKA PIPELINE SERVICE	683,657	5,475	10,287	14,435	17,255	Self Insured Employer
AMERICAN ALLIANCE INS CO	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN AUTOMOBILE INS.	70,106	2,313	2,173	2,033	1,823	
AMERICAN CASUALTY CO OF PA	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN ECONOMY INS CO	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN GUARANTEE & LIABILITY	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN HOME ASSURANCE	1,698,571	58,053	52,850	49,259	44,163	
AMERICAN INSURANCE CO.	318,132	10,498	9,862	9,226	8,271	
AMERICAN INTL SOUTH INS CO	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN INTERSTATE INS CO	-	-	-	-	-	No Compensation Reported In 1998
AMERICAN MFGS MUTUAL INS	182,318	6,018	5,652	5,287	4,740	
AMERICAN MOTORISTS INS.	362,144	11,951	11,226	10,502	9,416	
AMERICAN NATIONAL FIRE	291,933	9,634	9,050	8,468	7,590	
AMERICAN PROTECTION INS	6,874	227	213	199	179	
AMERICAN STATES INS CO	-	-	-	-	-	No Compensation Reported In 1998
AMOCO PRODUCTION COMPANY	31,351	259	488	682	815	Self Insured Employer
ANCHORAGE DAILY NEWS	1,709,502	14,107	28,504	37,192	44,459	Self Insured Employer
ANCHORAGE, MUNICIPALITY OF	3,268,210	26,940	50,828	71,040	84,922	Public Self Insured Employer
ANCHORAGE, SCHOOL DISTRICT	1,973,212	16,279	30,585	42,917	51,304	Public Self Insured Employer
ARECA INSURANCE EXCHANGE	739,840	24,415	22,935	21,456	19,236	
ARGONAUT INSURANCE CO.	43,682	1,441	1,354	1,266	1,135	
ASSOCIATED INDEMNITY CO	100,551	3,318	3,117	2,918	2,614	
ASSURANCE CO OF AMERICA	-	-	-	-	-	No Compensation Reported In 1998
AT&T / ALASCOM	208,359	1,702	3,199	4,488	5,305	Self Insured Employer
ATLANTIC MUTUAL INS. CO	81,370	2,688	2,523	2,360	2,118	

BANKERS STANDARD INS CO	-	-	-	-	-	No Compensation Reported In 1998
BIRMINGHAM FIRE INS CO OF PA	-	-	-	-	-	No Compensation Reported In 1998
CARR-GOTTSTEIN FOODS CO.	2,076,074	17,120	32,170	45,155	53,978	Self Insured Employer
CARRIER NAME NOT ON FILE	975,117	32,170	30,229	28,278	25,353	Unidentified
CENTENNIAL INSURANCE CO.	1,057	55	51	48	43	
CENTRE INS CO	-	-	-	-	-	No Compensation Reported In 1998
CHEVRON CORPORATION	39,390	325	011	057	1,024	Self Insured Employer
CHARTER OAK FIRE INS CO	-	-	-	-	-	No Compensation Reported In 1998
CHRYSLER INSURANCE CO	17,131	565	531	497	445	
CHUBB GROUP OF INS CO	99,207	3,274	3,075	2,877	2,579	Changed to Jefferson Pilot In 1998
CIGNA PROPERTY & CASUALTY	10,084,032	359,193	337,424	315,054	283,000	
CINCINNATI INSURANCE CO.	317	10	10	9	8	
CLARENDON NATIONAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
COLUMBIA HEALTHCARE CORP	3,012,917	24,857	46,700	65,531	78,330	Self Insured Employer
COMMERCIAL UNION INS. CO	2,451	81	78	71	64	
CONTINENTAL BAKING CO.	4,195	35	65	91	109	Self Insured Employer
CONTINENTAL INSURANCE CO	1,182,495	39,022	36,657	34,292	30,745	
COREGIS INSURANCE CO	27,024	892	038	784	703	No Premiums Written In 1998
CREDIT GENERAL INS CO	37,203	1,230	1,155	1,081	909	
CRUM & FOSTER	10,109	334	313	293	203	No Premiums Written in 1998
CUMIS INSURANCE SOCIETY	12,294	400	381	357	320	
EAGLE PACIFIC INSURANCE	4,154,141	146,987	130,078	129,170	115,808	
ELECTRIC MUTUAL LIABILITY	183,772	6,064	5,697	5,329	4,778	
EMPLOYEE BENEFITS INS	41,602	1,373	1,200	1,206	1,082	No Premiums Written in 1998
EMPLOYERS CASUALTY CO	18,993	027	589	551	494	
EMPLOYERS INS. OF WAUSAU	12,319,540	408,545	381,906	357,267	320,308	
FAIRBANKS, CITY OF	314,503	2,595	4,870	6,842	8,179	Public Self Insured Employer
FAIRBANKS, NORTH STAR BOROUGH	1,023,330	8,442	15,062	22,257	26,607	Public Self Insured Employer
FAIRMONT INS CO	-	-	-	-	-	No Compensation Reported In 1998
FEDERAL EXPRESS CORP.	956,340	7,890	14,023	20,801	24,865	Self Insured Employer
FEDERAL INS COMPANY	33,135	1,093	1,027	961	802	
FIDELITY & GUARANTY INS	-	-	-	-	-	No Compensation Reported in 1998
FIREMAN'S FUND INS CO	1,521,582	50,212	47,169	44,120	39,561	
FLORISTS MUTUAL INS. CO.	3,500	118	111	104	93	
FRED MEYER, INC.	780,744	6,441	12,102	18,901	20,299	Self Insured Employer
FREMONT INDEMNITY CO	13,077,503	431,560	405,404	379,249	340,017	
GENERAL ACCIDENT INS CO	-	-	-	-	-	No Compensation Reported In 1998
GENERAL CASUALTY CO OF WI	-	-	-	-	-	No Compensation Reported In 1998
GENERAL INS CO OF AMERICA	-	-	-	-	-	No Compensation Reported In 1998
GLOBE INDEMNITY COMPANY	-	-	-	-	-	No Compensation Reported In 1998
GRANITE STATE INS CO	-	-	-	-	-	No Compensation Reported in 1998
GREAT AMERICAN INSURANCE	376,484	12,424	11,671	10,918	9,789	
GROCERS INSURANCE CO	30,557	1,200	1,133	1,000	950	
GUIDEONE MUTUAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
GULF INSURANCE COMPANY	1,441	48	45	42	37	No Premiums Written In 1998
HARCO NATIONAL INS CO	886	29	27	26	23	
HARTFORD INSURANCE CO	298,789	9,000	9,202	8,665	7,769	
HIGHLANDS INSURANCE CO.	172,795	5,702	5,357	5,011	4,493	
HOLLAND AMERICA LINE /	244,351	2,010	3,787	5,315	6,353	Self Insured Employer
HOME INSURANCE COMPANY	180,330	5,951	5,590	5,230	4,689	

HOUSTON GENERAL INS CO	38,642	1,275	1,198	1,121	1,005	
ICICLE SEAFOODS, INC.	839,847	5,270	9,918	13,917	10,630	Self Insured Employer
INDEMNITY INS CO OF N AMERICA	-	-	-	-	-	No Compensation Reported In 1998
INSURANCE CO OF N AMERICA	-	-	-	-	-	No Compensation Reported In 1998
INSURANCE CO OF STATE PA	3,993,422	131,783	123,700	115,009	103,029	
INSURANCE CO OF THE WEST	144,944	4,703	4,493	4,203	3,769	
INTERCARGO INS CO	-	-	-	-	-	No Compensation Reported In 1998
JOHN DEERE INSURANCE CO	143,737	4,743	4,450	4,168	3,737	
JUNEAU, CITY OF	716,490	5,911	11,100	15,584	18,029	Public Self Insured Employer
LEGION INSURANCE COMPANY	178,359	5,888	5,529	5,172	4,637	
LIBERTY MUTUAL INS. CO.	1,970,070	65,329	61,370	57,411	51,472	
LLOYDS OF LONDON	54,510	1,709	1,690	1,581	1,417	No Premiums Written In 1998
LOUISIANA - PACIFIC CORP	580,320	4,788	8,995	12,022	15,088	Self Insured Employer
LM INSURANCE CORP	-	-	-	-	-	
LUMBERMENS MUTUAL	531,194	17,529	16,467	15,405	13,811	
MAJESTIC INSURANCE CO.	144,425	4,760	4,477	4,188	3,755	
MARYLAND CASUALTY CO.	103,802	3,425	3,218	3,010	2,699	
MATANUSKA SUSITNA BOROUGH	281,713	2,159	4,057	5,682	6,805	Public Self Insured Employer
MICHIGAN MUTUAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
NABORS PETROLEUM SERVICE	745,215	6,148	11,551	18,208	19,376	Self Insured Employer
NANA REGIONAL CORP.	45,160	373	700	982	1,174	Self Insured Employer
NATIONAL FARMERS UNION -	60,688	2,003	1,881	1,760	1,578	
NATIONAL FIRE INS OF HARTFORD	-	-	-	-	-	No Compensation Reported In 1998
NATIONAL SURETY CORP.	289,584	9,550	8,977	8,398	7,529	
NATIONAL UNION FIRE INS.	1,259,069	41,550	39,032	38,514	32,738	
NATIONWIDE MUTUAL INS CO	42,708	1,409	1,324	1,238	1,110	
NEW HAMPSHIRE INSURANCE	35,922	1,185	1,114	1,042	934	
NIAGARA FIRE INS CO	-	-	-	-	-	No Compensation Reported In 1998
NORTH RIVER INSURANCE CO	-	-	-	-	-	No Compensation Reported In 1998
NORTH SLOPE BOROUGH	804,551	8,038	12,471	17,499	20,918	Public Self Insured Employer
NORTH STAR UNDERWRITING	712,434	23,510	22,085	20,661	18,523	No Premiums Written In 1998
NORTHBROOK PROPERTY & CASUALTY	-	-	-	-	-	No Compensation Reported In 1998
NORTHERN INSURANCE CO OF NY	-	-	-	-	-	No Compensation Reported In 1998
OLD REPUBLIC INSURANCE	242,498	8,002	7,517	7,032	6,305	
PACIFIC EMPLOYERS INS	84,155	2,777	2,609	2,440	2,188	
PACIFIC INDEMNITY COMPANY	-	-	-	-	-	No Compensation Reported In 1998
PACIFIC MARINE INSURANCE	18,503	611	574	537	481	No Premiums Written In 1998
PAULA INSURANCE COMPANY	191,497	6,310	5,930	5,553	4,979	
PAY N' SAVE CORPORATION	5,570	46	80	121	145	Self Insured Employer
PETROLEUM CASUALTY CO	-	-	-	-	-	No Compensation Reported In 1998
PLANET INSURANCE COMPANY	125,940	4,150	3,904	3,652	3,275	No Premiums Written In 1998
PREFERRED RISK MUTUAL	8,030	295	277	259	232	No Premiums Written In 1998
PROVIDENCE WASHINGTON-AK	775,778	25,601	24,049	22,498	20,170	No Premiums Written In 1998
RANGER INSURANCE COMPANY	23,747	784	730	689	617	No Premiums Written In 1998
REGENT INSURANCE CO	-	-	-	-	-	No Compensation Reported In 1998
RELIANCE INSURANCE CO	220,477	7,474	7,021	6,568	5,888	
RELIANCE NATIONAL INDE	998,438	32,948	30,952	28,955	25,959	
RELIANCE NATIONAL INS CO	-	-	-	-	-	
REPUBLIC INDEMNITY CO	1,279,620	42,227	39,668	37,109	33,270	
REPUBLIC INDEMNITY OF CA	-	-	-	-	-	No Compensation Reported In 1998

REPUBLIC WESTERN INS CO	18,757	010	581	544	488	No Premiums Written In 1998
ROYAL INDEMNITY COMPANY	134,016	4,423	4,154	3,080	3,404	
ROYAL INSURANCE COMPANY	906,393	29,911	28,098	20,285	23,566	
SAFECO INSURANCE	34,732	1,140	1,077	1,007	903	
SAFEGUARD INS COMPANY	-	-	-	-	-	No Compensation Reported In 1998
SAFEWAY STORES INC.	310,700	2,620	4,940	0,932	8,200	Self Insured Employer
SEA - LAND INDUSTRIES	459,749	3,793	7,120	10,000	11,953	Self Insured Employer
SENTRY INSURANCE CO.	5,405	178	168	157	141	
SISTERS OF PROVIDENCE	1,878,045	15,499	29,119	40,861	48,845	Self Insured Employer
ST. PAUL FIRE & MARINE	883,383	28,402	28,765	25,030	22,448	
ST PAUL GUARDIAN INS CO	-	-	-	-	-	No Compensation Reported In 1998
ST PAUL MERCURY INS CO	-	-	-	-	-	No Compensation Reported In 1998
STAR INSURANCE CO	-	-	-	-	-	No Compensation Reported In 1998
STATE FARM FIRE & CASUALTY	2,747,202	90,661	85,160	79,871	71,430	
STEWART WRIGHTSON	6,097	201	189	177	159	No Premiums Written In 1998
SUMITOMO MARINE & FIRE INS CO	-	-	-	-	-	No Compensation Reported In 1998
TIG INSURANCE COMPANY	335,653	11,077	10,405	9,734	8,727	
TOKIO MARINE & FIRE INS CO	-	-	-	-	-	No Compensation Reported In 1998
TRANS PACIFIC INS CO	961,145	31,710	29,785	27,073	24,990	
TRANSCONTINENTAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
TRANSPORTATION INS CO	-	-	-	-	-	No Compensation Reported In 1998
TRAVELERS INSURANCE CO	53,751	1,774	1,660	1,559	1,398	
TWIN CITY FIRE INSURANCE	34,640	1,143	1,074	1,005	901	
UMIALIK INSURANCE CO.	661,300	21,823	20,500	19,178	17,194	
UNICN OIL CA / UNOCAL	698,852	5,760	10,832	15,200	18,170	Self Insured Employer
UNITED PACIFIC INS CO.	14,083	485	437	408	360	
UNITED STATES FIDELITY &	40,083	1,541	1,447	1,354	1,214	
UNITED STATES FIRE INS.	1,592	53	49	40	41	
UTICA MUTUAL INS CO	-	-	-	-	-	No Compensation Reported In 1998
VALLEY FORGE INS CO	-	-	-	-	-	No Compensation Reported In 1998
VIGILANT INSURANCE CO	-	-	-	-	-	No Compensation Reported In 1998
VIRGINIA SURETY COMPANY	115,540	3,813	3,582	3,351	3,004	
WESTPORT INSURANCE CORP	208,442	0,079	0,462	0,045	5,419	
YARDARM KNOT, INC	87,031	718	1,349	1,893	2,203	Self Insured Employer
YASUDA FIRE & MARINE INS CO	-	-	-	-	-	No Compensation Reported In 1998
ZURICH AMERICAN INS CO	321,937	10,624	9,080	9,336	8,370	
TOTAL	140,453,040	3,694,325	3,764,960	3,797,602	3,051,779	

HB

418

1-LS1500M
Utermohle
4/4/00

CS FOR HOUSE BILL NO. 418()

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION**

BY

**Offered:
Referred:**

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act designating certain receipts as program receipts, appropriations of which
2 are not made from the unrestricted general fund; relating to the establishment
3 of an administrative cost charge for the state's role in the community
4 development quota program; and providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * Section 1. AS 37.05.146(b)(4) is amended by adding new subparagraphs to read:

7 (X) receipts of the Department of Community and Economic
8 Development under AS 08.01.065(a), (c), and (f);

9 (Y) receipts from the seafood marketing assessment under
10 AS 16.51.120 - 16.51.170, the salmon marketing tax under AS 43.76.110 -
11 43.76.130, and other receipts of the Alaska Seafood Marketing Institute;

12 (Z) the administrative cost charge under AS 44.33.113 for the
13 state's role in the federal community development quota program;

14 (AA) dive fishery management assessment receipts

1 (AS 43.76.150);

2 * Sec. 2. AS 43.76.190(d) is amended to read:

3 (d) The dive fishery management assessment collected under this section shall
4 be deposited in the state treasury. Under AS 37.05.146(b), assessment receipts
5 shall be accounted for separately, and appropriations from the account are not
6 made from the unrestricted general fund [GENERAL FUND].

7 * Sec. 3. AS 43.76.200(a) is amended to read:

8 (a) The legislature may make appropriations of revenue collected under
9 AS 43.76.190 to the Department of Fish and Game for funding of the qualified
10 regional dive fishery development association in the administrative area in which the
11 assessment was collected. Appropriations under this section are not made from
12 the unrestricted general fund. Funds received under this section by a qualified
13 regional dive fishery development association may be expended in accordance with the
14 annual operating plan developed under (b) of this section.

15 * Sec. 4. AS 44.33 is amended by adding a new section to read:

16 **Sec. 44.33.113. Charges for community development quota program.** (a)
17 If the governor delegates duties as described in AS 44.33.020(11) to the department,
18 the department shall determine and assess an annual administrative cost charge for the
19 administration of the state's role in the federal community development quota program.
20 The department shall by regulation establish the method for implementing the charge
21 in accordance with the provisions of this section. The department shall assess the
22 charges on community development quota groups with approved community
23 development plans for the fiscal year for which the charge is applicable. The
24 community development quota group shall pay the charge.

25 (b) The administrative cost charge under this section for a CDQ group shall
26 be determined by the department no later than the June 30 immediately preceding the
27 start of the applicable fiscal year. The department shall promptly notify the CDQ
28 group of the amount of the charge. The CDQ group shall pay the charge no later than
29 45 days after the department provides notice to the CDQ group of the amount of the
30 charge.

31 (c) The aggregate total of administrative cost charges to all CDQ groups for

1 (g) The Department of Administration shall identify the amount of the
2 appropriations for the state's role under AS 44.33.020(11) that lapses into the general
3 fund each year. The legislature may appropriate an amount equal to the lapsed amount
4 to the community development quota program for its operating costs for the next fiscal
5 year.

6 (h) The department may adopt regulations under AS 44.62 (Administrative
7 Procedure Act) to interpret or implement its duties under this section.

8 (i) In this section,

9 (1) "CDQ group" or "community development quota group" means an
10 applicant under 16 U.S.C. 1855(i), or a successor program, with an approved
11 community development plan;

12 (2) "CDQ program" or "community development quota program" means
13 the federal community development quota program established under 16 U.S.C.
14 1855(i), or a successor federal program approved by the United States Secretary of
15 Commerce;

16 (3) "fiscal year" has the meaning given in AS 37.05.920;

17 (4) "value" has the meaning given in AS 43.75.290.

18 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section
19 to read:

20 **APPLICABILITY.** This Act applies to administrative cost charges under
21 AS 44.33.113, enacted by sec. 4 of this Act, applicable for state fiscal years beginning on or
22 after July 1, 2000.

23 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section
24 to read:

25 **TRANSITION: REGULATIONS.** The Department of Community and Economic
26 Development may proceed to adopt regulations necessary to interpret or implement sec. 4 of
27 this Act. Regulations to interpret or implement a provision of sec. 4 of this Act take effect
28 under AS 44.62 (Administrative Procedure Act), but not before the effective date of sec. 4 of
29 this Act.

30 * Sec. 7. Section 6 of this Act takes effect immediately under AS 01.10.070(c).

31 * Sec. 8. Sections 1, 4, and 5 of this Act take effect June 30, 2000.

1 a fiscal year shall approximately equal, but may not exceed, the appropriations
2 authorized for that fiscal year for the state's role under AS 44.33.020(11), less

3 (1) appropriations from sources of program receipts under
4 AS 37.05.146(b) not collected under this section; and

5 (2) any reappropriations of charges collected under this section.

6 (d) Fifty percent of the aggregate total of administrative cost charges assessed
7 on all CDQ groups for a fiscal year shall be recovered through the standard portion of
8 the charges and 50 percent of the aggregate total shall be recovered through the
9 variable portion of the charges. The administrative cost charge assessed on a CDQ
10 group for a fiscal year shall consist of a standard portion and a variable portion. The
11 CDQ group's standard portion is calculated by dividing the aggregate total amount to
12 be recovered through this portion by the number of CDQ groups to be assessed a
13 charge. The CDQ group's variable portion is calculated by multiplying the aggregate
14 total amount to be recovered through this portion by a percentage that represents the
15 ratio of the value of the CDQ group's fisheries resource quota allocation to the total
16 value of fisheries resources allocated under the CDQ program for the applicable year.

17 (e) Notwithstanding any contrary provision of this section, the department may
18 adjust the variable portion of the administrative cost charge for a fiscal year to one or
19 more CDQ groups if the department finds that an inequitable result will occur absent
20 the adjustment, but the aggregate total of the charges to be paid by all CDQ groups
21 after the adjustment must equal the amount originally calculated for that fiscal year
22 under (c) of this section.

23 (f) The department shall collect and enforce the administrative cost charge
24 assessed under this section. The receipts from the charge assessed under this section
25 shall be deposited in the community development quota program account in the state
26 treasury. Under AS 37.05.146(b), receipts from charges collected under this section
27 shall be accounted for separately, and appropriations from the account are not made
28 from the unrestricted general fund. The legislature may appropriate money from the
29 community development quota program account for expenditures by the department
30 for necessary costs incurred by the department in implementing any assigned role
31 under AS 44.33.020(11) or for any other public purpose.

1

* Sec. 9. Sections 2 and 3 of this Act take effect July 1, 2000.

FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. CSHB 418 (FIN)

Revision Date/Time (Note if correction) 04/08/00 Dept. Affected Community & Econ Dev
 Title An Act relating to program receipts collected BRU Occupational Licensing
 Component Occupational Licensing
 Sponsor House Labor & Commerce
 Requester Rules Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	896.0					
-------------------------------	--------------	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(4,525.5)					
1037 GF/Mental Health						
Other (Specify Occ Lic Rcpts)	5,421.5					
TOTAL	896.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 418 identified occupational licensing receipts collected under AS 08.01.065 as other receipts. This fiscal note identifies the portion of the division's FY 2001 Governor's Request that is currently occupational licensing revenues current collected as GF/PR (4,525.5). GF/PR funding will remain for the Business Licensing Program, \$520.0, and the Athletic Commission, \$ 7.4.

The amount listed as Occupational Licensing Receipts includes the \$4,525.5 from FY 2000 Management Plan plus FY01 increments identified as fee support, \$496.0, and the annual estimated roll-forward authorization necessary to sustain the current level of service, \$400.0.

As required by AS 08.01.065, the division will set fees to cover the costs of regulating professions.

Prepared by: Lena Simmons, Budget Analyst Phone 465-2587
 Division Administrative Services Date/Time 4/10/00 8:19 AM
 Approved by Commissioner Deborah B. Sedwick Date 4/10/00
 Agency Community & Economic Development

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB 418 (FIN)

Revision Date/Time (Note if correction) 04/08/00 Dept. Affected Community & Econ Dev
 Title An Act relating to program receipts collected BRU Occupational Licensing
 Component Occupational Licensing
 Sponsor House Labor & Commerce
 Requester Rules Component No. 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	896.0					
-------------------------------	--------------	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(4,525.5)					
1037 GF/Mental Health						
Other (Specify <u>Occ Lic Rcpts</u>)	5,421.5					
TOTAL	896.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 418 identified occupational licensing receipts collected under AS 08.01.065 as other receipts. This fiscal note identifies the portion of the division's FY 2001 Governor's Request that is currently occupational licensing revenues current collected as GF/PR (4,525.5). GF/PR funding will remain for the Business Licensing Program, \$520.0, and the Athletic Commission, \$ 7.4.

The amount listed as Occupational Licensing Receipts includes the \$4,525.5 from FY 2000 Management Plan plus FY01 increments identified as fee support, \$496.0, and the annual estimated roll-forward authorization necessary to sustain the current level of service, \$400.0.

As required by AS 08.01.065, the division will set fees to cover the costs of regulating professions.

Prepared by: Lena Simmons, Budget Analyst Phone 465-2587
 Division Administrative Services Date/Time 4/10/00 8:19 AM
 Approved by Commissioner Deborah B. Sedwick Date 4/10/00
 Agency Community & Economic Development

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ALASKA STATE LEGISLATURE

HOUSE LABOR AND COMMERCE COMMITTEE

Representative Norman Rokeberg, Chairman
Representative Andrew Halcro, Vice-Chairman
Representative John Harris
Representative Lisa Murkowski
Representative Jerry Sanders
Representative Tom Brice
Representative Sharon Cissna



State Capitol
Juneau, AK 99801-1182
Telephone: (907) 465-4954
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SPONSOR STATEMENT

COMMITTEE SUBSTITUTE HOUSE BILL 418 (), Version M

An Act designating certain receipts as program receipts, appropriations of which are not made from the unrestricted general fund; relating to the establishment of an administrative cost charge for the state's role in the community development quota program; and providing for an effective date.

CSHB 418 (), Version M, will add the following to AS 37.05.146(b)(4) (1) receipts of Occupational Licensing fees, receipts of seafood marketing assessments and other receipts of the Alaska Seafood Marketing Institute, administrative cost charges for state's role in the federal community development quota (CDQ) program; and dive fishery management assessment receipts.

Subsection (X) of HB 418 adds licensing fees received by the Division of Occupational Licensing to the program receipts category. Fees collected by this Division include licensing fees, examination fees, renewal fees, etc. By legislative mandate the Division of Occupational Licensing is a self-sustaining agency - charging the licensees for the cost of each board or commission and the work of the Division's staff. We are at a point now, in our budgetary process, where the Division and its Boards and Commissions are being held back because of the budget gap. The Division, even when it has increased spending funded by license fees, does not add to the budget gap because these expenditures are taken care of by fees not by general funds. The Division is now facing a situation where licensees would like to receive extra services from their respective Board or Commission but cannot do so because of our budgetary process. Moving these funds into a place where they are accounted for separately would assist with this problem. The Committee is aware of several examples where a Board or Commission has the funding to do an activity but cannot accomplish this because of the budgetary process. For example, the Board of Nursing would like to remain involved with an outreach program but cannot do so because of budgetary restrictions. The Board of Registration of Architects, Engineers, Land Surveyors and Landscape Architects would like to publish a newsletter and send members to more national events but, even though the funds are present, cannot do so.

Subsection (Y) of the legislation adds receipts from the seafood marketing assessment, the salmon marketing tax, and other receipts of the Alaska Seafood Marketing Institute.

Subsection (Z) adds receipts from administrative cost charges for the state's role in the federal community development quota program. The CDQ program has created jobs and expanded economic opportunities in western Alaskan. This legislation would require that comity development groups participating in the CDQ program to pay an assessment fee to the state. This fee will have two components: a standard flat amount that will total half the state's administrative costs and a variable share of the remaining administrative costs based upon the value of that group's fisheries quota allocation.

The remainder of the bill makes conforming amendments to statutes in orders that the goals above may be accomplished with regarding to the dive fishery management assessment receipts and the CDQ administrative cost charges.

HB 418 would help of these state agencies meet their customer services goals and live up to the expectation of the customers who pay the fees to run the programs.

Your support is appreciated.

Prepared by Representative Norman Rokeberg, Chairman
House Labor & Commerce Committee

ED4:04/08/00

CS FOR HOUSE BILL NO. 418()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act designating certain receipts as program receipts, appropriations of which
2 are not made from the unrestricted general fund; relating to the establishment
3 of an administrative cost charge for the state's role in the community
4 development quota program; and providing for an effective date."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 37.05.146(b)(4) is amended by adding new subparagraphs to read:

7 (X) receipts of the Department of Community and Economic
8 Development under AS 08.01.065(a), (c), and (f);

9 (Y) receipts from the seafood marketing assessment under
10 AS 16.51.120 - 16.51.170, the salmon marketing tax under AS 43.76.110 -
11 43.76.130, and other receipts of the Alaska Seafood Marketing Institute;

12 (Z) the administrative cost charge under AS 44.33.113 for the
13 state's role in the federal community development quota program;

14 (AA) dive fishery management assessment receipts

1 (AS 43.76.150);

2 * Sec. 2. AS 43.76.190(d) is amended to read:

3 (d) The dive fishery management assessment collected under this section shall
4 be deposited in the state treasury. Under AS 37.05.146(b), assessment receipts
5 shall be accounted for separately, and appropriations from the account are not
6 made from the unrestricted general fund [GENERAL FUND].

7 * Sec. 3. AS 43.76.200(a) is amended to read:

8 (a) The legislature may make appropriations of revenue collected under
9 AS 43.76.190 to the Department of Fish and Game for funding of the qualified
10 regional dive fishery development association in the administrative area in which the
11 assessment was collected. Appropriations under this section are not made from
12 the unrestricted general fund. Funds received under this section by a qualified
13 regional dive fishery development association may be expended in accordance with the
14 annual operating plan developed under (b) of this section.

15 * Sec. 4. AS 44.33 is amended by adding a new section to read:

16 **Sec. 44.33.113. Charges for community development quota program.** (a)
17 If the governor delegates duties as described in AS 44.33.020(11) to the department,
18 the department shall determine and assess an annual administrative cost charge for the
19 administration of the state's role in the federal community development quota program.
20 The department shall by regulation establish the method for implementing the charge
21 in accordance with the provisions of this section. The department shall assess the
22 charges on community development quota groups with approved community
23 development plans for the fiscal year for which the charge is applicable. The
24 community development quota group shall pay the charge.

25 (b) The administrative cost charge under this section for a CDQ group shall
26 be determined by the department no later than the June 30 immediately preceding the
27 start of the applicable fiscal year. The department shall promptly notify the CDQ
28 group of the amount of the charge. The CDQ group shall pay the charge no later than
29 45 days after the department provides notice to the CDQ group of the amount of the
30 charge.

31 (c) The aggregate total of administrative cost charges to all CDQ groups for

1 a fiscal year shall approximately equal, but may not exceed, the appropriations
2 authorized for that fiscal year for the state's role under AS 44.33.020(11), less

3 (1) appropriations from sources of program receipts under
4 AS 37.05.146(b) not collected under this section; and

5 (2) any reappropriations of charges collected under this section.

6 (d) Fifty percent of the aggregate total of administrative cost charges assessed
7 on all CDQ groups for a fiscal year shall be recovered through the standard portion of
8 the charges and 50 percent of the aggregate total shall be recovered through the
9 variable portion of the charges. The administrative cost charge assessed on a CDQ
10 group for a fiscal year shall consist of a standard portion and a variable portion. The
11 CDQ group's standard portion is calculated by dividing the aggregate total amount to
12 be recovered through this portion by the number of CDQ groups to be assessed a
13 charge. The CDQ group's variable portion is calculated by multiplying the aggregate
14 total amount to be recovered through this portion by a percentage that represents the
15 ratio of the value of the CDQ group's fisheries resource quota allocation to the total
16 value of fisheries resources allocated under the CDQ program for the applicable year.

17 (e) Notwithstanding any contrary provision of this section, the department may
18 adjust the variable portion of the administrative cost charge for a fiscal year to one or
19 more CDQ groups if the department finds that an inequitable result will occur absent
20 the adjustment, but the aggregate total of the charges to be paid by all CDQ groups
21 after the adjustment must equal the amount originally calculated for that fiscal year
22 under (c) of this section.

23 (f) The department shall collect and enforce the administrative cost charge
24 assessed under this section. The receipts from the charge assessed under this section
25 shall be deposited in the community development quota program account in the state
26 treasury. Under AS 37.05.146(b), receipts from charges collected under this section
27 shall be accounted for separately, and appropriations from the account are not made
28 from the unrestricted general fund. The legislature may appropriate money from the
29 community development quota program account for expenditures by the department
30 for necessary costs incurred by the department in implementing any assigned role
31 under AS 44.33.020(11) or for any other public purpose.

1 (g) The Department of Administration shall identify the amount of the
2 appropriations for the state's role under AS 44.33.020(11) that lapses into the general
3 fund each year. The legislature may appropriate an amount equal to the lapsed amount
4 to the community development quota program for its operating costs for the next fiscal
5 year.

6 (h) The department may adopt regulations under AS 44.62 (Administrative
7 Procedure Act) to interpret or implement its duties under this section.

8 (i) In this section,

9 (1) "CDQ group" or "community development quota group" means an
10 applicant under 16 U.S.C. 1855(i), or a successor program, with an approved
11 community development plan;

12 (2) "CDQ program" or "community development quota program" means
13 the federal community development quota program established under 16 U.S.C.
14 1855(i), or a successor federal program approved by the United States Secretary of
15 Commerce;

16 (3) "fiscal year" has the meaning given in AS 37.05.920;

17 (4) "value" has the meaning given in AS 43.75.290.

18 * Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section
19 to read:

20 **APPLICABILITY.** This Act applies to administrative cost charges under
21 AS 44.33.113, enacted by sec. 4 of this Act, applicable for state fiscal years beginning on or
22 after July 1, 2000.

23 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section
24 to read:

25 **TRANSITION: REGULATIONS.** The Department of Community and Economic
26 Development may proceed to adopt regulations necessary to interpret or implement sec. 4 of
27 this Act. Regulations to interpret or implement a provision of sec. 4 of this Act take effect
28 under AS 44.62 (Administrative Procedure Act), but not before the effective date of sec. 4 of
29 this Act.

30 * Sec. 7. Section 6 of this Act takes effect immediately under AS 01.10.070(c).

31 * Sec. 8. Sections 1, 4, and 5 of this Act take effect June 30, 2000.

1

* Sec. 9. Sections 2 and 3 of this Act take effect July 1, 2000.

CS FOR HOUSE BILL NO. 418(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 3/27/00

Referred: Rules

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act designating certain receipts as program receipts, appropriations of which
2 are not made from the unrestricted general fund; and providing for an effective
3 date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 37.05.146(b)(4) is amended by adding new subparagraphs to read:

6 (X) receipts of the Department of Community and Economic
7 Development under AS 08.01.065(a), (c), and (f);

8 (Y) receipts from the seafood marketing assessment under
9 AS 16.51.120 - 16.51.170, the salmon marketing tax under AS 43.76.110 -
10 43.76.130, and other receipts of the Alaska Seafood Marketing Institute.

11 * **Sec. 2.** This Act takes effect July 1, 2000.

FISCAL NOTE

Bill version: CSHB 418 (FIN)

(H) Publish Date: 3/27/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Econ Dev
 Title An act relating to program receipts collected... BRU AK Seafood Marketing Institute
 Component AK Seafood Marketing Institute
 Sponsor House Labor & Commerce
 Requester House Finance Component No. 393

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(7,017.3)					
1037 GF/Mental Health						
Other (Specify Design PR)	7,017.3					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

ASMI receives 2 major types of program receipts. The seafood marketing assessment (AS 16.51.120) is a voluntary assessment levied on seafood processors, based on the value of seafood products produced in Alaska. The salmon marketing tax (AS 43.76.110) is a tax based on production that is deposited in the General Fund by the Department of Revenue, which the legislature can appropriate to ASMI for the purpose of supporting the institute's domestic salmon marketing program. ASMI also collects a small amount of miscellaneous program receipts from other sources, such as publication sales and third party travel reimbursement.

Prepared by: Jeffrey W. Bush, Deputy Commissioner Phone 465-2587
 Division Commissioner's Office Date/Time 3/23/00 3:11 PM
 Approved by Commissioner Deborah B. Sedwick Date _____
 Agency Community & Economic Development

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FISCAL NOTE

STATE OF ALASKA 2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Economic Development
 Title An Act relating to program receipts... BRU Insurance
 Component Insurance
 Sponsor Rep. Rokeberg
 Requester House L & C Component No. 354

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	\$0.00	0.0	0.0	0.0	0.0	0.0
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						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(4,364.5)					
1037 GF/Mental Health						
Other (Specify Type) Designated P.R.	4,364.5					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

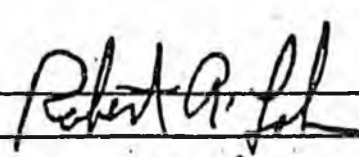
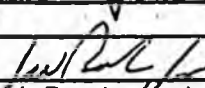
Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 418 would add Insurance fees to the designated program receipts category in the budget under AS 37.05.146(b)(4). Therefore, in FY 01 the Fund Source 1005 would be reduced by \$4,364.5 and the designated program receipts would be increased by the same amount.

Prepared by: Robert A. Lohr  Phone 269-7900
 Division Insurance Date/Time 2/25/00 5:07 PM
 Approved by Commissioner Deborah B. Sedwick  Date 2/26/00
 Agency Community & Economic Development

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FISCAL NOTE

STATE OF ALASKA 2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Community & Econ. Dev.
 Title An Act relating to program receipts collected..... BRU Occupational Licensing
 Component Occupational Licensing
 Sponsor House Labor & Commerce
 Requester House Labor & Commerce Component Serial No. 2360

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	(5,021.5)					
1037 GF/Mental Health						
Other DPR	5,021.5					
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB 418 identifies occupational licensing receipts collected under AS 08.01.065 as designated program receipts. This fiscal note identifies the portion of the division's FY 2001 budget (Governor's Request) moving from General Fund Program Receipts to Designated Program Receipts. GF/PR funding will remain for the Business Licensing Program (\$520.0) and the Athletic Commission (\$7.4).

Prepared by Jennifer Strickler, Administrative Manager
 Division Occupational Licensing
 Approved by Commissioner Deborah B. Sedwick
 Agency Community & Economic Development

Phone 465-2144
 Date/Time 2/28/2000 1:58 PM
 Date 2/28/00

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Bill History/Action Display



BILL: HB 418 SHORT TITLE: INSURANCE AND OCCUPATIONAL LICENSE FEES
BILL VERSION:
SPONSOR(S): LABOR & COMMERCE

CURRENT STATUS: (H) RLS STATUS DATE: 3/27/00

HEARING: (H) RLS Apr 10 4:00 PM CAPITOL 120

TITLE: "An Act relating to program receipts collected by the division of insurance and to program receipts collected by the Department of Community and Economic Development for occupational licenses; and providing for an effective date."

Full Text Fiscal Notes Detailed 2000 fiscal note information currently not available on-line.

Committee Action With Bill History

Jrn-Date	Jrn-Page	Action
2/23/00	<u>2279</u>	(H) READ THE FIRST TIME - REFERRALS
2/23/00	<u>2279</u>	(H) L&C, FIN
3/01/00	<u>2356</u>	(H) L&C RPT CS(L&C) NT 3DP 3NR
3/01/00	<u>2357</u>	(H) DP: HARRIS, CISSNA, ROKEBERG;
3/01/00	<u>2357</u>	(H) NR: MURKOWSKI, SANDERS, HALCRO
3/01/00	<u>2357</u>	(H) 2 FISCAL NOTES (2-DCED)
3/27/00	<u>2710</u>	(H) FIN RPT CS(FIN) NT 5DP 1NR 1AM
3/27/00	<u>2711</u>	(H) DP: THERRIAULT, MULDER, BUNDE, MOSES,
3/27/00	<u>2711</u>	(H) FOSTER; NR: DAVIS; AM: GRUSSENDORF
3/27/00	<u>2711</u>	(H) FISCAL NOTE (DCED)
3/27/00	<u>2711</u>	(H) FISCAL NOTE (DCED-#1) 3/1/00
3/27/00	<u>2711</u>	(H) REFERRED TO RULES

Similar Subject Match or Exact Subject Match

BUDGET

INSURANCE

LICENSING

OCCUPATIONS & PROFESSIONS

PUBLIC FINANCE

Bill Root: Display History/Action Clear Bill Root

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FISCAL NOTE

No. _____
 Bill Version: CSHB 334 (FIN)
 (H) Publish Date: 4/8/00

**STATE OF ALASKA
 2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected Fish and Game
 Title CHARGE FOR COMMUNITY DEVELOPMENT BRU Commercial Fisheries
QUOTA Component Special Projects
 Sponsor House Rules Committee
 Requester House Finance Committee Component No. 1943

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	60.0	60.0	60.0	60.0	60.0	60.0
Travel	20.0	20.0	20.0	20.0	20.0	20.0
Contractual	140.0	140.0	140.0	140.0	140.0	140.0
Supplies	48.0	48.0	48.0	48.0	48.0	48.0
Equipment						
Land & Structures						
Grants & Claims	60.0	60.0	60.0	60.0	60.0	60.0
Miscellaneous						
TOTAL OPERATING	328.0	328.0	328.0	328.0	328.0	328.0

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

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1108 Stat/Des Program Receipts						
1037 GF/Mental Health						
Other (Non-GF Program Receipts)	328.0	328.0	328.0	328.0	328.0	328.0
TOTAL	328.0	328.0	328.0	328.0	328.0	328.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill does not appropriate any funds. It specifies that dive fishery assessments, as authorized by Chapter 90, SLA 1997, are to be accounted for separately and specifies that the appropriation of the dive fishery assessments is not from the unrestricted general fund. Dive fishery assessments are a self-imposed tax in addition to the fisheries business tax. This tax was approved by the affected divers in 1999 and collections began that year. The department estimates that \$328.0 will be collected in FY 2000 for expenditures in the following year. The expenditure of the expected revenue generated by the dive fishery assessments is included in the governor's FY 2001 budget. The funding source for dive fishery assessments in the Governor's proposed FY 2001 budget is statutory designated program receipts. This bill will change that source designation to non-general fund program receipts since this is a self-assessed tax rather than a contractual agreement.

Prepared by: Robert D. Mecum
 Division: Division of Commercial Fisheries
 Approved by: Commissioner Frank Rue *Frank Rue*
 Agency: Department of Fish and Game

Phone: 465-4210
 Date/Time: 4/6/00 4:32 PM
 Date: 04/06/2000

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FISCAL NOTE Bill version: HB 334

(H) Publish Date: 2/2/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) _____ Dept. Affected Community and Economic
 Title Administrative charge for the state's role in the CDQ BRU Community and Economic Development
 Component Community and Economic Development

Sponsor Rules
 Requester Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	250.0	250.0	250.0	250.0	250.0	250.0
-------------------------------	--------------	--------------	--------------	--------------	--------------	--------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)	(250.0)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Statutory Designated P/R	250.0	250.0	250.0	250.0	250.0	250.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 250.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will switch the funding source for the Community Development Quota (CDQ) program from the general fund to statutory designated program receipts, through the implementation of a fee structure on the groups benefiting under the program. This fee structure is supported by the CDQ groups and the department as a method of making this successful and lucrative program self-supporting.

Prepared by: Jeffrey W. Bush Phone _____
 Division Commissioner's Office Date/Time 2/1/00 2:56 PM
 Approved by Commissioner Date 2/1/00
 Agency _____

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HB 334

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 1, 2000

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear Speaker Porter:

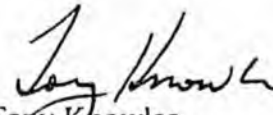
The community development quota (CDQ) program has created jobs and expanded economic opportunity in western Alaska. It is essential to this region of the state that we ensure the continuance of this federal fisheries resource program. This bill I transmit today meets that challenge by partnering with the CDQ participants to cover the state's administrative cost of the program.

Under this bill, community development groups that participate in the CDQ program will pay assessment fees to the state. The proposed fee structure has two components. First, each group will pay a standard, flat amount that will total half the state's administrative costs. Second, each group will pay a variable share of the remaining administrative costs based upon the value of that group's fisheries quota allocation.

The Department of Community and Economic Development would administer the cost charge, which is added to the statutory list of program receipts subject to separate accounting procedures.

Participants of the CDQ program recognize their future success hinges on the ability of the state to continue to administer the program. To that end, the groups proposed the funding plan forwarded in this bill and are ready to give it their full support. To protect this vital program and improve the efficiency and operation of the state's role in it, I urge your prompt and favorable action on this measure.

Sincerely,


Tony Knowles
Governor

HB

419

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB419

2000 LEGISLATIVE SESSION

Revision Date (Note if correction) _____ Dept. Affected University of Alaska
 Title _____ BRU Statewide
 Worker's Comp _____ Component _____
 Sponsor House Labor & Commerce by Request
 Requester _____ Component Serial No _____

Expenditures/Revenues

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services					
Travel					
Contractual					
Supplies					
Equipment					
Land & Structures					
Grants & Claims	83.0	83.0	83.0	83.0	83.0
Miscellaneous					
TOTAL OPERATING	83.0	83.0	83.0	83.0	83.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0
-----------------------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------

FUND SOURCE

1002 Federal Receipts	3.2	3.2	3.2	3.2	3.2
1003 GF Match					
1004 GF	62.3	62.3	62.3	62.3	62.3
1005 GF/Program Receipts					
1037 GF/Mental Health					
1048 University Receipts	17.5	17.5	17.5	17.5	17.5
TOTAL	83.0	83.0	83.0	83.0	83.0

Estimate of any current year (FY00) cost: none

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: (Attach a separate page if necessary)

Estimated impact based on 8.3 percent increase as determined by Carolyn Pearl, State Relations Executive, National Council on Compensation Insurance, Inc.

Prepared by Pat Pitney, Director Phone 474-2602
 Division UA Budget and Institutional Research Date 3/27/00
 Approved by Commis Pat Pitney, Director Date 3/27/00
 Agency UA Budget and Institutional Research

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FISCAL NOTE

II Version: CSHB 419 (L&C)
 (H) Publish Date: 3/29/00

STATE OF ALASKA
 2000 LEGISLATIVE SESSION

BILL NO.

Revision Date/Time (Note if correction): _____
 Title: Workers' Compensation
 Sponsor: House L&C
 Requestor: House L&C

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	6.7	6.7	6.7	6.7	6.7	6.7
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	6.7	6.7	6.7	6.7	6.7	6.7

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

CHANGE IN REVENUE FUND SOURCE #						
------------------------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	6.7	6.7	6.7	6.7	6.7	6.7
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)						
TOTAL	6.7	6.7	6.7	6.7	6.7	6.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)
 Please See Attached

Prepared by: Paul Grossi, Director Phone: 465-2790
 Division: Workers' Compensation Date/Time: 3/7/00 9:18 AM
 Approved by Commissioner: Ed Flanagan, Commissioner
 Agency: Department of Labor Date: 3/7/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 419

Title: An Act relating to the Alaska Workers' Compensation Act, including the weekly rate of compensation and minimum and maximum compensation rates, specifying components of a reemployment plan, adjusting benefits for permanent partial impairment, for reemployment plans, for rehabilitation benefits, for widows, widowers and orphans, and for funerals, calculation of gross weekly earnings for seasonal and temporary workers and for workers with overtime or premium pay, setting time limits for requesting a hearing or rehabilitation benefits, setting time limits for claims for compensation and for the rehabilitation process, setting time limits for payment of medical bills, waiver of rehabilitation benefits, obtaining medical releases and resolving discovery disputes, setting an interest rate for late compensation, and providing for updating the medical fee schedule; and providing for an effective date.

This bill will require that the Division of Workers' Compensation obtain an updated usual, customary, and reasonable medical fee schedule annually. It is anticipated that the additional cost for updating the schedule annually would be approximately \$6.7 per year. It is believed that the change in frequency of medical fee schedule updates will be the only increased cost associated with this bill.

FISCAL NOTE

Bil. ersion: CSHB 419 (L&C)

(H) Publish Date: 3/29/00

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

Revision Date/Time 03/13/2000 Dept. Affected All State Agencies
 Title "An act relating to workers' compensation reform. BRU
 _____ Component _____
 Sponsor House Rules Committee
 Requester House Labor & Commerce Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	762.9	762.9	762.9	762.9	762.9	762.9
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	762.9	762.9	762.9	762.9	762.9	762.9

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

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	75.0	75.0	75.0	75.0	75.0	75.0
1016 Federal Incentive Payments	0.3	0.3	0.3	0.3	0.3	0.3
1133 Indirect Cost Reimbursement	0.1	0.1	0.1	0.1	0.1	0.1
1003 GF Match	18.7	18.7	18.7	18.7	18.7	18.7
1004 GF	372.4	372.4	372.4	372.4	372.4	372.4
1005 GF/Program Receipts	27.5	27.5	27.5	27.5	27.5	27.5
other (GF)	28.0	28.0	28.0	28.0	28.0	28.0
Other (Specify Type)	240.9	240.9	240.9	240.9	240.9	240.9
TOTAL	762.9	762.9	762.9	762.9	762.9	762.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Consolidation of statewide risk management costs to departments' personal services expense. See attached for detailed fund source amounts.

Prepared by: Joan Brown, Chief Budget Analyst *Joan Brown* Phone 465-4681
 Division Office of Management and Budget Date/Time 3/13/00 12:23 PM
 Approved by Director Annalee McConner *Annalee McConner* Date 03/07/2000
 Agency Governor's Office

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Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminstra 105 9	Comm & Econ Dev 6 2	Correcio ns 93 0	Cour System 13 5	Ed & Early Dev 11 2	Environm ental Conserva tion 10 0	Fish & Game 39 8	Health & Social Srvc 117 2	Labor & Workforce Dev 19 9	Law 8 3	Legisla ure 5 3	Military & Veterans Affairs 8 0	Natural Resources 40 4	Office of the Governor 3 7	Public Safety 77 2	Revenue 9 1	Transportati on & Public Facilities 194 2	Total	
1002	Fed Rcpts	Fed	14	01	22		12	26	106	300	137	01		43	26	02	17	33	10	750	
1016	Fed Incentive Payments Indirect Cost	Fed																03		03	
1133	Reimbursement	Fed			22	00	12	26	106	300	137	01	00	43	26	02	17	01	37	10	01
1003	GF Match	GF	04	01			02	06	02	144	08	00		07	03	03	06			01	187
1004	GF	GF	461	10	842	135	40	14	125	443	22	47	53	22	225	32	704	12	537	3724	
1005	GF/PR	GF	104	20			02	09	13	09	02	01		55			13	05	42	275	
1037	GF/Mental Health	GF	149		36		00			71		00								256	
1118	Pioneers Homes Rcpts	GF	24																	24	
		GF Total	742	31	878	135	44	29	140	667	32	48	53	29	283	35	723	17	580	4466	
1007	IA Rcpts	Other	68	08	03		31	03	28	160	26	33		04	29		22	04	25	444	
	Advance College																				
1011	Tuition Payment Fund	Other																00		00	
	Donated Commodity /																				
1014	Handling Fee	Other					01													01	
1017	Benefit Systems Rcpts	Other	23																	23	
1018	Exxon Valdez Oil Spill	Other						00	09						02					11	
1021	Ag Loan Fund	Other													10					10	
1023	FICA Admin Fund	Other	01																	01	
1024	Fish & Game Fund	Other							7.9			00					06			85	
1025	Science & Tech	Other		02																02	
1026	Hwy Working Capital	Other																		149	
	International Airports																			149	
1027	Revenue Fund	Other																00	340	340	
1029	PERS	Other	37																	37	
1031	Second Injury Fund	Other									01									01	
	Disabled Fishermans																			01	
1032	Reserve Acct	Other									01									01	
1033	Surplus Property	Other	03																	03	
1034	TERS	Other	15																	15	
	Vets Revolving Loan																				
1035	Fund	Other		00																00	
	Comm Fish Revolving																				
1036	Loan Fund	Other		04																04	
	Real Estate Surety																				
1040	Fund	Other		00																00	

Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminstra tion 105 9	Comm & Econ Dev 62	Correctio ns 930	Court System 135	Ed & Early Dev 112	Environm ental Conserva tion 100	Fish & Game 39 8	Health & Social Srvc 117 2	Labor & Workforce Dev 199	Law 8 3	Legisla ure 5 3	Military & Veterans Affairs 80	Natural Resources 40 4	Office of the Governor 37	Public Safety 77 2	Revenue 9 1	Transporta tion & Public Facilities 194 2	Total
	Judicial Retirement																			
1042	System	Other	00																	00
	Nail Guard Retirement																			
1045	System	Other	01																	01
	Student Revolving Loan																			
1046	Fund	Other																00		00
	Training & Building																			
1049	Fund	Other									01									01
	Perm Fund Dividend																			
1050	Fund	Other															02	06		08
	Rural Dev Initiative																			
1051	Fund	Other		00																00
1052	Oil/Haz Response Fund	Other						25												25
1053	LTTF	Other																00		00
1055	IA Oil & Haz	Other							00			01		02	00		01			04
1057	Small Bus Loan Fund	Other		00																00
1061	CIP Rcpts	Other	02	02	06		00	06	11	08				02	22			03	747	809
1066	Public School Fund	Other																00		00
	Mining Revolving Loan																			
1067	Fund	Other		00																00
	Child Care Revolving																			
1068	Loan Fund	Other		00																00
	Historical District																			
1069	Revolving Loan Fund	Other		00																00
	Fisheries Enhancement																			
1070	Revolving Loan Fund	Other		01																01
	Alternative Energy																			
1071	Revolving Loan Fund	Other		00																00
	Clean Water Loan Fund																			
1075	Marine Hwy System	Other						01												01
	Storage Tank Assl																			
1076	Fund	Other																		83
	Storage Tank Assl																			
1079	Fund	Other						02												02
1081	ISF	Other	12 8																	128
1092	MHTAAR	Other	0 1		0 1					15					06					23
	Clean Air Protection																			
1093	Fund	Other						06												06

110419 and SB278

Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminstr tion 105 9	Comm & Econ Dev 62	Correcio ns 93 0	Court System 13 5	Ed & Environ Early Dev 11 2	Environ ental Conserva tion 10 0	Fish & Game 39 8	Health & Social Srvc 117 2	Labor & Workforce Dev 19 9	Law 8 3	Legislat ure 5 3	Military & Veterans Affairs 8 0	Natural Resources 40 4	Office of the Governor 3 7	Public Safety 77 2	Revenue 9 1	Transporta on & Public Facilities 194 2	Total
		Mental Health Trust																		
1094	Admin	Other																0 1		0 1
		Children's Trust Fund																		
1098	Earnings	Other																0 0		0 0
		Alaska Drinking Water																		
1100	Fund	Other						0 1												0 1
		Aerospace Dev Corp																		
1101	Rcpts	Other		0 0																0 0
1102	AIDEA Rcpts	Other		0 5																0 5
1103	AHFC Rcpts	Other																1 7		1 7
		Municipal Bond Bank																		
1104	Rcpts	Other																0 0		0 0
1105	Perm Fund Corp Rcpts	Other													1 0			0 6		1 6
		Post-Secondary Ed																		
1106	Comm Rcpts	Other					2 1													2 1
1108	SDPR	Other	2 2		2 0		0 3	0 1	1 1	2 2	0 1	0 0			1 6		0 1	0 0	0 8	10 5
1109	Test Fishenes Rcpts	Other							1 4											1 4
		International Trade & Bus Endowment																		
1115	Income	Other		0 0																0 0
1141	RCA Rcpts	Other		0 8																0 8
1147	Public Bldg Fund	Other	0 2																	0 2
		Other	30 3	3 0	3 0	0 0	5 6	4 5	1 5 2	20 5	3 0	3 4	0 0	0 8	9 5	0 0	3 2	3 7	13 5 2	240 8
		Grand	105 9	6 2	93 0	13 5	11 2	10 0	39 8	117 2	19 9	8 3	5 3	8 0	40 4	3 7	77 2	9 1	194 2	762 9

Agenda for Rules meeting 4-14-2000

1. Call to order
2. Roll Call (Records will call out names)
3. HB 419 "Worker's Compensation"
Janet Seitz from Rep. Rokeberg's office will present the bill.

(If she and Rokeberg are both not there, Conor Sullivan will present the bill)

4. Adopt Rules CS
5. Available to answer questions are:
 - ✓◆ Alan Wilson from the Homebuilder's Association and
 - ✓◆ Dwight Perkins, Deputy Commissioner for the Department of Labor
6. Accept motion to move CS HB 180 (RLS), and move.
7. Adjourn

John -

We have a short
Rules Meeting in Judiciary.
Waiting for you..

Conan

CS FOR HOUSE BILL NO. 419(RLS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the weekly rate of compensation and minimum and maximum
2 compensation rates for workers' compensation; specifying components of a workers'
3 compensation reemployment plan; adjusting workers' compensation benefits for
4 permanent partial impairment, for reemployment plans, for rehabilitation benefits,
5 for widows, widowers, and orphans, and for funerals; relating to permanent total
6 disability of an employee receiving rehabilitation benefits; relating to calculation
7 of gross weekly earnings for workers' compensation benefits for seasonal and
8 temporary workers and for workers with overtime or premium pay; setting time
9 limits for requesting a hearing on claims for workers' compensation, for selecting
10 a rehabilitation specialist, and for payment of medical bills; relating to termination
11 and to waiver of rehabilitation benefits, obtaining medical releases, and resolving
12 discovery disputes relating to workers' compensation; setting an interest rate for

1 late payments of workers' compensation; providing for updating the workers'
2 compensation medical fee schedule; and providing for an effective date."

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

4 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 INTENT. It is the intent of the legislature that

7 (1) AS 23.30 be interpreted so as to ensure the quick, efficient, fair, and
8 predictable delivery of indemnity and medical benefits to injured workers at a reasonable cost
9 to the employers who are subject to the provisions of AS 23.30;

10 (2) AS 23.30 not be construed by the courts in favor of any party;

11 (3) workers' compensation cases be decided on the merits, except when
12 otherwise provided by statute;

13 (4) increases in benefits be tied to the state average weekly wage so as to more
14 fairly compensate injured workers and that the benefit rate in effect at the time of injury remain
15 the benefit rate for the life of the claim without regard to any changes that may occur in the
16 state average weekly wage subsequent to the year of injury;

17 (5) AS 23.30.041 be amended to clarify existing language and to mandate
18 compliance by the board, the reemployment administrator, and the parties with the deadlines in
19 AS 23.30.041;

20 (6) vocational rehabilitation clearly be a voluntary process that allows claimants
21 to waive their rights to receive reemployment benefits;

22 (7) claimants be entitled to permanent impairment benefits and reduced
23 compensation while involved in the reemployment process so as to encourage injured workers
24 to complete that process as quickly as possible and return to the workplace in an expeditious
25 and efficient manner;

26 (8) claimants provide releases of information that allow employers and insurers
27 and their agents to obtain promptly information needed to investigate and adjust claims;

28 (9) medical information relevant to a claim be discoverable and be promptly
29 provided; and

30 (10) the discovery process be improved to encourage the quick and efficient

1 resolution of discovery disputes under AS 23.30.

2 * Sec. 2. AS 23.30.041(g) is amended to read:

3 (g) Within 15 [10] days after the employee receives the administrator's
4 notification of eligibility for benefits, an employee who desires to use these benefits
5 shall give written notice to the employer of the employee's selection of a rehabilitation
6 specialist who shall provide a complete reemployment benefits plan. Failure to give
7 notice required by this subsection constitutes noncooperation under (n) of this
8 section. If the employer disagrees with the employee's choice of rehabilitation specialist
9 to develop the plan and the disagreement cannot be resolved, then the administrator shall
10 assign a rehabilitation specialist. The employer and employee each have one right of
11 refusal of a rehabilitation specialist.

12 * Sec. 3. AS 23.30.041(h) is amended to read:

13 (h) Within 90 days after the rehabilitation specialist's selection under (g) of this
14 section, the reemployment plan must be formulated and approved. The reemployment
15 plan must require continuous participation by the employee and must maximize the
16 usage of the employee's transferrable skills. The reemployment plan must include at
17 least the following:

- 18 (1) a determination of the occupational goal in the labor market;
- 19 (2) an inventory of the employee's technical skills, transferrable skills,
20 physical and intellectual capacities, academic achievement, emotional condition, and
21 family support;
- 22 (3) a plan to acquire the occupational skills to be employable;
- 23 (4) the cost estimate of the reemployment plan, including provider fees;
24 and [;] the cost [AMOUNT] of tuition, books, tools, and supplies, [;] transportation, [;]
25 temporary lodging, [;] or job modification devices;
- 26 (5) the estimated length of time that the plan will take;
- 27 (6) the date that the plan will commence;
- 28 (7) the estimated time of medical stability as predicted by a treating
29 physician or by a physician who has examined the employee at the request of the
30 employer or the board, or by referral of the treating physician;
- 31 (8) a detailed description and plan schedule; and
- 32 (9) a finding by the rehabilitation specialist that the inventory under (2)

1 of this subsection indicates that the employee can be reasonably expected to
2 satisfactorily complete the plan and perform in a new occupation within the time and
3 cost limitations of the plan.

4 * Sec. 4. AS 23.30.041(k) is amended to read:

5 (k) Benefits related to the reemployment plan may not extend past two years
6 from date of plan approval or acceptance, whichever date occurs first, at which time the
7 benefits expire. If an employee reaches medical stability before completion of the plan,
8 temporary total disability benefits shall cease and permanent impairment benefits shall
9 then be paid at the employee's temporary total disability rate. If the employee's
10 permanent impairment benefits are exhausted before the completion or termination of
11 the reemployment plan, the employer shall provide ~~compensation~~ [WAGES] equal to
12 70 [60] percent of the employee's spendable weekly wages, but not to exceed 105
13 percent of the average weekly wage [\$525], until the completion or termination of the
14 plan, except that any compensation paid under this subsection is reduced by wages
15 earned by the employee while participating in the plan to the extent that the wages
16 earned, when combined with the compensation paid under this subsection, exceed
17 the employee's temporary total disability rate. If permanent partial disability
18 benefits have been paid in a lump sum before the employee requested or was found
19 eligible for reemployment benefits, payment of benefits under this subsection is
20 suspended until permanent partial disability benefits would have ceased, had those
21 benefits been paid at the employee's temporary total disability rate, notwithstanding
22 the provisions of AS 23.30.155(j). A permanent impairment benefit remaining unpaid
23 upon the completion or termination of the plan shall be paid to the employee in a single
24 lump sum. An employee may not be considered permanently totally disabled so
25 long as the employee is involved in the rehabilitation process under this chapter.

26 The fees of the rehabilitation specialist or rehabilitation professional shall be paid by the
27 employer and may not be included in determining the cost of the reemployment plan.

28 * Sec. 5. AS 23.30.041(l) is amended to read:

29 (l) The cost of the reemployment plan incurred under this section shall be the
30 responsibility of the employer, shall be paid on an expense incurred basis, and may not
31 exceed \$13,300 [\$10,000].

32 * Sec. 6. AS 23.30.041(n) is amended to read:

1 (n) After the employee has elected to participate in reemployment benefits, if
2 the employer believes the employee has not cooperated, the employer may terminate
3 reemployment benefits on the date of noncooperation. Noncooperation means

4 (1) unreasonable failure to

5 (A) [(1)] keep appointments;

6 (B) [(2)] maintain passing grades;

7 (C) [(3)] attend designated programs;

8 (D) [(4)] maintain contact with the rehabilitation specialist;

9 (E) [(5)] cooperate with the rehabilitation specialist in developing
10 a reemployment plan and participating in activities relating to reemployability on
11 a full-time basis;

12 (F) [(6)] comply with the employee's responsibilities outlined in
13 the reemployment plan; or

14 (G) [(7)] participate in any planned reemployment activity as
15 determined by the administrator; or

16 (2) failure to give written notice to the employer of the employee's
17 choice of rehabilitation specialists within 15 days after receiving notice of eligibility
18 for benefits from the administrator as required by (g) of this section.

19 * Sec. 7. AS 23.30.041 is amended by adding a new subsection to read:

20 (r) Notwithstanding AS 23.30.012, after medical stability has been determined
21 and a physician has predicted that the employee may have a permanent impairment that
22 may cause the employee to have permanent physical capacities that are less than the
23 physical demands of the employee's job at the time of injury, an employee may waive
24 any benefits or rights under this section, including an eligibility evaluation and benefits
25 related to a reemployment plan. To waive any benefits or rights under this section, an
26 employee must file a statement under oath with the board to notify the parties of the
27 waiver and to specify the scope of benefits or rights that the employee seeks to waive.
28 The statement must be on a form prescribed or approved by the board. The board shall
29 serve the notice of waiver on all parties to the claim within 10 days after filing. The
30 waiver is effective upon service to the party. A waiver effective under this subsection
31 discharges the liability of the employer for the benefits or rights contained in this
32 section. The waiver may not be modified under AS 23.30.130.

1 * **Sec. 8.** AS 23.30.095(f) is amended to read:

2 (f) All fees and other charges for medical treatment or service shall be subject
3 to regulation by the board but may not exceed usual, customary, and reasonable fees for
4 the treatment or service in the community in which it is rendered, as determined by the
5 board. An employee may not be required to pay a fee or charge for medical treatment
6 or service. The board shall adopt updated usual, customary, and reasonable
7 medical fee schedules at least once each year.

8 * **Sec. 9.** AS 23.30.095 is amended by adding new subsections to read:

9 (l) An employer shall pay an employee's bills for medical treatment under this
10 chapter, excluding prescription charges or transportation for medical treatment, within
11 30 days after the date that the employer receives the health care provider's bill or a
12 completed report, whichever is later.

13 (m) Unless the employer controverts a charge, an employer shall reimburse an
14 employee's prescription charges under this chapter within 30 days after the employer
15 received the health care provider's completed report and an itemization of the
16 prescription charges for the employee. Unless the employer controverts a charge, an
17 employer shall reimburse any transportation expenses for medical treatment under this
18 chapter within 30 days after the employer received the health care provider's completed
19 report and an itemization of the dates, destination, and transportation expenses for each
20 date of travel for medical treatment. If the employer does not plan to make or does not
21 make payment or reimbursement in full as required by this subsection, the employer
22 shall notify in writing the employee and the employee's health care provider that
23 payment will not be timely made and the reasons for the nonpayment. The notification
24 must be provided on or before the date that payment is due under this subsection or (l)
25 of this section.

26 * **Sec. 10.** AS 23.30.105(a) is amended to read:

27 (a) The right to compensation for disability under this chapter is barred unless
28 a claim for it is filed within two years after the employee has knowledge of the nature
29 of the employee's disability and its relation to the employment and after disablement.
30 However, the maximum time for filing the claim in any event other than arising out of
31 an occupational disease shall be four years from the date of injury, and the right to
32 compensation for death is barred unless a claim therefor is filed within one year after

1 the death, except that if payment of compensation has been made without an award on
2 account of the injury or death, a claim may be filed within two years after the date of
3 the last payment of benefits under AS 23.30.041, 23.30.180 [AS 23.30.180], 23.30.185,
4 23.30.190, 23.30.200, or 23.30.215. It is additionally provided that, in the case of latent
5 defects pertinent to and causing compensable disability, the injured employee has full
6 right to claim as shall be determined by the board, time limitations notwithstanding.

7 * Sec. 11. AS 23.30.107(a) is amended to read:

8 (a) Upon written request, an employee shall provide written authority to the
9 employer, carrier, rehabilitation specialist, or reemployment benefits administrator to
10 obtain medical and rehabilitation information relative to the employee's injury. The
11 request must include notice of the employee's right to file a petition for a protective
12 order with the board and must be served by certified mail to the employee's
13 address on the notice of injury or by hand delivery to the employee. This
14 subsection may not be construed to authorize an employer, carrier, rehabilitation
15 specialist, or reemployment benefits administrator to request medical or other
16 information that is not applicable to the employee's injury.

17 * Sec. 12. AS 23.30 is amended by adding a new section to read:

18 **Sec. 23.30.108. Prehearings on discovery matters; objections to requests for**
19 **release of information; sanctions for noncompliance.** (a) If an employee objects to
20 a request for written authority under AS 23.30.107, the employee must file a petition
21 with the board seeking a protective order within 14 days after service of the request.
22 If the employee fails to file a petition and fails to deliver the written authority as
23 required by AS 23.30.107 within 14 days after service of the request, the employee's
24 rights to benefits under this chapter are suspended until the written authority is delivered.

25 (b) If a petition seeking a protective order is filed, the board shall set a
26 prehearing within 21 days after the filing date of the petition. At a prehearing conducted
27 by the board's designee, the board's designee has the authority to resolve disputes
28 concerning the written authority. If the board or the board's designee orders delivery
29 of the written authority and if the employee refuses to deliver it within 10 days after
30 being ordered to do so, the employee's rights to benefits under this chapter are
31 suspended until the written authority is delivered. During any period of suspension
32 under this subsection, the employee's benefits under this chapter are forfeited unless the

1 board, or the court determining an action brought for the recovery of damages under this
2 chapter, determines that good cause existed for the refusal to provide the written
3 authority.

4 (c) At a prehearing on discovery matters conducted by the board's designee, the
5 board's designee shall direct parties to sign releases or produce documents, or both, if
6 the parties present releases or documents that are likely to lead to admissible evidence
7 relative to an employee's injury. If a party refuses to comply with an order by the
8 board's designee or the board concerning discovery matters, the board may impose
9 appropriate sanctions in addition to any forfeiture of benefits, including dismissing the
10 party's claim, petition, or defense. If a discovery dispute comes before the board for
11 review of a determination by the board's designee, the board may not consider any
12 evidence or argument that was not presented to the board's designee, but shall determine
13 the issue solely on the basis of the written record. The decision by the board on a
14 discovery dispute shall be made within 30 days. The board shall uphold the designee's
15 decision except when the board's designee's determination is an abuse of discretion.

16 * Sec. 13. AS 23.30.110 is amended by adding a new subsection to read:

17 (h) The filing of a hearing request under (c) of this section suspends the running
18 of the two-year time period specified in (c) of this section. However, if the employee
19 subsequently requests a continuance of the hearing and the request is approved by the
20 board, the granting of the continuance renders the request for hearing inoperative, and
21 the two-year time period specified in (c) of this section continues to run again from the
22 date of the board's notice to the employee of the board's granting of the continuance and
23 of its effect. If the employee fails to again request a hearing before the conclusion of
24 the two-year time period in (c) of this section, the claim is denied.

25 * Sec. 14. AS 23.30.155 is amended by adding a new subsection to read:

26 (p) An employer shall pay interest on compensation that is not paid when due.
27 Interest required under this subsection accrues at the rate specified in AS 09.30.070(a)
28 that is in effect on the date the compensation is due.

29 * Sec. 15. AS 23.30.175(a) is amended to read:

30 (a) The weekly rate of compensation for disability or death may not exceed the
31 maximum compensation rate, may not be less than 22 percent of the maximum
32 compensation rate, [\$700] and initially may not be less than \$110. However, if the

1 board determines that the employee's spendable weekly wages are less than \$110 a week
2 as computed under AS 23.30.220, or less than 22 percent of the maximum
3 compensation rate [\$154] a week in the case of an employee who has furnished
4 documentary proof of the employee's wages, it shall issue an order adjusting the weekly
5 rate of compensation to a rate equal to the employee's spendable weekly wages. If the
6 employer can verify that the employee's spendable weekly wages are less than 22
7 percent of the maximum compensation rate [\$154], the employer may adjust the
8 weekly rate of compensation to a rate equal to the employee's spendable weekly wages
9 without an order of the board. If the employee's spendable weekly wages are greater
10 than 22 percent of the maximum compensation rate [\$154], but 80 percent of the
11 employee's spendable weekly wages is less than 22 percent of the maximum
12 compensation rate [\$154], the employee's weekly rate of compensation shall be 22
13 percent of the maximum compensation rate [\$154]. Prior payments made in excess
14 of the adjusted rate shall be deducted from the unpaid compensation in the manner the
15 board determines. In any case, the employer shall pay timely compensation. In this
16 subsection, "maximum compensation rate" means 120 percent of the average
17 weekly wage, calculated under (d) of this section, applicable on the date of injury
18 of the employee.

19 * Sec. 16. AS 23.30.175 is amended by adding a new subsection to read:

20 (d) By December 1 of each year, the commissioner shall determine the average
21 weekly wage in this state by dividing the average annual wage in this state for the
22 preceding calendar year by 52. The resulting figure is the average weekly wage in this
23 state applicable for the period beginning January 1 and ending December 31 of the
24 following calendar year. The average annual wage calculation required under this
25 subsection shall include the wages of all employees in the state, both public and private,
26 who are covered by this chapter.

27 * Sec. 17. AS 23.30.190(a) is amended to read:

28 (a) In case of impairment partial in character but permanent in quality, and not
29 resulting in permanent total disability, the compensation is \$177,000 [\$135,000]
30 multiplied by the employee's percentage of permanent impairment of the whole person.
31 The percentage of permanent impairment of the whole person is the percentage of
32 impairment to the particular body part, system, or function converted to the percentage

1 of impairment to the whole person as provided under (b) of this section. The
2 compensation is payable in a single lump sum, except as otherwise provided in
3 AS 23.30.041, but the compensation may not be discounted for any present value
4 considerations.

5 * Sec. 18. AS 23.30.215(a) is amended to read:

6 (a) If the injury causes death, the compensation is known as a death benefit and
7 is payable in the following amounts to or for the benefit of the following persons:

8 (1) reasonable and necessary funeral expenses not exceeding \$3,300
9 [\$2,500];

10 (2) if there is a widow or widower or a child or children of the deceased,
11 the following percentages of the spendable weekly wages of the deceased:

12 (A) 80 percent for the widow or widower with no children;

13 (B) 50 [40] percent for the widow or widower with one child and
14 40 percent for the child;

15 (C) 30 [25] percent for the widow or widower with two or more
16 children and 70 [55] percent divided equally among the children;

17 (D) 100 [80] percent for an only child when there is no widow
18 or widower;

19 (E) 100 [80] percent, divided equally, if there are two or more
20 children and no widow or widower;

21 (3) if the widow or widower remarries, the widow or widower is entitled
22 to be paid in one sum an amount equal to the compensation to which the widow or
23 widower would otherwise be entitled in the two years commencing on the date of
24 remarriage as full and final settlement of all sums due the widow or widower;

25 (4) if there is no widow or widower or child or children, then for the
26 support of father, mother, grandchildren, brothers and sisters, if dependent upon the
27 deceased at the time of injury, 42 percent of the spendable weekly wage of the deceased
28 to such beneficiaries, share and share alike, not to exceed \$20,000 in the aggregate.

29 * Sec. 19. AS 23.30.220(a) is amended to read:

30 (a) Computation of compensation under this chapter shall be on the basis of an
31 employee's spendable weekly wage at the time of injury. An employee's spendable
32 weekly wage is the employee's gross weekly earnings minus payroll tax deductions. An

1 employee's gross weekly earnings shall be calculated as follows:

2 (1) if at the time of injury the employee's earnings are calculated by the
3 week, the weekly amount is the employee's gross weekly earnings;

4 (2) if at the time of injury the employee's earnings are calculated by the
5 month, the employee's gross weekly earnings are the monthly earnings multiplied by 12
6 and divided by 52;

7 (3) if at the time of injury the employee's earnings are calculated by the
8 year, the employee's gross weekly earnings are the yearly earnings divided by 52;

9 (4) if at the time of injury the

10 (A) employee's earnings are calculated by the day, hour, or by
11 the output of the employee, the employee's gross weekly earnings are the
12 employee's earnings most favorable to the employee computed by dividing by
13 the employee's earnings, [NOT] including overtime or premium pay, earned
14 during any period of 13 consecutive calendar weeks within the 52 weeks
15 immediately preceding the injury;

16 (B) employee has been employed for less than 13 calendar weeks
17 immediately preceding the injury, then, notwithstanding (1) - (3) of this
18 subsection and (A) of this paragraph, the employee's gross weekly earnings are
19 computed by determining the amount that the employee would have earned,
20 [NOT] including overtime or premium pay, had the employee been employed by
21 the employer for 13 calendar weeks immediately preceding the injury and
22 dividing this sum by 13;

23 (5) if at the time of injury the employee's earnings have not been fixed
24 or cannot be ascertained, the employee's earnings for the purpose of calculating
25 compensation are the usual wage for similar services when the services are rendered by
26 paid employees;

27 (6) if at the time of injury the employment is exclusively seasonal or
28 temporary, then, notwithstanding (1) - (5) of this subsection. the gross weekly earnings
29 are 1/50 [1/50th] of the total wages that the employee has earned from all occupations
30 during the 12 calendar months [YEAR] immediately preceding the injury;

31 (7) when the employee is working under concurrent contracts with two
32 or more employers, the employee's earnings from all employers is considered as if

1 earned from the employer liable for compensation;

2 (8) if an employee when injured is a minor, an apprentice, or a trainee
3 in a formal training program, as determined by the board, whose wages under normal
4 conditions would increase during the period of disability, the projected increase may be
5 considered by the board in computing the gross weekly earnings of the employee;

6 (9) if the employee is injured while performing duties as a volunteer
7 ambulance attendant, volunteer police officer, or volunteer fire fighter, then,
8 notwithstanding (1) - (6) of this subsection, the gross weekly earnings for calculating
9 compensation shall be the minimum gross weekly earnings paid a full-time ambulance
10 attendant, police officer, or fire fighter employed in the political subdivision where the
11 injury occurred, or, if the political subdivision has no full-time ambulance attendants,
12 police officers, or fire fighters, at a reasonable figure previously set by the political
13 subdivision to make this determination, but in no case may the gross weekly earnings
14 for calculating compensation be less than the minimum wage computed on the basis of
15 40 hours work per week;

16 (10) if an employee is entitled to compensation under AS 23.30.180 and
17 the board determines that calculation of the employee's gross weekly earnings under (1) -
18 (7) of this subsection does not fairly reflect the employee's earnings during the period
19 of disability, the board shall determine gross weekly earnings by considering the nature
20 of the employee's work, work history, and resulting disability, but compensation
21 calculated under this paragraph may not exceed the employee's gross weekly earnings
22 at the time of injury.

23 * Sec. 20. The uncoded law of the State of Alaska is amended by adding a new section
24 to read:

25 TRANSITION: REGULATIONS. The agency affected by the changes made by this
26 Act may proceed to adopt regulations under AS 23.30.005 to implement the changes. The
27 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the
28 effective date of secs. 2 - 19 of this Act.

29 * Sec. 21. Section 20 of this Act takes effect immediately under AS 01.10.070(c).

30 * Sec. 22. Except as provided in sec. 21 of this Act, this Act takes effect July 1, 2000.

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB419

2000 LEGISLATIVE SESSION

Revision Date (Note if correction) _____ Dept Affected University of Alaska
 Title _____ BRU Statewide
 Worker's Comp _____ Component _____
 Sponsor House Labor & Commerce by Request
 Requester _____ Component Senal No _____

Expenditures/Revenues

OPERATING EXPENDITURES	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services					
Travel					
Contractual					
Supplies					
Equipment					
Land & Structures					
Grants & Claims	83.0	83.0	83.0	83.0	83.0
Miscellaneous					
TOTAL OPERATING	83.0	83.0	83.0	83.0	83.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------

FUND SOURCE

1002 Federal Receipts	3.2	3.2	3.2	3.2	3.2
1003 GF Match					
1004 GF	62.3	62.3	62.3	62.3	62.3
1005 GF/Program Receipts					
1037 GF/Mental Health					
1048 University Receipts	17.5	17.5	17.5	17.5	17.5
TOTAL	83.0	83.0	83.0	83.0	83.0

Estimate of any current year (FY00) cost: none

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: (Attach a separate page if necessary)

Estimated impact based on 8.3 percent increase as determined by Carolyn Pearl, State Relations Executive, National Council on Compensation Insurance, Inc.

Prepared by Pat Pitney, Director Phone 474-2602
 Division UA Budget and Institutional Research Date 3/27/00
 Approved by Commis Pat Pitney, Director Date 3/27/00
 Agency UA Budget and Institutional Research

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FISCAL NOTE

No. _____
 II Version: CSHB 419(L&C)
 (H) Publish Date: 3/29/00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO.

Revision Date/Time (Note if correction): _____
 Title: Workers' Compensation

 Sponsor: House L&C
 Requestor: House L&C

Department Affected: Labor & Workforce Development
 BRU: Workers' Compensation
 Component: Workers' Compensation

COMPONENT SERIAL NO. 344

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	6.7	6.7	6.7	6.7	6.7	6.7
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	6.7	6.7	6.7	6.7	6.7	6.7
CAPITAL						
CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	6.7	6.7	6.7	6.7	6.7	6.7
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (New Fund)						
TOTAL	6.7	6.7	6.7	6.7	6.7	6.7

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY00) impact: \$ 0.0

ANALYSIS: (Attach a separate page if necessary)

Please See Attached

Prepared by: Paul Grossi, Director *Paul Grossi* Phone: 465-2790
 Division: Workers' Compensation Date/Time: 3/7/00 9:18 AM
 Approved by Commissioner: Ed Flanagan, Commissioner *Ed Flanagan*
 Agency: Department of Labor Date: 3/7/00

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 419

Title: An Act relating to the Alaska Workers' Compensation Act, including the weekly rate of compensation and minimum and maximum compensation rates, specifying components of a reemployment plan, adjusting benefits for permanent partial impairment, for reemployment plans, for rehabilitation benefits, for widows, widowers and orphans, and for funerals, calculation of gross weekly earnings for seasonal and temporary workers and for workers with overtime or premium pay, setting time limits for requesting a hearing or rehabilitation benefits, setting time limits for claims for compensation and for the rehabilitation process, setting time limits for payment of medical bills, waiver of rehabilitation benefits, obtaining medical releases and resolving discovery disputes, setting an interest rate for late compensation, and providing for updating the medical fee schedule; and providing for an effective date.

This bill will require that the Division of Workers' Compensation obtain an updated usual, customary, and reasonable medical fee schedule annually. It is anticipated that the additional cost for updating the schedule annually would be approximately \$6.7 per year. It is believed that the change in frequency of medical fee schedule updates will be the only increased cost associated with this bill.

FISCAL NOTE

Bil. ersion: CSHB 419(L&C)
 (H) Publish Date: 3/29/00

**STATE OF ALASKA
 2000 LEGISLATIVE SESSION**

Revision Date/Time 03/13/2000 Dept. Affected All State Agencies
 Title "An act relating to workers' compensation reform. BRU

 _____ Component _____
 Sponsor House Rules Committee
 Requester House Labor & Commerce Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	762.9	762.9	762.9	762.9	762.9	762.9
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	762.9	762.9	762.9	762.9	762.9	762.9

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	75.0	75.0	75.0	75.0	75.0	75.0
1016 Federal Incentive Payments	0.3	0.3	0.3	0.3	0.3	0.3
1133 Indirect Cost Reimbursement	0.1	0.1	0.1	0.1	0.1	0.1
1003 GF Match	18.7	18.7	18.7	18.7	18.7	18.7
1004 GF	372.4	372.4	372.4	372.4	372.4	372.4
1005 GF/Program Receipts	27.5	27.5	27.5	27.5	27.5	27.5
other (GF)	28.0	28.0	28.0	28.0	28.0	28.0
Other (Specify Type)	240.9	240.9	240.9	240.9	240.9	240.9
TOTAL	762.9	762.9	762.9	762.9	762.9	762.9

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Consolidation of statewide risk management costs to departments' personal services expense. See attached for detailed fund source amounts.

Prepared by: Joan Brown, Chief Budget Analyst *Joan Brown* Phone 465-4681
 Division Office of Management and Budget Date/Time 3/13/00 12:23 PM
 Approved by Director Annalee McConnell *Annalee McConnell* Date 03/07/2000
 Agency Governor's Office

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Workers' Compensation Reform

Fund Code	Fund Source	Category	Administra tion	Comm & Econ Dev	Correc tions	Court System	Ed & Early Dev	Environ mental Conser vation	Fish & Game	Health & Social Srvc	Labor & Workforce Dev	Law Enfor ce	Legisla ture	Military & Veterans Affairs	Natural Resources	Office of the Governor	Public Safety	Revenue	Transporta tion & Public Facilities	Total
			105.9	6.2	93.0	13.5	11.2	10.0	39.8	117.2	19.9	8.3	5.3	8.0	40.4	3.7	77.2	9.1	194.2	
1042	Judicial Retirement System	Other	00																	00
1045	Nail Guard Retirement System	Other	01																	01
1046	Student Revolving Loan Fund	Other																00		00
1049	Training & Building Fund	Other								0.1										01
1050	Perm Fund Dividend Fund	Other															0.2	0.6		0.8
1051	Rural Dev Initiative Fund	Other		00																00
1052	OH/Haz Response Fund	Other						2.5												2.5
1053	ILTF	Other																0.0		0.0
1055	IA Oil & Haz	Other							0.0			0.1		0.2	0.0		0.1			0.4
1057	Small Bus Loan Fund	Other		0.0																0.0
1061	CIP Rcpts	Other	0.2	0.2	0.6		0.0	0.6	1.1	0.8				0.2	2.2			0.3	74.7	80.9
1068	Public School Fund	Other																0.0		0.0
1067	Mining Revolving Loan Fund	Other		0.0																0.0
1068	Child Care Revolving Loan Fund	Other		0.0																0.0
1068	Historical District	Other		0.0																0.0
1069	Revolving Loan Fund	Other		0.0																0.0
1070	Fisheries Enhancement Revolving Loan Fund	Other		0.1																0.1
1071	Alternative Energy Revolving Loan Fund	Other		0.0																0.0
1075	Clean Water Loan Fund	Other						0.1												0.1
1076	Marine Hwy System Fund	Other																	8.3	8.3
1079	Storage Tank Asst Fund	Other						0.2												0.2
1081	ISF	Other	12.8																	12.8
1092	MHTAAR	Other	0.1		0.1					1.5					0.6					2.3
1093	Clean Air Protection Fund	Other						0.6												0.6

HB419 and SB278

Workers' Compensation Reform

Fund Code	Fund Source	Category	Adminstra	Comm &	Correcio	Court	Ed & Environm	Fish &	Health &	Labor &	Law, Legislat	Military &	Natural	Office of	Public	Revenue	Transportat	Total		
			tion	Econ	ns	System	Ental	Game	Social	Workforce	83,	we	Veterans	Resources	the	Safety	91		on & Public	
			105 9	62	93 0	135	112	398	1172	199		53	404	37	772		1942			
1094	Admin	Other														01		01		
1098	Earnings	Other														00		00		
1100	Fund	Other					01											01		
1101	Rcpls	Other		00														00		
1102	AIDEA Rcpls	Other		05														05		
1103	MHC Rcpls	Other														17		17		
1104	Rcpls	Other														00		00		
1105	Perm Fund Corp Rcpls	Other											10			06		16		
1106	Comm Rcpls	Other					21											21		
1108	SDPR	Other	22		20		03	01	11	22	01	00			16	01	00	06	105	
1109	Test Fishenes Rcpls	Other						14										14		
1115	Income	Other		00														00		
1141	RCA Rcpls	Other		06														06		
1147	Public Bldg Fund	Other	02															02		
	Other		303	30	30	00	56	45	152	30	34	00	08	95	00	32	37	1352	2409	
	Grand		1059	62	930	135	112	100	398	1172	199	83	53	80	404	37	772	91	1942	7629

Ford
4/12/00

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSHB 419(JUD)

1 Page 1, line 3, following "plan;":

2 Insert "relating to the liability of an employer for workers' compensation coverage
3 for a subcontractor;"

4 Page 6, following line 2:

5 Insert a new bill section to read:

6 **** Sec. 8. AS 23.30.045(a) is amended to read:**

7 (a) An employer is liable for and shall secure the payment to employees of
8 the compensation payable under AS 23.30.041, 23.30.050, 23.30.095, 23.30.145, and
9 23.30.180 - 23.30.215. If the employer is a subcontractor,

10 (1) the contractor is liable for and shall secure the payment of the
11 compensation to employees of the subcontractor unless the subcontractor secures the
12 payment; and

13 (2) the contractor is not liable for and is not required to secure
14 payment of compensation to the subcontractor, if the contractor does not have
15 any employees."

✓
sub

16 Renumber the following bill sections accordingly.

17 Page 13, line 10:

18 Delete "secs. 2 - 19"

19 Insert "secs. 2 - 20"

20 Page 13, line 11:

21 Delete "Section 20"

1 Insert "Section 21"

2 Page 13, line 12:

3 Delete "sec. 21"

4 Insert "sec. 22"

DRAFTED ~~FOR~~^{BY} THE HOMEBUILDER'S ASSOC.
in re: Amendment proposed in H. Finance

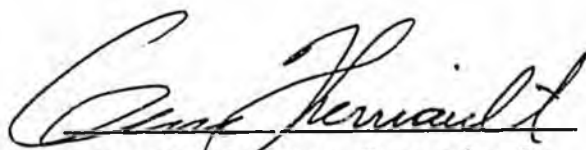
**Proposed Letter of Intent
HB 419**

In adopting amendment # 1 to this bill, the legislature is acting to clarify the existing statute. When a contractor employs a subcontractor who does not have any employees, certain members of the insurance industry are demanding premiums from such contractors. These demands are not based on any specific statutory authority. It is the intent of the legislature to clearly state that when a subcontractor does not have any employees, the contractor who employs that subcontractor is not required to purchase workers compensation insurance for that subcontractor. This legislature believes that the current language in the statute is clear and explicitly refers to "employees of the subcontractor." This legislature believes that this reading of the current language should be used to resolve any current disputes between members of the insurance industry and contractors in the state over workers compensation coverage for subcontractors who do not have any employees. This legislature believes that amendment # 1 clarifies that the contractor of a subcontractor who has no employees is not responsible for providing workers compensation for that subcontractor. This legislature believes that under the current statutes and the proposed amendment, insurance companies have no legal right to demand premiums from a contractor who employs a subcontractor when that subcontractor does not have any employees.

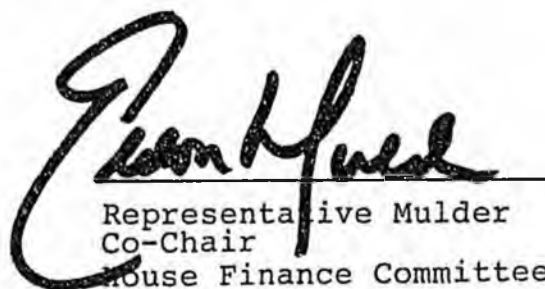
LETTER OF INTENT

CSHB 419 (FIN)

In adopting amendment # 1 to this bill, the legislature is acting to clarify the existing statute. When a contractor employs a subcontractor who does not have any employees, certain members of the insurance industry are demanding premiums from such contractors. These demands are not based on any specific statutory authority. It is the intent of the legislature to clearly state that when a subcontractor does not have any employees, the contractor who employs that subcontractor is not required to purchase workers compensation insurance for that subcontractor. This legislature believes that the current language in the statute is clear and explicitly refers to "employees of the subcontractor." This legislature believes that this reading of the current language should be used to resolve any current disputes between members of the insurance industry and contractors in the state over workers compensation coverage for subcontractors who do not have any employees. This legislature believes that amendment # 1 clarifies that the contractor of a subcontractor who has no employees is not responsible for providing workers compensation for that subcontractor. This legislature believes that under the current statutes and the proposed amendment, insurance companies have no legal right to demand premiums from a contractor who employs a subcontractor when that subcontractor does not have any employees.



Representative Therriault
Co-Chair
House Finance Committee



Representative Mulder
Co-Chair
House Finance Committee

HB 419

1998 stats on reemployment benefits

850 requests for eligibility

621 by employees

237 by employers

287 employees were found eligible for retraining

25 completed retraining plans

107 were settled with compromise and releases

The rest of the employees were in various other status:

Still in training programs

dropped out

case appealed

plan approval pending

medically disabled (plan pending)

claim controverted

others

Provided By Dept. of Labor

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(907) 346-2474
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MTL SERVICES

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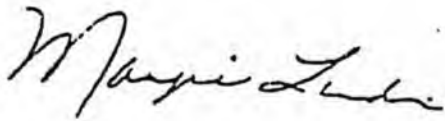
Fax

To: Representative Norman Rokeberg **From:** Marjorie T. Linder
Fax: (907) 465-2040 **Pages:** 3 to follow
Phone: (800) 773-4968 **Date:** 03/20/00
Re: Testimony you requested **CC:** [Click here and type name]

Urgent For Review Please Comment Please Reply Please Recycle

• **Comments:**

Thank you for asking me to submit today's testimony to the House Labor and Commerce Committee regarding HB 419. I've also supplied an example of what a worker who waives the reemployment benefit before medical stability can't know that he is waiving. His PPI can not be defined until after medical stability. The length and cost of his reemployment plan can not be determined until his PPI is determined. I suspect this waiver business won't hold up in the courts.



Margie Linder