

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10616 SENATE LABOR & COMMERCE 461

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LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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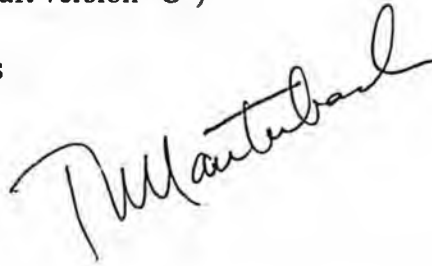
MEMORANDUM

February 27, 2002

SUBJECT: Minimum OSHA civil penalties
(CSSB 31(L&C); draft version "C")

TO: Senator Ben Stevens
Attn: Deb

FROM: Terri Lauterbach
Legislative Counsel



Enclosed is a draft CS for SB 31. I have rewritten the requested language because I think "a violation" on line 8 of your fax is ambiguous or vague. If my language does not accurately convey your intent, please do not hesitate to let me know.

Please also note that, after "AS 18.60.010 - 18.60.105" on page 1, line 8, I have added the phrase "that is applicable to the employer." I have added this phrase so that the language in this new subsection (i) will be phrased like the language in four other subsections of AS 18.60.095 (subsections (a), (b), (c), and (e)).

I cannot tell you for certain that the phrase "that is applicable to the employer" is needed in any of these subsections. However, since the phrase already appears in four subsections of AS 18.60.095, rules of statutory construction would force a court to try to give different meaning to the phrasing in the new subsection (i) added by this bill if the same phrasing used in the other subsections isn't used.

If the omission of "that is applicable to the employer" was intentional in this bill, let me know.

Following is the language of existing law at AS 18.60.095, with the phrase "that is applicable to the employer" printed in boldface:

Sec. 18.60.095. Penalties. (a) An employer who wilfully or repeatedly violates a provision of AS 18.60.010 - 18.60.105 **that is applicable to the employer** or a standard or regulation adopted under AS 18.60.010 - 18.60.105 may be assessed by the commissioner a civil penalty of not more than \$70,000 for each violation. Except when a settlement is negotiated, the commissioner shall assess a minimum penalty of \$5,000 for a violation under this subsection that was committed wilfully.

(b) An employer who receives a citation for a serious violation of a provision of AS 18.60.010 - 18.60.105 **that is applicable to the employer**

or of a standard or regulation adopted under AS 18.60.010 - 18.60.105 shall be assessed by the commissioner a civil penalty of up to \$7,000 for each violation. For purposes of this subsection, a serious violation is considered to exist if the violation creates in the place of employment a substantial probability of death or serious physical harm. However, a serious violation is not considered to exist if the employer did not, and could not with the exercise of reasonable diligence, know of the presence of the violation.

(c) An employer who receives a citation for a violation of a provision of AS 18.60.010 - 18.60.105 **that is applicable to the employer** or a standard or regulation adopted under AS 18.60.010 - 18.60.105, and the violation is specifically determined not to be of a serious nature, may be assessed by the commissioner a civil penalty of up to \$7,000 for each violation.

(d) An employer who fails to correct a violation within the period permitted for its correction for which a citation has been issued may be assessed by the commissioner a civil penalty of not more than \$7,000 for each day during which the failure to correct the violation continues.

(e) An employer who wilfully or repeatedly violates a provision of AS 18.60.010 - 18.60.105 **that is applicable to the employer** or a standard or regulation adopted under AS 18.60.010 - 18.60.105, and the violation causes death to an employee, upon conviction, is punishable by a fine of not more than \$10,000, or by imprisonment for not more than six months, or by both. However, upon a second conviction after a prior conviction for a violation causing death, an employer is punishable by a fine of not more than \$20,000, or by imprisonment for not more than one year, or by both. This subsection does not preclude prosecution of the employer under AS 11.

(f) A person who knowingly makes a false statement, representation, or certification with the intent to mislead in an application, record, report, plan or other document filed or required to be maintained under AS 18.60.010 - 18.60.105 is guilty of unsworn falsification.

(g) An employer who violates the posting requirements of AS 18.60.010 - 18.60.105 shall be assessed by the commissioner a civil penalty of up to \$7,000 for each violation.

(h) In assessing a civil penalty, the commissioner shall give due consideration to the size of the business of the employer being charged, the gravity of the violation, the good faith of the employer, and the history of previous violations.

If I may be of further assistance, please advise.

TML:med
02-223.med

Enclosure

22-GS1018\c
Lauterbach
2/27/02

CS FOR SENATE BILL NO. 31(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to minimum civil penalties for the death of an employee due to
2 violations of certain occupational health and safety requirements; and providing for an
3 effective date."

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

5 * **Section 1.** AS 18.60.095 is amended by adding a new subsection to read:

6 (i) Notwithstanding any contrary provision of this section, if an employer
7 violates a provision of AS 18.60.010 - 18.60.105 that is applicable to the employer or
8 a standard or regulation adopted under AS 18.60.010 - 18.60.105 and that violation
9 caused or contributed to the death of an employee, the commissioner shall assess
10 under this section a total civil penalty for all violations connected with the death of the
11 employee of not less than \$50,000 if the violation was willful or repeated, and not less
12 than \$25,000 if the violation was not a violation described in (a) of this section but
13 was a serious violation as described in (b) of this section or failure to correct a
14 violation as described in (d) of this section. The minimum total civil penalties

1 established in this subsection are

2 (1) inclusive of all final civil penalties under this section for all
3 violations connected with the death of the employee;

4 (2) not subject to, and may not be reduced under, the provisions of (h)
5 of this section;

6 (3) in addition to any criminal penalty provided for in (e) of this
7 section or imposed under AS 11 or AS 12; and

8 (4) not subject to reduction by negotiation or settlement, unless
9 expressly approved in writing by the commissioner of labor and workforce
10 development and the attorney general.

11 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 **APPLICABILITY.** The changes made by this Act apply to penalties related to an
14 occupational fatality that occurs on or after July 1, 2002.

15 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
16 read:

17 **TRANSITION: REGULATIONS.** Notwithstanding sec. 5 of this Act, the
18 Department of Labor and Workforce Development may immediately proceed to adopt
19 regulations necessary to implement the changes made by this Act. The regulations take effect
20 under AS 44.62 (Administrative Procedure Act), but not before July 1, 2002.

21 * **Sec. 4.** Section 3 of this Act takes effect immediately under AS 01.10.070(c).

22 * **Sec. 5.** Except as provided in sec. 4 of this Act, this Act takes effect July 1, 2002.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 31
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
 Title: Penalties: OSHA Violations Causing Death BRU: Labor Standards and Safety
 Component: Occupational Safety & Health
 Sponsor: Rules Committee
 Requester: Senate L&C Component Number: 970

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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 ()						
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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 (FY2002) cost: None

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would provide that the minimum total civil penalty for violations connected with a fatality is \$50,000 if the employer willfully or repeatedly violated an OSHA standard that contributed to the employee's death, and \$25,000 if the violation existed but was not willful on the part of the employer. The department does not anticipate increased operating costs as a result of this legislation.

Prepared by: Richard Mastriano, Director Phone: 269-4900
 Division: Labor Standards & Safety Date/Time: 2/22/02 2:50 PM
 Approved by: Ed Flanagan, Commissioner Date: 02/22/02
 Agency: Department of Labor and Workforce Development

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 31
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title "An act relating to mandatory OSHA BRU Risk Management
fines & providing for an effective date." Component Risk Management
 Sponsor Rules by Request of Governor
 Requester Senate Labor & Commerce Component No. 71

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Risk Management does not provide insurance protection or funding for OSHA violations and therefore has no fiscal impact for the proposed increase in penalty amount owed for OSHA violations that cause or contribute to the death of an employee.

Any penalty would be directly assessed against and paid by the involved agency.

Risk Management would continue to compensate the employee and their family all remedies owed under the Alaska Workers' Compensation Act (AWCA). This proposed increase in penalty would not effect death benefits or any other remedy owed under AWCA.

Prepared by: J. Brad Thompson, Director Phone 465-5723
 Division Risk Management Date/Time 2/21/02 1:18 PM
 Approved by: Jim Duncan, Commissioner Date 2/21/2002
 Agency Department of Administration

STATE OF ALASKA
Department Of Labor And Workforce Development
Labor Standards And Safety Division
1111 West 8th Street, Suite 304
Juneau, AK 99801

Mailing Address: P. O. Box 21149; Juneau, AK 99802-1149

Phone: 907-465-4855
Fax: 907-465-6012

FAX TRANSMITTAL

Attention: Debbie Grundman of Sen. Ben Stevens Office (4993)

Fax Number: 3872

From: Lillian Prevette for Richard Mastriano, Director, Labor Standards & Safety

Date: 2/28/02 Pages: 6 (including this cover page)

Subject: Regulations question on FIRM

Notes/Comments:

Regarding the Regulations on Penalties, the regulation is 8 AAC 61.140 which requires us to adopt by reference the FIRM subsections 3 and 4 for penalties.

These subsections are included here for your information and for distribution.

(b) **Probability Assessment.** There are two considerations to be kept in mind in calculating the probability of grouped violations:

- 1 The probability assigned to the grouped violation shall be no less than the probability of the item which is most likely to result in an injury or illness.
- 2 If the overall probability of injury or illness is greater with the grouped violation than with any single violation item, the greater probability of injury or illness shall serve as the basis for the calculation of the probability assessment of the grouped violation.

(3) In egregious cases an additional factor of up to the number of violation instances may be applied. Such cases shall be handled in accordance with OSHA Instruction CPL 2.80. Penalties calculated with this additional factor shall not be proposed without the concurrence of the Assistant Secretary. (See also C.2.k.(2)(c)4 of this chapter.)

i. **Penalty Adjustment Factors.** The GBP may be reduced by as much as 95 per cent depending upon the employer's "good faith," "size of business," and "history of previous violations." Up to 60-percent reduction is permitted for size; up to 25-percent reduction for good faith, and 10-percent for history.

C. 2. i. (1) Since these adjustment factors are based on the general character of a business and its safety and health performance, the factors generally shall be calculated only once for each employer. After the classification and probability ratings have been determined for each violation, the adjustment factors shall be applied subject to the limitations indicated in the following paragraphs.

- (2) Penalties assessed for violations that are classified as high severity and greater probability shall be adjusted only for size and history.
- (3) Penalties assessed for violations that are classified as repeated shall be adjusted only for size.
- (4) Penalties assessed for regulatory violations, which are classified as willful, shall be



adjusted for size. Penalties assessed for serious violations, which are classified as willful, shall be adjusted for size and history.

NOTE: If one violation is classified as willful, no reduction for good faith can be applied to any of the violations found during the same inspection. The employer cannot be willfully in violation of the Act and at the same time, be acting in good faith.

- (5) The rate of penalty reduction for size of business, employer's good faith and employer's history of previous violations shall be calculated on the basis of the criteria described in the following paragraphs:
- (a) **Size.** A maximum penalty reduction of 60 percent is permitted for small businesses. "Size of business" shall be measured on the basis of the maximum number of employees of an employer at all workplaces at any one time during the previous 12 months.

- 1 The rates of reduction to be applied are as follows:

Employees	Percent reduction
1-25	60
26-100	40
101-250	20
251 or more	None

- 2 When a small business (1-25 employees) has one or more serious violations of high gravity or a number of serious violations of moderate gravity, indicating a lack of concern for employee safety and health, the CSHO may recommend that only a partial reduction in penalty shall be permitted for size of business.

- C. 2. i. (5) (b) **Good Faith.** A penalty reduction of up to 25 percent, based on the CSHO's professional judgment, is permitted in recognition of an employer's "good faith".

- 1 The 25% credit for "good faith" normally requires a written safety and health program. In exceptional cases, the compliance officer may recommend the full 25% for a smaller employer (1-25 employees) who has implemented an

efficient safety and health program, but has not reduced it to writing.

- a Provides for appropriate management commitment and employee involvement; worksite analysis for the purpose of hazard identification; hazard prevention and control measures; and safety and health training.

NOTE: One example of a framework for such a program is given in OSHA's voluntary "Safety and Health Program Management Guidelines" (**Federal Register**, Vol. 54, No. 16, January 26, 1989, pp. 3904-3919, or later revisions as published).

- b Has deficiencies that are only incidental.

- 2 A reduction of 15 percent shall normally be given if the employer has a documentable and effective safety and health program, but with more than only incidental deficiencies.
- 3 No reduction shall be given to an employer who has no safety and health program or where a willful violation is found.
- 4 Only these percentages (15% or 25%) may be used to reduce penalties due to the employer's good faith. No intermediate percentages shall be used.

(c) **History.** A reduction of 10 percent shall be given to employers who have not been cited by OSHA for any serious, willful, or repeated violations in the past three years.

(d) **Total.** The total reduction will normally be the sum of the reductions for each adjustment factor.

C. 2. j. **Effect on Penalties If Employer Immediately Corrects or Initiates Corrective Action.**

Appropriate penalties will be proposed with respect to an alleged violation even though, after being informed of such alleged violation by the CSHO, the employer immediately corrects or initiates steps to correct the hazard.

- k. **Failure to Abate.** A Notification of Failure to

FIRM TOC

Field Inspection Reference Manual

TABLE OF CONTENTS

PRE-INSPECTION PROCEDURES

1. Regional Administrator.
2. Area Director
3. Assistant Area Director
4. Compliance Safety and Health Officer.
 - a. General
 - b. Subpoena Served on CSHO
 - c. Testifying in Hearings
 - d. Release of Inspection Information
 - e. Disposition of Inspection Records
5. General Area Office Responsibilities

1. General Policy

2. Civil Penalties

- a. Statutory Authority
- b. Minimum Penalties
- c. Penalty Factors
- d. Gravity of Violation
- e. Severity Assessment
- f. Probability Assessment
- g. Gravity-Based Penalty
- h. Gravity Calculations for Combined or Grouped Violations
- i. Penalty Adjustment Factors
- j. Effect on Penalties if Employer Immediately Corrects
- k. Failure to Abate
- l. Repeated Violations
- m. Willful Violations
- n. Violation of 29 CFR Parts 1903 and 1904
Regulatory Requirements

3. Criminal Penalties

S B

3 8

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION
January 10, 2001

Senator Randy Phillips
Alaska State Legislature
Capitol Building, Room 103
Juneau AK 99801-1182

Dear Senator Phillips:

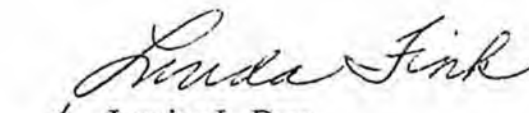
One of the paramount issues facing Alaska, is the shortage of skilled workers. The Alaska State Hospital and Nursing Home Association (ASHNHA) and the Alaska Process Industry Careers Consortium (APICCC) would like to request an opportunity to make a presentation before the Senate Labor and Commerce Committee on February 1, 2001 at 1:30 p.m. Vice Chair, APICCC, John Payne, (Operations/Tech Training Consultant for BP Explorations), and myself, President/CEO of ASHNHA would like to give a brief overview of the issues and concerns facing our industries.

The economy of Alaska and the well-being of our people are closely tied to our ability to produce a highly skilled workforce in Alaska. The ability of industry to maintain technological currency and meet growing demands for service is also dependent on a highly skilled workforce in Alaska.

Over the past year two of Alaska's major industry consortia, ASHNHA and APICCC have been working together, under a grant from the U.S. Department of Labor to address critical shortages in the labor market. Both industries are experiencing a shortage of Alaskan applicants for professional and technical jobs. The process industry, which includes oil and gas, waste-water treatment, construction, mining and power generation, is especially impacted by changing technology and an aging workforce, many of whom are close to retirement. In the health industry many occupations are projected to continue to grow rapidly in Alaska and nationally. Last year, for example, 39% of registered nurses hired in Alaska were nonresident and 47% of the current nursing workforce was 45 years or older.

ASHNHA and APICCC, as industry leaders, request the opportunity to make a presentation to the Senate Labor and Commerce Committee on February 1, at 1:30 p.m., to give you an overview of what we have learned and to provide vital information on the future workforce development needs of our industries. We believe it is of utmost importance to the economy of Alaska that we all work together now - government, industry and education - to address the current and future need for a highly skilled workforce.

Sincerely,


for Laraine L. Derr
President/CEO

ALASKA STATE

HOSPITAL & NURSING HOME

ASSOCIATION

January 31, 2001

MEMBERS OF SENATE LABOR AND COMMERCE COMMITTEE

The Honorable Senator Phillips
Chair, Senate Labor and Commerce Committee

Dear Senator Phillips:

On February 1, 2001, the Labor and Commerce Committee will be hearing a presentation regarding workforce development in two very diverse fields – healthcare and the process industries such as oil and gas, transportation, and energy. Why two such diverse subjects in one presentation? Because on April 1, a year ago, the Alaska State Hospital and Nursing Home Association (ASHNHA) received a grant from the U. S. Department of Labor (DOL) to effect partnerships among several groups in Alaska. The hypothesis was that if we could develop a model for workforce development that would work in two such disparate industries, then it should be transportable across all industries. The Alaska Process Industry Careers Consortium (APICC) was formed to address the problems in process industries and Fred Villa, APICC board member, will present information from that side.

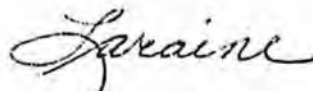
I will be describing the healthcare aspect of the presentation and giving an overview of the groups with which we are working. Many organizations are involved in this monumental effort to “grow our own” nurses, technicians, oilrig workers, and pipeline personnel. How many do we need? Where do we need them? And what types do we need? These are all subjects that we are currently exploring.

The enclosed packet of information gives some of the basic information from ASHNHA. Fred will give you information on APICC. Together we will present a total picture of what we are doing.

At the current time there is not legislation that specifically supports workforce development. We would like to see nursing tuition forgiveness in a bill; money for healthcare and process industry curricula in the University budget; vocational education funding in the governor’s budget and support for the Alaska Human Resource Investment Council as general parts of overall legislation. As we progress in our needs assessment and skills standards we may return to be more specific in our requests.

Thank you for your consideration of our presentation.

Sincerely yours,



Laraine L. Derr
President/CEO

Industry led consortia

Healthcare Consortium Team Membership

- Alaska State Hospital and Nursing Home Association (ASHNHA) Members
- Department of Labor (DOL) Workforce Development
- DOL School to Work
- University Of Alaska
- Alaska Native Tribal Health Corporation (ANTHC)
- Alaska Human Resource Investment Council (AHRIC)
- Alaska Primary Care
- Union Membership
- Older Persons Action Group
- DOL Employment Training Assistance Apprenticeship
- Pioneer Home System
- Alaska Public Health Department
- Alaska Business Education Consortium (ABEC)
- Alaska Center for Rural Health

Alaska Need for Nursing Committee Membership

- ASHNHA Membership
- University of Alaska (UAA) School of Nursing
- University campuses from Southeast and Fairbanks
- Board of Nursing

Career Pathways School to Work

- ASHNHA Membership
- Dept of Education & Early Development
- Dept of Labor School To Work 15 School districts statewide
- University of Alaska Southeast
- ANTHC
- Alaska Primary Care
- ABEC
- UAA

Occupational Employment¹ – Health Services Occupations
Alaska 1998 - 2008

(Prepared for ASHNHA – September 2000)

Occupational Title	1998 Employment ² (Estimated)	2008 Employment (Projected)	Employment Increase (Projected 98-08)	Annual Growth Rate (Projected 98-08)
Chiropractors	198	292	94	4.75
Dental Assistants	637	1,047	410	6.44
Dental Hygienists	383	641	258	6.74
Dental Laboratory Technicians	56	66	10	1.79
Dentists	346	418	72	2.08
Dietetic Technicians	48	73	25	5.21
Dietitians	105	137	32	3.05
EMTs	265	351	86	3.25
Home Health Aides	758	1,190	432	5.70
Licensed Practical Nurses	618	786	168	2.72
Medical & Health Services Managers	393	565	172	4.38
Medical Assistants	357	674	317	8.88
Medical Lab Technicians	473	616	143	3.02
Medical Record Technicians	295	465	170	5.76
Medical Secretaries	148	209	61	4.12
Nursing Aides and Orderlies	1,066	1,409	343	3.22
Occupational Therapists	100	146	46	4.60
Opticians	194	273	79	4.07
Optometrists	140	175	35	2.50
Pharmacists	303	376	73	2.40
Pharmacy Assistants	97	128	31	3.20
Pharmacy Technicians	209	245	36	1.72
Physical Therapists	171	259	88	5.15
Physical Therapy Asst. & Aides	65	108	43	6.62
Physician Assistants	157	263	106	6.75
Physicians & Surgeons	600	829	229	3.82
Psychiatric Aides	153	174	21	1.37
Radiologic Technicians	210	316	106	5.05
Recreational Therapists	40	51	11	2.75
Registered Nurses	3,900	5,455	1,555	3.99
Respiratory Therapists	115	227	112	9.74
Speech Language Pathologists & Audiologists	177	241	64	3.62
Surgical Technologists	89	161	72	8.09

Source: Alaska Department of Labor and Workforce Development, Research & Analysis Section

¹ Employment data are based on the Occupational Employment Statistics (OES) coding structure, as required by the U.S. Bureau of Labor Statistics.

² Employment estimates cover all industries, including self-employment.

**Total Private Sector, State and Local Government Wage and Salary Alaska Workers ¹¹ in Selected Health Occupations
Resident and New Hire Status and Percent of Workers Age 45 and Older
First Quarter 2000**

Occupation Title	2000Q1 Data		1999Q1 Total Workers	Second Quarter 1999 Thru First Quarter 2001		% Resident New Hires
	Total Workers	% Age 45+		Total New Hires	% Nonresident New Hires	
Clinical Lab Technologist & Technicians	334	43.1	339	136	40.4	59.6
Dental Assistants	743	16.8	706	566	19.3	80.7
Dental Hygienists	508	28.6	489	361	12.5	87.5
Dentists	76	44.8	54	54	29.6	70.4
Dietitians	86	32.1	83	24	33.3	66.7
Health Aides, Except Nursing	1,179	29.3	1,216	506	15.4	84.6
Health Diagnose & Treat Practitioner, NEC	79	32.0	99	34	20.6	79.4
Health Record Technologists & Technician	236	30.1	214	92	12.0	88.0
Health Technologists & Technicians, NEC	834	28.7	878	444	25.7	74.3
Licensed Practical Nurses	537	46.3	485	249	26.5	73.5
Managers, Medicine & Health	355	57.8	328	63	33.3	66.7
Nursing Aides, Orderlies, & Attendants	2,327	28.7	2,067	1,373	17.4	82.6
Occupational Therapists	237	30.0	227	90	28.9	71.1
Optometrists	18	43.8	18	8	50.0	50.0
Pharmacists	218	38.2	262	93	23.7	76.3
Physical Therapists	228	25.4	210	115	40.9	59.1
Physicians	474	39.4	455	241	56.0	44.0
Physician'S Assistants	237	46.9	222	119	28.6	71.4
Radiologic Technologists & Technicians	321	38.5	274	135	48.1	51.9
Registered Nurses	3,708	46.9	3,534	1,326	39.1	60.9
Respiratory Therapists	132	36.0	118	36	47.2	52.8
Secretaries, Medical	183	34.8	175	96	22.9	77.1
Speech Pathologists & Audiologists	129	47.5	144	14	35.7	64.3

¹¹ Workers may be counted more than once if employed by multiple employers.

Notes: Based upon total wage and salary workers employed in health care industries.

Occupational data provided by employers using Standard Occupational Classification (SOC) codes.

Age data derived from historical administrative records including PFD, Voter Registration and Drivers License files.

New hires are new workers to a firm that have not worked for that employer at any time during the previous four quarters.

The same worker may have been newly employed by more than one firm and would be counted multiple times in the total new hire figure.

NEC=Not Elsewhere Classified.

Source: Alaska Dept. of Labor and Workforce Development, Research and Analysis.

Contact: Jeff Hadland, Economist

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Alaska State Hospital and Nursing Home Association
Education Committee

Current Nursing Statistics
January 18, 2001

Region	Current RN staffing	Current RN Vacancies	Current LPN Staffing	Current LPN Vacancies
Statewide Pioneer Homes	44	16 (36%)	6	0
Southeast Alaska	324	50 (15%)	26	4
Gulf Coast Alaska	144	15 (10%)	11	2
Southwest & Northern Alaska	118	26 (22%)	9	1
Interior Alaska	269	24 (9%)	39	0
Anchorage-Mat-Su Region	1537	141 (9%)	39	7
Total for State	2436	272 (11%)	130	14

Comments:

Survey included Human Resource people and Nursing Administrators from all the ASHNHA facilities during the week of January 15-19, 2001

1. A few facilities have hired LPN's to fill in positions advertising for RN's though they need RNs. They become so desperate for a "warm body" they must hire an LPN.
2. The people familiar with the Career Ladder approach feel this a good model to career development and a good long-range goal to fill our current crisis.
3. Distance delivery of programs and curriculum is desirable in out-lying areas.
4. One facility is currently at a staff level they require but it took 8 months to do it. Another small facility is recruiting for positions that will open in the next 12 months. It has taken them that long in the past to fill openings.
Temp help fills vacation relief in smaller facilities, when it is available.

Allied Health Workforce Assessment

Occupations	Current # Employees	Current Vacancies	Turnover Last 12 Months	Projected staff needs	Projected staffing Changes 3-5 years
Certified Nursing Asst	904	65	264	1001	50% increase
Community Health Aide	303	34	21	333	unchanged
Psychiatric Nurse Asst	204	1	41	210	unchanged
Lab Tech/4yr MT	151	11	13	166	50% increase
Radiologic Technologist	143	18	31	164	50% increase
Records Clerk	160	8	31	163	unchanged
Pharmacist	123	21	15	134	50% increase
Biller	117	10	11.25	131	unchanged
Physical Therapist	123	5	14.75	125	25% increase
Personal Care Attendant	108	11	31.5	113	50% increase
Respiratory Therapist	110	3	13.5	113	slight increase
Environmental Health Tech	106	6	35	106	unchanged
Pharmacy Tech	96	8	10	94	50% increase
Medical Transcriptionist	91	8	13	93	25% increase
Surgical Technician	83	6	4	87	unchanged
Coder	56	16	5	76	increase
Lab Tech/2 yr MLT	74	5	5	74	25% change
Phlebotomist	67	6	18	72	30% increase
Home Health Aide	53	13	21	62	unchanged
Mammographer	55	4	1	60	50% increase
Occupational Therapist	53	2	7.25	55	25% increase
Biomedical Equip Tech	43	2	4	45	50% increase
Dental Assistant	50	1	2	43	unchanged
Dietitian registered	40	3	5.2	42	unchanged
Analyst	40	3	1	40	unchanged
Diagnostic Medical Sonographer	35	8	6	40	increase
Social Worker/ Licensed Clinical	42	2	6	39	unchanged
Sub Ab Counselor 2	32	2	5	33	unchanged
Social Worker/6 yr degree	34	4	2	32	unchanged
Sub Ab Counselor 1	28	2	3	30	increase

the percentage increase indicates facilities forecasting increased need

Allied Health Workforce Assessment


Occupations	Current # Employees	Current Vacancies	Turnover Last 12 Months	Projected staff needs	Projected staffing Changes 3-5 years
Clinical Lab Assistant	29	2	11	29	50% increase
Physical Therapist Assistant	28	1	1.25	26	20% increase
Speech Pathologist	24	5	4	26	unchanged
Licensed Professional Counselor	24	2	5	23	unchanged
MRI	22	3	5	23	increase
Therapeutic Recreation Specialist	27	1	11	23	unchanged
Health Educator	21	0	0	22	unchanged
Mental Health Counselor	23	4	4	22	unchanged
Cardiac Sonographer	16	3	2	20	increase
CAT	20	2	0	20	25%increase
Clinical Psychologist	18	2	0	20	unchanged
Dental Hygienist	18	1	1	19	unchanged
Health Info/2 yr/ART	19	0	4.25	18	unchanged
Social Worker/4 yr degree	16	1	1	17	unchanged
Combined Coder/Biller	10	2	2	13	25% increase
ECG/Treadmill/Holter	13	1	6	13	unchanged
Nuclear Medicine Technologist	8	4	2	12	increase
Sub Abuse Supervisor	10	1	3	12	unchanged
Health Info/4yr/RRA	10	2	3	10	unchanged
Audiologist	11	1	0	9	unchanged
Occup Therapy Technician	7	0	0.25	8	unchanged
Dietetic Technician	6	2	1	7	unchanged

the percentage increase indicates facilities forecasting increased need

Occupational Forecast

by Bryan Keith
Labor Economist

Services to swell, mining to shrink, from 1998 to 2008 in Alaska

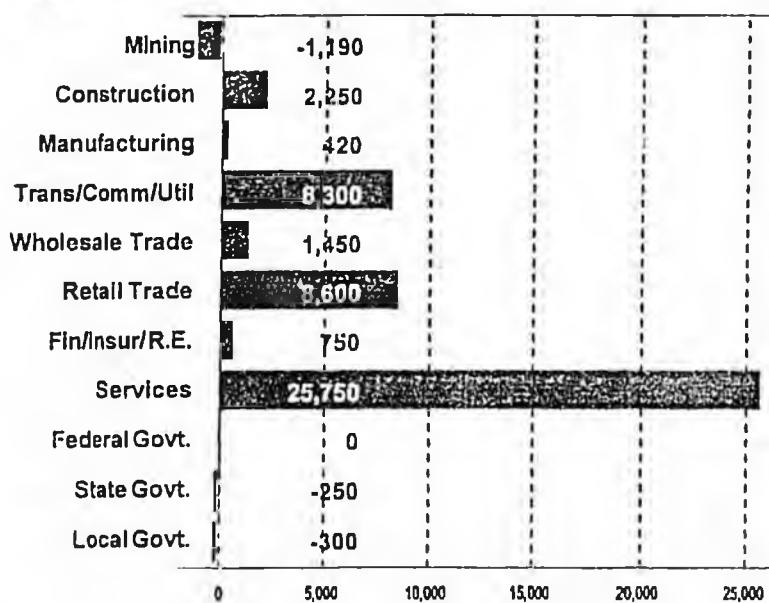
 Read more online here.
(To view the complete Occupational Table)

Occupational employment in Alaska is projected to increase by 16.6 percent, from 292,431* to 341,090,* between 1998 and 2008. The types of jobs created by this growth reflect a variety of economic and technological changes.

Research and Analysis (R&A) has developed projections for more than 500 detailed occupations. The growth rates range from an increase of 97 percent for respiratory therapists to a decline of

nearly 36 percent for wellhead pumpers. Projected employment is analyzed from two perspectives in this article: numerical change and percent change. To get a clear picture of future employment opportunities, both measures must be used. For example, the employment of surgical technologists is projected to grow very rapidly over the 1998–2008 period (81 percent), while adding only 72 new jobs. In contrast, the employment of carpenters, which is expected to grow by only 13 percent, will add 552 jobs—more than seven times as many jobs as surgical technologists.

1 Alaska Employment Growth 1998–2008 forecast



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Many factors combine to shape employment opportunities. These include the creation of new jobs through economic growth or technological changes, occupational turnover including the need to replace retiring employees, and a shortage of trained and available workers. This article focuses on the growth or decline of jobs resulting from economic or technological changes.

Industry forecast—a snapshot

The industry forecast and occupational forecast for 1998–2008 are companion views of Alaska's economic future. The industry forecast provides the big picture economic assumptions working behind the scenes of the occupational forecast. Assumptions such as the price of oil, government's future employment levels, and the demand for health care services are all captured in the

* Includes estimate of self-employed workers.

industry forecast model. By contrast, the subtle economic changes affecting the demand for one occupation relative to another are captured in the occupational forecast process.

The 1998–2008 industry forecast, on which this occupational forecast is based, projects modest but steady growth. Alaska's strategic location, oil wealth, and expanding service economy will provide thousands of new jobs between 1998 and 2008. The long-term shift from goods-producing to service-producing employment is expected to continue.

The jobs generated by industry growth reflect a variety of economic factors. The projected growth in the services, retail trade, and transportation/communications/utilities industries will result in employment increases. (See Exhibit 1.) The continued declines in crude oil production, timber harvests and government, on the other hand, will reduce employment in some occupations. (Oil and gas employment is included under the mining industry category; timber employment is a subcategory of the manufacturing sector.) For a detailed discussion of the industry forecast on which this occupational forecast is based, see the "Ten-Year Industry Forecast" article in the July 2000 issue of *Alaska Economic Trends*.

Occupational employment

The big picture of where Alaskans will work is not expected to change significantly. In fact, as Exhibit 2 illustrates, employment by major occupational category will remain fairly stable between 1988 and 2008. Slight shifts are occurring, reflecting changes in Alaska's economy. By 2008, the increasing importance of the visitor and retail industry sectors will push the marketing and sales occupations from seventh to sixth place in the employment rankings.

The ranking of major occupational categories by growth rate, however, tells a different story. The

MAJOR OCCUPATIONAL CATEGORIES

Administrative Support: Prepare and record memos, letters and reports, and gather/distribute information. Examples include receptionists, general office clerks, and teacher aides.

Ag/Forestry/Fishing: Perform tasks associated with plants and animals. Examples include groundskeepers and animal caretakers. Fish harvesters are not included.

Service: Attend to the public, including occupations such as nursing aides and orderlies, child-care workers, and waiters and waitresses.

Professional Specialty: Provide a variety of professional services. Occupations include registered nurses, computer systems analysts, and teachers.

Craft and Repair: Perform highly skilled production, construction and mechanical work. Examples include machinists, carpenters, and auto mechanics.

Operators and Laborers: Operate production machinery and transportation equipment. Occupations include truck drivers, welders, and electricians.

Marketing and Sales: Sell goods and services and supervise sales work. Occupations include retail salespersons, cashiers, and travel agents.

Managers and Professional Support: Direct the activities of business, government and other organizations. Examples include general managers and top executives, hotel managers, and budget analysts.

Technicians: Operate technical equipment and assist engineers, scientists and other professional specialty workers. Examples include health technicians, computer programmers, and aircraft pilots.

technicians occupational category, which contains occupations such as respiratory therapists and computer programmers, will move up the rankings from second to first place. Similarly, the robust growth rate projected for professional specialty occupations, such as registered nurses and teachers, will raise that category from eighth to second place in the rankings. These changes reflect the increasing dominance of health services and computer-related occupations in Alaska's labor market.

A more detailed occupational look

Occupational growth will be very concentrated during the 1998–2008 decade. The fifteen occupations in the Alaska column of Exhibit 3 are projected to account for more than 32 percent of Alaska's total employment growth. Ten of these large occupations are found in the service-related occupational clusters (sales, clerical and services) and all but the two supervisory positions have estimated wages in the lower earnings groups.

Of course, not all large occupations have low pay and low training requirements. Four of the Alaska occupations included in Exhibit 3 have estimated wages in the highest wage group: registered nurses, general managers and top executives, aircraft pilots, and systems analysts. These four occupations require the professional education and skills and the compensation typical of small-sized or fast growing occupations.

The U.S. and Alaska lists of occupations with large numerical increases contain more similarities than differences, with ten occupations occurring on both lists. Occupations unique to Alaska's list, such as aircraft pilots and amusement and recreation attendants, highlight the importance of the visitor and air transportation industries in Alaska. By contrast, those occupations appearing only on the U.S. list reflect both the need for education-related workers and the importance of information technology occupations in the national labor market.

Retail salespersons will experience not only the largest numerical increase, they will also become Alaska's largest single occupation by 2008. More than 9,700 workers will be employed in this occupation. General office clerks, the second largest occupation, will employ 8,638 workers. Cashiers, and general managers and top executives occupy the third and fourth slots with employment levels of 8,074 and 7,978 respectively. In 2008, one of every ten Alaska workers will be employed in one of these four occupations.

2 Employment¹ by Major Category 1988, 1998, 2008

Occupational Group	Employment		
	1988	1998	2008
Administrative Support	43,397	52,661	58,655
Service	34,270	48,020	57,487
Professional Specialty	35,342	44,261	53,463
Craft & Repair	26,494	35,639	40,592
Operators/Laborers	26,829	33,963	38,306
Marketing & Sales	19,985	31,005	37,235
Managers/Professional Support	23,044	31,214	35,667
Technicians	8,423	12,394	16,005
Agriculture/Forestry/Fishing ²	2,306	3,274	3,680
Total, All Occupations	220,090	292,431	341,090

Occupational Group	Growth Rate Change			
	Rank	88-98	Rank	98-08
Technicians	2	47.5%	1	29.1%
Professional Specialty	8	25.1%	2	20.8%
Marketing & Sales	1	55.1%	3	20.1%
Service	4	40.1%	4	19.7%
Managers/Professional Support	5	35.6%	5	14.3%
Craft & Repair	6	35.4%	6	13.9%
Operators/Laborers	7	26.6%	7	12.8%
Agriculture/Forestry/Fishing ²	3	42.0%	8	12.4%
Administrative Support	9	21.3%	9	11.4%

¹ Includes estimate of self-employed workers.

² Fish harvesting employment is not included.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Fast growing occupations are another source of employment opportunities for qualified applicants. The list of fastest growing occupations during this projection period reflects the strong outlook for the health care services, business services and transportation industry sectors. Driven by economic growth, fast-growing occupations provide excellent employment opportunities. (See Exhibit 4.)

Of Alaska's 15 fastest-growing occupations, ten are associated with health services, three with information technology and two with the transportation/visitor industries. Factors contributing to the increased demand for health services occupations include the aging of the population, which will continue to require more services, and the increased use of innovative medical technology for intensive diagnosis and treatment.

Patients will increasingly be shifted out of hospitals and into outpatient facilities, nursing homes, and home health care in an attempt to contain costs.

Respiratory therapists occupy the number one slot on the list of high growth occupations. Alaska's aging population will help to fuel the increasing demand for respiratory therapists. The demand for more accessible care in the home will drive the need for home health aides, another high-growth occupation. Health care payers' demands for increasingly detailed and accurate medical records will boost the need for medical records technicians.

The increasing need for information technology occupations, such as systems analysts and computer support specialists, will result from the fast pace of technological change and the need to

Occupations Ranked by Projected Numerical Growth The top 15 in U.S. and Alaska, 1998-2008

3

Employee Earnings per Hour	U.S.		Alaska	
	Occupations	Earnings Quartile	Occupations	Earnings Quartile
\$ < \$10.92	Systems Analysts, EDP ●	\$\$\$\$	Retail Salespeople ●	\$
\$ \$ \$ \$10.92-\$15.24	Retail Salespeople ●	\$	Cashiers ●	\$
\$ \$ \$ \$15.25-\$22.28	Cashiers ●	\$	Registered Nurses ●	\$\$\$\$
\$ \$ \$ \$ > \$22.28	General Managers & Top Executives ●	\$\$\$\$	General Managers & Top Executives ●	\$\$\$\$
	Truck Driver, except Driver/Sales Workers	\$\$\$	Child Care Workers	\$
	General Office Clerks ●	\$\$	General Office Clerks ●	\$\$
	Registered Nurses ●	\$\$\$\$	Receptionists	\$\$
	Computer Support Specialists	\$\$\$\$	Truck Drivers: Light, including Delivery/Route	\$\$
	Personal & Home Care Aides	\$	Administrative Support Supervisors ●	\$\$\$
	Teacher Aides ●	\$	Sales Supervisors	\$\$\$
	Janitors & Cleaners	\$	Amusement & Recreation Attendants	\$
	Nursing Aides & Orderlies	\$	Waiters & Waitresses	\$
	Computer Engineers	\$\$\$\$	Teacher Aides ●	\$\$
	Teachers: High School	\$\$\$\$	Aircraft Pilots	\$\$\$\$
	Administrative Support Supervisors ●	\$\$\$	Systems Analysts, EDP ●	\$\$\$\$

● Indicates occupations that appear on both the U.S. and Alaska lists.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section
U.S. Department of Labor, Bureau of Labor Statistics

apply the latest technologies to business applications. A significant percentage of Alaska's information technology workers are employed in the government sector. The growth projected for computer-related occupations in Alaska has been tempered by the expected decline in government employment.

Occupations with declining employment

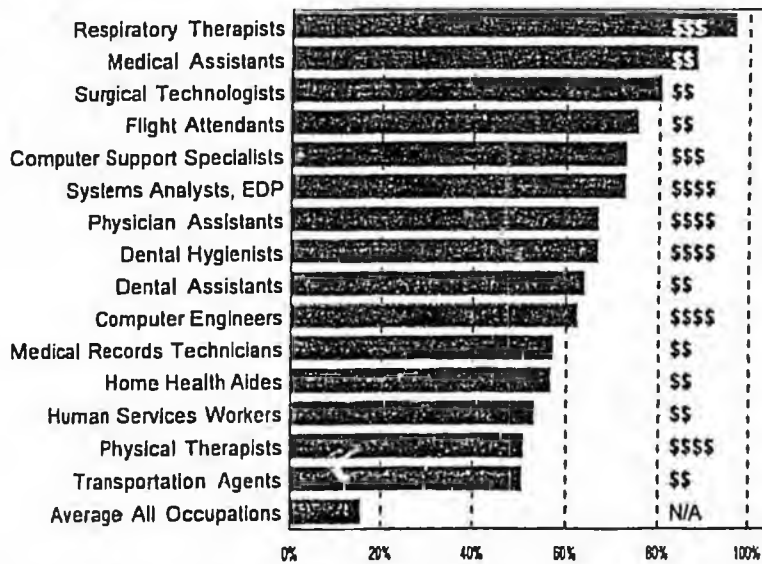
Not all occupations will show positive employment growth. Thirty-two occupations with 1998 employment of 75 or more are expected to drop employment by 10 percent or more during the forecast decade. Combined, these occupations

will account for 1.7 percent of total employment in 2008. Technological changes or organizational shifts will affect many of these occupations. For example, the demand for computer operators will slide as a result of mainframe computer system automation. (See Exhibit 5.) The occupation of bank teller is expected to have the largest decrease in total employment. Demand for these workers is expected to decline substantially due to increased use of ATMs and on-line banking services. (See Exhibit 6.)

Of the occupations on the fastest declining list, six are in the oil and gas industry, reflecting the expectation that Alaska production of crude oil will continue to decline. The decline in timber-related employment is also expected to continue, reducing the demand for choke setters, and fallers and buckers.

4 Fastest Growing Occupations 1998-2008 Projections

Occupations with 1998 employment of 75 or more in Alaska



Fast growing occupations are defined as those with a growth rate of at least 16.6 percent for the forecast period.

Total employment is divided into four groups, or quartiles. Pay ranges are represented by \$ for the lowest and \$\$\$\$ for the highest quartile.

N/A - not available

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Even occupations with declining employment can offer excellent employment opportunities. For example, the aging of Alaska's workforce may result in significant employment opportunities as employers replace retiring workers. (See the September 2000 issue of *Alaska Economic Trends* for an analysis of Alaska's aging population.) The industries potentially hit hardest by the need to replace retiring workers are government, health services, membership organizations, social services, and oil and gas extraction. The need to replace a significant percentage of the oil and gas workforce over the next decade may mitigate the declining employment in oil-related occupations.

Alaska's top jobs

Alaska's future labor market will offer a wide variety of employment opportunities, at all levels of education and training attainment and earnings potential. Exhibit 7 lists Alaska's 149 top occupations—those with higher than average projected growth or largest numerical increases—organized by education or training level. Estimated wages for the top occupations are also

noted. When viewed together, these three measures provide insight into Alaska's future labor market, even though they are not the only criteria for judging job quality.

For years, Alaska's resource-based economy was able to provide high-paying jobs to workers with only a high school education. But many traditional sources of high-wage/lower-skill work now have limited growth prospects. Although jobs will continue to be available for workers at all levels of educational attainment, Alaskans with the most education or training will enjoy the best opportunities.

To further refine the list of top occupations, Exhibit 7 also notes Alaska's "best-bet" occupations, those with both good employment opportunity and good wages. (Best-bet occupations are bolded.) These occupations, with total projected employment of 63,810 in 2008, are concentrated in the higher education and training categories, underscoring the importance of career planning and educational attainment. Twenty-seven of the 41 best-bet occupations require education or training of an associate degree or higher. Five of the 41, largely supervisory occupations, require work experience in a related occupation. Nine on-the-job training (OJT) occupations, some requiring significant OJT, such as air traffic controllers and correctional officers, make the best-bet list.

Although not officially on the "best-bet" list, six occupations included in Exhibit 7 offer both good employment opportunities and excellent earnings potential. The labor trades and crafts occupations of electricians, plumbers, electrical powerline installers/repairers, excavating and loading machine operators, and operating engineers all combine growing employment numbers with estimated earnings in the highest earnings group. The often rigorous training required for these occupations is generally available "on-the-job."

Methodology

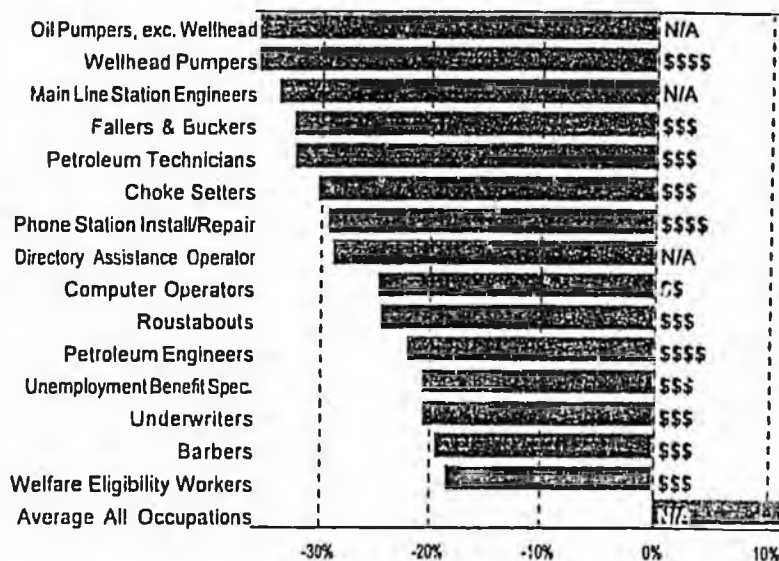
Occupational employment forecasts are the end product of a three-part system: employer surveys, construction of a matrix of industries and occupations, and industry employment forecasts.

Employer Surveys: The foundation of this forecast is the Occupational Employment Statistics (OES) program, operated jointly by AKDOL/R&A and the U.S. Bureau of Labor Statistics. The OES program surveys occupational employment through a representative and random sample of employers who do business in Alaska. The results of the OES employer surveys produce profiles of the occupational makeup for surveyed industries and estimates of wage rates by occupation.

Fastest Declining Occupations 1998-2008 Projections

Occupations with 1998 employment of 75 or more in Alaska

5



Total employment is divided into four groups, or quartiles. Pay ranges are represented by \$ for the lowest and \$\$\$\$ for the highest quartile.

N/A - not available

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Industry/Occupation Matrix: The occupational profile of each industry is arranged into a matrix of occupations and industries. Base year employment estimates (1998) are made by multiplying the proportion of employment for each occupation in an industry by the current (1998) estimate of total employment for that industry and then summing across all industries.

Future occupational employment requires the use of "change factors" to indicate shifts in industry staffing patterns as employers respond to changes in both technology and the marketplace.

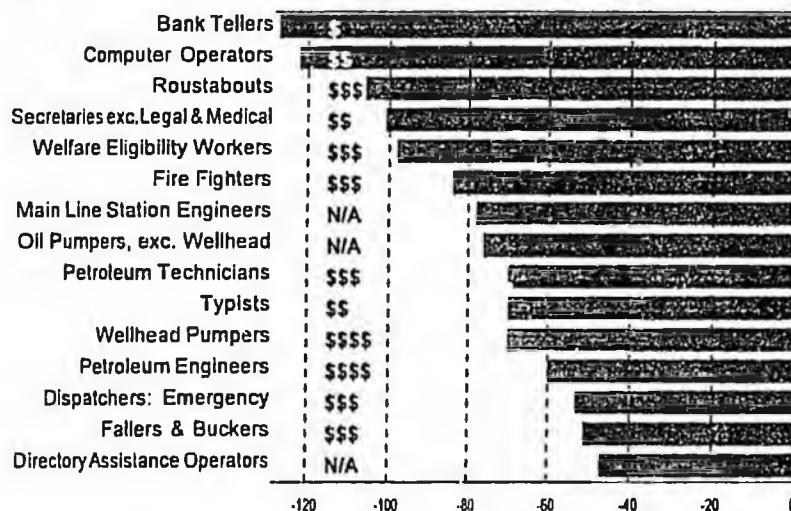
Estimates of self-employed workers are made by applying ratios of self-employed workers in each occupation to estimates of wage and salary workers in the same occupation.

Industry Employment Forecasts: Industry forecasts are constructed by statistical techniques and adjusted based on assumptions about the probability of future events. A detailed description of the methodology used in producing the 1998-2008 industry forecast is available upon request.

Earnings quartiles: Earnings quartiles were determined by sorting the total number of Alaska employees by their wage from lowest to highest. Rankings are based on quartiles using one-fourth of total employment to define each quartile. A single \$ represents occupations with employee earnings of less than \$10.92 per hour, \$\$ represents earnings between \$10.92 and \$15.24 per hour, \$\$\$ between \$15.25 and \$22.28 per hour, and \$\$\$\$ greater than \$22.28 per hour. Wage information is from the 1998 Occupational Employment Statistics Survey.

6 Occupations Losing Largest Number of Jobs 1998-2008 Projections

Occupations with 1998 employment of 75 or more in Alaska



Total employment is divided into four groups, or quartiles. Pay ranges are represented by \$ for the lowest and \$\$\$\$ for the highest quartile.

N/A - not available

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Top Occupations by Education and Training

Projected 1998-2008



Occupations with Fastest Rates of Growth	Growth Rate (%)	Earnings Quartile	Occupations with Largest Numerical Increase	Numerical Increase	Earnings Quartile
First Professional Degree					
Chiropractors	47.5	N/A	Physicians & Surgeons	229	\$\$\$\$
Clergy	41.5	\$\$	Chiropractors	94	N/A
Physicians & Surgeons	38.2	\$\$\$\$	Pharmacists	73	\$\$\$\$
Optometrists	25.0	\$\$\$\$	Dentists	72	\$\$\$\$
Veterinarians & Veterinary Inspectors	24.2	\$\$\$\$	Lawyers	50	\$\$\$\$
Pharmacists	24.1	\$\$\$\$	Clergy	44	\$\$
Dentists	20.8	\$\$\$\$	Veterinarians & Veterinary Inspectors	37	\$\$\$\$
Doctoral Degree					
Professors: Computer Science	39.6	\$\$\$\$	Biologists	420	\$\$\$
Professors: Health Assessment & Treatment	35.0	\$\$\$\$	Professors: Computer Science	36	\$\$\$\$
Biologists	29.8	\$\$\$	Professors: Health Assessment & Treatment	28	\$\$\$\$
Professors: Life Sciences	24.4	\$\$\$\$	Professors: Business	25	\$\$\$\$
Masters Degree					
Physical Therapists	51.5	\$\$\$\$	Social Workers: Medical & Psychiatric	342	\$\$\$
Social Workers: Medical & Psychiatric	49.8	\$\$\$	Physical Therapists	88	\$\$\$\$
Speech Pathologists & Audiologists	36.2	\$\$\$\$	Vocational & Educational Counselors	71	\$\$\$\$
Work Experience + Bachelor's or Higher Degree					
Medicine & Health Services Managers	43.8	\$\$\$\$	General Managers & Top Executives	1,338	\$\$\$\$
Engineering/Math/Natural Science Mgrs	35.5	\$\$\$\$	Financial Managers	289	\$\$\$\$
Marketing, Advertising & Pub Rel Mgrs	33.8	\$\$\$\$	Administrative Services Managers	259	\$\$\$
Comm/Transportation/Utility Managers	29.1	\$\$\$\$	Marketing, Advertising & Pub Rel Mgrs	249	\$\$\$\$
Artists	28.2	\$\$	Engineering/Math/Natural Science Mgrs	241	\$\$\$\$
Human Resource Managers	22.9	\$\$\$\$	Comm/Transportation/Utility Managers	200	\$\$\$\$
Administrative Services Managers	21.7	\$\$\$	Medicine & Health Services Managers	172	\$\$\$\$
General Managers & Top Executives	20.2	\$\$\$\$	Artists	120	\$\$
Financial Managers	19.1	\$\$\$\$	Human Resource Managers	94	\$\$\$\$
Bachelor's Degree					
Systems Analysts, EDP	73.2	\$\$\$\$	Aircraft Pilots	674	\$\$\$\$
Physician Assistants	67.5	\$\$\$\$	Systems Analysts, EDP	612	\$\$\$\$
Computer Engineers	62.8	\$\$\$\$	Social Wkrs, exc. Medical & Psychiatric	556	\$\$\$
Occupational Therapists	46.0	\$\$\$\$	Recreation Workers	290	\$\$
Aircraft Pilots	40.4	\$\$\$\$	Residential Counselors	281	\$\$
Chemists, exc. Biochemists	38.9	\$\$\$	Teachers: High School	234	\$\$\$\$
Residential Counselors	38.7	\$\$	Property & Real Estate Managers	210	\$\$
Data Base Administrators	37.9	\$\$\$\$	Teachers: Special Education	209	\$\$\$\$
Salespeople: Securities	36.5	\$\$\$\$	Construction Managers	172	\$\$\$\$
Technical Writers	32.7	\$\$\$\$	Accountants & Auditors	161	\$\$\$\$
Social Workers, exc. Medical & Psychiatric	32.3	\$\$\$	Human Resource Specialists	146	\$\$\$\$
Dieticians & Nutritionists	30.5	\$\$\$	Instructional Coordinators	145	\$\$\$
Instructional Coordinators	29.5	\$\$\$	Computer Programmers	141	\$\$\$\$
Designers, exc. Interior	27.6	\$\$	Civil Engineers	116	\$\$\$\$
Recreation Workers	26.2	\$\$	Teachers: Preschool	115	\$\$
Industrial Engineers, exc. Safety	24.0	\$\$\$\$	Geologists/Geophysicists/Oceanographers	109	\$\$\$\$
Teachers: Preschool	23.1	\$\$	Physician Assistants	106	\$\$\$\$
Mechanical Engineers	22.0	\$\$\$\$	Designers, exc. Interior	101	\$\$
Construction Managers	20.1	\$\$\$\$	Salespeople: Securities	81	\$\$\$\$
Safety Engineers, exc. Mining	19.8	\$\$\$\$	Writers & Editors	73	\$\$\$
Teachers: Special Education	19.3	\$\$\$\$	Computer Engineers	71	\$\$\$\$
Associate Degree					
Respiratory Therapists	97.4	\$\$\$	Registered Nurses	1,555	\$\$\$\$

(continued page 16)

"Best Bet" occupations, those with both good employment opportunity and good wages, are bolded. N/A - not available
Total employment is divided into four equal groups, or quartiles. Pay ranges are represented by \$ for the lowest and \$\$\$\$ for the highest quartile.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

7 Top Occupations by Education and Training Projected 1998-2008 (continued)

Occupations with Fastest Rates of Growth	Growth Rate (%)	Earnings Quartile	Occupations with Largest Numerical Increase	Numerical Increase	Earnings Quartile
Computer Support Specialists	73.4	\$\$\$	Computer Support Specialists	567	\$\$\$
Dental Hygienists	67.4	\$\$\$\$	Dental Hygienists	258	\$\$\$\$
Medical Record Technicians	57.6	\$\$	Paralegals	177	\$\$\$
Radiologic Technologists	50.5	\$\$\$	Medical Record Technicians	170	\$
Paralegals	39.9	\$\$\$	Medical Laboratory Technicians	143	\$\$\$
Registered Nurses	39.9	\$\$\$\$	Respiratory Therapists	112	\$\$\$
Medical Laboratory Technicians	30.2	\$\$\$	Radiologic Technologists	106	\$\$\$
Postsecondary Vocational Training					
Surgical Technologists	80.9	\$\$	Aircraft Mechanics	536	\$\$\$
Telephone Systems Installers/Repairers	49.4	\$\$\$\$	Auto Mechanics	477	\$\$\$
Aircraft Mechanics	43.6	\$\$\$	Licensed Practical Nurses	168	\$\$\$
Secretaries: Medical	41.2	\$\$	Travel Agents	127	\$\$
Computer Repairers	39.6	\$\$\$	Emergency Medical Technicians	86	\$\$\$
Emergency Medical Technicians	32.5	\$\$\$	Real Estate Agents	84	\$\$\$
Transcriptionists	30.2	\$\$\$	Telephone Systems Installers/Repairers	82	\$\$\$\$
Auto Mechanics	30.1	\$\$\$	Surgical Technologists	72	\$\$
Licensed Practical Nurses	27.2	\$\$\$	Transcriptionists	65	\$\$\$
Travel Agents	23.9	\$\$	Secretaries: Medical	61	\$\$
Work Experience/Related Occupation					
Instructors: Nonvocational Education	35.4	\$\$\$	Administrative Support Supervisors	826	\$\$\$
Lawn Service Managers	35.3	\$\$	Sales Supervisors	821	\$\$\$
Transportation & Moving Machine Supv	28.1	\$\$\$\$	Mechanics/Installers/Repairers Supv	244	\$\$\$\$
Housekeepers	25.6	\$\$	Food Service & Lodging Managers	188	\$\$
Administrative Support Supervisors	23.1	\$\$\$	Instructors: Nonvocational Education	146	\$\$\$
Mechanics/Installers/Repairers Supv	21.0	\$\$\$\$	Transportation & Moving Machine Supv	112	\$\$\$\$
Sales Supervisors	18.3	\$\$\$	Inspectors & Compliance Officers, exc. Const	86	\$\$\$\$
Food Service & Lodging Managers	18.0	\$\$	Construction/Extractive Wkr Supervisors	84	\$\$\$\$
Captains: Water Vessel	17.3	\$\$\$\$	Real Estate Brokers	75	\$\$\$\$
Ship Mates	16.9	\$\$\$	Teachers: Vocational Education/Training	59	\$\$\$\$
More Than 12 Months of On-the-Job Training					
Flight Attendants	75.8	\$\$	General Maintenance Repairers	552	\$\$\$
Marine Equipment Mechanics	41.7	\$\$\$\$	Cooks: Restaurant	464	\$
Coaches & Umpires	38.8	\$	Carpenters	450	\$\$\$
Tel/Cable TV Line Installers/Repairers	36.0	\$\$\$	Electricians	246	\$\$\$\$
Producers, Directors & Actors	32.4	\$\$	Air Traffic Controllers	205	\$\$\$\$
Musical Instrument Repairers/Tuners	29.9	\$	Flight Attendants	179	\$\$
Brick Masons	27.8	\$\$\$\$	Correction Officers & Jailers	164	\$\$\$
Automotive Body Repairers	26.9	\$\$\$	Tel/Cable TV Line Installers/Repairers	163	\$\$\$
Machinists	26.8	\$\$\$	Plumbers	148	\$\$\$\$
Air Traffic Controllers	25.9	\$\$\$\$	Bus/Truck & Diesel Engine Mechanics	106	\$\$\$
Musicians: Instrumental	25.2	N/A	Automotive Body Repairers	102	\$\$\$
Heating & Air Conditioning Mechanics	23.6	\$\$\$	Welders	87	\$\$\$
Cooks: Restaurant	22.7	\$	Electrical Powerline Installers/Repairers	86	\$\$\$\$
Petroleum Refinery & Control Panel Operators	18.7	\$\$\$\$	Police Patrol Officers	85	\$\$\$\$
Correction Officers & Jailers	18.2	\$\$\$	Heating & Air Conditioning Mechanics	65	\$\$\$
Electrical Powerline Installers/Repairers	18.1	\$\$\$\$	Coaches & Umpires	50	\$
One to 12 Months of On-the-Job Training					
Medical Assistants	88.8	\$\$	Instructors: Sports	449	\$\$
Dental Assistants	64.4	\$\$	Dental Assistants	410	\$\$
Human Services Workers	53.8	\$\$	Human Services Workers	376	\$\$
Salespeople: Business Services	47.0	\$\$\$	Medical Assistants	317	\$\$
Instructors: Sports	45.2	\$\$	Sales Rep, exc. Scientific Prod & Retail	277	\$\$\$
Crushing/Grinding/Blending Machine Operators	43.3	\$\$\$	Salespeople: Business Services	270	\$\$\$

"Best Bet" occupations, those with both good employment opportunity and good wages, are bolded. N/A - not available
Total employment is divided into four equal groups, or quartiles. Pay ranges are represented by \$ for the lowest and \$\$\$\$ for the highest quartile.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Top Occupations by Education and Training Projected 1998-2008 (continued) **7**

Occupations with Fastest Rates of Growth	Growth Rate (%)	Earnings Quartile	Occupations with Largest Numerical Increase	Numerical Increase	Earnings Quartile
Opticians	40.7	\$\$	Painters/Paperhangers	161	\$\$\$
Sheet Metal Duct Installers	39.0	\$\$\$	Salespeople: Parts	154	\$\$
Painters: Transportation Equipment	36.0	\$\$\$	Salespeople: Advertising	109	\$\$\$
Demonstrators & Promoters	33.2	\$	Hazardous Materials Removal Workers	97	\$\$\$
Salespeople: Advertising	33.0	\$\$\$	Excavating & Loading Machine Operators	80	\$\$\$\$
Bakers: Manufacturing	29.2	\$\$\$	Opticians	79	\$\$
Tax Preparers	26.6	\$\$\$	Demonstrators & Promoters	70	\$
Insurance Claims Takers	23.6	\$\$	Operating Engineers	70	\$\$\$\$
Merchandise & Window Displayers	23.0	\$	Roofers	69	\$\$\$
Roofers	22.7	\$\$\$	Sales Reps: Scientific Prod, exc. Retail	67	\$\$\$
Food Processing Technicians	22.2	N/A	Crushing/Grinding/Blending Machine Operators	65	\$\$\$
Earth Drillers, exc. Oil & Gas	21.3	\$\$\$	Dispatchers: Non-emergency	65	\$\$\$
Excavating & Loading Machine Operators	20.6	\$\$\$\$	Bakers: Bread & Pastry	60	\$
Hazardous Materials Removal Workers	20.2	\$\$\$	Bus Drivers	53	\$\$
Sales Reps, exc. Scientific Prod & Retail	19.9	\$\$\$	Tax Preparers	46	\$\$\$
Salespeople: Parts	19.1	\$\$	Insurance Claims Takers	41	\$\$
Painters & Paperhangers	19.0	\$\$\$	Sheet Metal Duct Installers	39	\$\$\$
Less Than One Month of On-the-Job Training					N/A
Home Health Aides	57.0	\$\$	Salespeople: Retail	1,589	\$
Transportation Agents	51.1	\$\$	Cashiers	1,580	\$
Interviewing Clerks, exc. Personnel	45.5	\$\$	Child Care Workers	1,321	\$
Amusement & Recreation Attendants	45.5	\$	General Office Clerks	1,209	\$\$
Vehicle Washers & Equipment Cleaners	40.2	\$	Receptionists	1,017	\$\$
Guides	37.5	\$	Truck Drivers: Light, including Delivery/Route	902	\$\$
Parking Lot Attendants	35.4	N/A	Amusement & Recreation Attendants	751	\$
Child Care Workers	34.4	\$	Waiters & Waitresses	744	\$
Porters & Bellhops	34.3	\$	Teacher Aides	677	\$\$
Ticket Agents	34.0	\$\$	Ticket Agents	574	\$\$
Personal & Home Care Aides	33.5	N/A	Truck Drivers: Heavy or Tractor Trailer	544	\$\$\$
Truck Drivers: Light, including Delivery/Route	33.2	\$\$	Housekeeping Cleaners	515	\$
Nursing Aides & Orderlies	32.2	\$\$	Combined Food Preparation/Service Workers	476	\$
Flaggers/Crossing Guards	32.1	\$\$\$	Janitors/Cleaners, exc. Maid/House Cleaner	450	\$
Pharmacy Assistants	32.0	N/A	Home Health Aides	432	\$\$
Utilities Customer Service Representatives	30.4	\$\$	Hand Packers & Packagers	430	\$
Bill & Account Collectors	29.1	\$\$	Transportation Agents	429	\$\$
Tire Repairers & Changers	28.8	\$	Food Preparation Workers	404	\$
Bus Drivers: School	28.8	\$\$	Landscaping & Groundskeeping Laborers	398	\$\$
Receptionists	28.6	\$\$	Counter & Rental Clerks	371	\$
Adjustment Clerks	28.0	\$	Guards & Watch Guards	364	\$
Animal Caretakers, exc. Farm	26.6	\$	Nursing Aides & Orderlies	343	\$\$
Mechanics & Repairers Helpers	26.2	\$\$	Bus Drivers: School	289	\$\$
Guards & Watch Guards	25.7	\$	Vehicle Washers & Equipment Cleaners	278	\$
Taxi Drivers & Chauffeurs	25.3	\$	Utilities Customer Service Reps	236	\$\$
Counter & Rental Clerks	24.9	\$	Stock Clerk: Stock/Warehouse/Storage Yard	209	\$\$
Hand Packers & Packagers	24.7	\$	Counter Attendants: Lunchroom/Coffee Shop	192	\$
Cashiers	24.3	\$	Guides	189	\$
Landscaping & Groundskeeping Laborers	24.2	\$\$	Personal & Home Care Aides	164	N/A
Billing, Cost & Rate Clerks	23.8	\$\$	Mechanics & Repairers Helpers	161	\$\$
Housekeeping Cleaners	23.4	\$	Bartenders	157	\$
Duplicating Machine Operators	23.3	\$	Billing, Cost & Rate Clerks	150	\$\$
Cooks: Specialty Fast Food	23.3	\$	Stock Clerks: Sales Floor	150	\$
Hosts/Hostess: Rest/Lounge/Coffee Shop	23.0	\$	Hotel Desk Clerks	142	\$
Hotel Desk Clerks	22.9	\$	Helpers: Carpenters & Related	108	\$\$
Cooks: Short Order	22.3	\$	Interviewing Clerks, exc. Personnel	105	\$\$
Assemblers/Fabricators, exc. Machine/Electrical	21.5	\$\$	Hosts/Hostess: Rest/Lounge/Coffee Shop	100	\$
Truck Drivers: Heavy or Tractor Trailer	21.3	\$\$\$	Traffic, Shipping & Receiving Clerks	99	\$\$

"Best Bet" occupations, those with both good employment opportunity and good wages, are bolded. N/A - not available. Total employment is divided into four equal groups, or quartiles. Pay ranges are represented by \$ for the lowest and \$\$\$\$ for the highest quartile.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section



AHRIC Review

Alaska Human Resource
Investment Council
Department of Labor
& Workforce Development
550 W. 7th Ave, Ste. 1830
Anchorage, Alaska 99501
907-269-7485
fax: 907-269-7489

Call: AHRIC@labor.state.ak.us
www.labor.state.ak.us/commish/ahric/home.htm

WELCOME JIM SANDERS!

Jim Sanders has been appointed to be the Executive Director of AHRIC, replacing Mike Andrews, who retired from the position in September. Jim Sanders has been a state employee for 27 years, most recently serving as the regional offices manager with the Department of Community and Economic Development. He was also Deputy Chief of Operation Renew Hope, Gov. Knowles' response to the Western Alaska Fisheries Disaster. Sanders is a welcome addition to the AHRIC staff, and will be a great asset as the Council works to shape Alaska's future workforce. The Council extends its appreciation to Mike Shiffer, who filled in as Acting Director until Andrews' replacement was chosen.

Legislative Packet

AHRIC Regulations, required under SB 334 and SB 289, were approved in draft form at the December 12 AHRIC meeting. A resolution approving the draft regulations was forwarded to the Legislature, as required by SB 289, along with a copy of the Brustein report on options for restructuring the AHRIC. A copy of the Brustein report is available on the AHRIC web site. The draft regulations have been forwarded to the Department of Law, and will be available after a review process is complete. The *Alaska Future Workforce Policy and Investment Blueprint* and the accompanying recommendations have also been forwarded to the Legislature.

December Meeting Follow-up

The December Future Workforce Conference brought together a diverse group from across the state to review and discuss *Alaska's Future Workforce Strategic Policies & Investment Blueprint*. After listening to public testimony and presentations from employers and training providers, the AHRIC met to finalize and approve the *Blueprint*. The final plan is posted on the Lt. Governor's web site: <http://www.gov.state.ak.us/ltoov/voced/main.htm>, and can also be found on the AHRIC site.

AHRIC Chair Nominations

The Policy & Planning Committee has been charged with acting as the Nominating Committee and will be accepting nominations for the offices of Chair and Vice Chair of the council. Council bylaws and Alaska statute state that council officers must be selected from Business & Industry designees. Members can view the AHRIC roster at the Governor's Office Boards & Commissions WebPage: <http://www.gov.state.ak.us/boards/rosters/Board193.htm>. Nominations will be accepted until 5:00 p.m. on February 26, 2001. Council members may mail, fax, e-mail or telephone nomination to the AHRIC office.

Annual Evaluation Report

The Assessment & Evaluation Committee is reviewing a draft of the annual program performance report, required by SB 334 (Chapter 85 SLA 98). The AHRIC approved the draft report in concept at the December meeting. The performance report is due to the Legislature by 2/7/01.

NEW AHRIC WEB SITE

Please note that the AHRIC web site has been relocated to the Department of Labor's web site. The URL for the new site is: www.labor.state.ak.us/commish/ahric/home.htm. The final version of the WIA 5-year implementation plan is now posted on the site, along with minutes from the December AHRIC meeting. The AHRIC email has changed to AHRIC@labor.state.ak.us.

March AHRIC Meeting

The next AHRIC meeting will be held in Juneau on March 29-30. Rooms are blocked for AHRIC members at the Goldbelt Hotel, which is also the meeting location. If you are an Alaska Airlines Frequent Flyer, you should have received a "constituent fare" coupon with your last statement. If you would like to use the one-time constituent fare for this trip, mention it to your travel agent when making your reservations.

Members Re-appointed

The Governor has re-appointed AHRIC members Alice Galvin, Duane French, Tim Sunday, JoAnn McDowell and Linda Hulbert. Wendy Redman has been appointed to serve as the University of Alaska designee for the Council.

MARK YOUR CALENDAR

X Feb. 12, 12-1:30 pm, Executive Committee Teleconference
X Feb. 15, Transportation Careers Fair, Stevens Airport, Train Station, and Port of Anchorage
X Mar. 29-30, AHRIC meeting Golbelt Hotel, Juneau

TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

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Juneau, Alaska 99811-0001
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January 12, 2001

sk-98

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

Dear President Halford:

This past year, Congress passed legislation to improve health care for women by extending Medicaid coverage for treatment of breast and cervical cancer. In the interest of improving Alaskans' health care, I am pleased to present this bill that allows the state to take advantage of this worthwhile program.

By opting into this new Medicaid program, uninsured women who have been diagnosed with breast or cervical cancer under a federally financed screening program will be eligible for treatment. In Alaska that could mean some 70 women or so per year who could not otherwise afford cancer treatment may be able to receive care.

The federal program began in 1990 when Congress passed the Breast and Cervical Cancer Mortality Prevention Act establishing the Center for Disease Control's (CDC) national breast and cervical cancer early detection program. The CDC program provides grants for screening exams to millions of people who meet eligibility guidelines throughout the country each year, including Alaska. The grantees provide clinical breast exams, pelvic exams, and mammograms.

Unfortunately, federal money did not provide for follow-up treatment to any of the uninsured persons diagnosed with cancer -- until now. With last year's Breast and Cervical Cancer Prevention and Treatment Act signed into law, states may select a new Medicaid option to cover cancer treatments of uninsured women diagnosed under the CDC early detection program.

The Honorable Rick Halford
January 12, 2001
Page 2

According to the American Cancer Society, an estimated 182,800 new cases of invasive breast cancer and 12,800 new cases of invasive cervical cancer are expected to occur among women in the United States during 2000, resulting in an estimated 45,400 deaths. As a result of the recent congressional action, diagnosed, uninsured, low-income persons can receive the treatment needed to save their lives. In order to extend this program to Alaska women, I urge your prompt and favorable action on this legislation.

Sincerely,

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

Tony Knowles
Governor

Subject: HB65

Date: Fri, 26 Jan 2001 17:54:05 -0900

From: "Barbara DuBois" <barbdu@hotmail.com>

To: Senator_Betty_Davis@legis.state.ak.us, Senator_Randy_Phillips@legis.state.ak.us,
Senator_Alán_Austerman@legis.state.ak.us, Senator_John_Torgerson@legis.state.ak.us,
Senator_Loren_Leman@legis.state.ak.us

As members of the Labor and Commerce Committee you will have before you HB65 next week. As an uninsured woman diagnosed with breast cancer I am very interested in this bill. My cancer was diagnosed on Dec 19, 2000. The first diagnosis was Stage 4 Inflammatory breast cancer, a very rare and fast growing cancer. My last mammogram in February was negative. Early detection through the Encore Program put me in a stage 3 level which is much better. The chance of a cure is greater for a stage 3. I am 51 years old and otherwise(?) healthy. My profession of hairdressing is not one that provides healthcare. As state employees your healthcare is possibly provided. Private insurance is cost prohibitive and not an option for many of us. I have been advised to go on state aid but I would have to quit my job, cash in my small amounts of retirements and become destitute for a CHANCE of getting aid. I plan on needing my retirement monies in 20 years and hope you will give me or other women like myself the opportunity to do so. I hope to meet each of you when I come to Juneau to testify. I have Chemo this Thursday so this meeting is not possible, but I will make adjustments in my treatment to accommodate a trip. Your consideration of this bill is greatly appreciated. Uninsured women need more than help with diagnosis, why be diagnosed if we can,t be treated?
I an most sincerely yours-Barbara DuBois

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FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1 CORRECTED
Bill Version: SB 38
(S) Publish Date: 1/17/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
Title: Relating to eligiblity of certain women screened BRU: Medical Assistance Adm
to have breast and cervical cancer for Medicaid Component: Medicaid State Programs
Sponsor: Rules Requester: _____ Component Number: 967

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	589.2	636.3	687.2	742.2	801.6	865.7
Miscellaneous						
TOTAL OPERATING	589.2	636.3	687.2	742.2	801.6	865.7

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

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

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts	413.4	446.5	482.2	520.8	562.5	607.5
1003 GF Match	175.8	189.8	205.0	221.4	239.1	258.2
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	589.2	636.3	687.2	742.2	801.6	865.7

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Legislation recently adopted by Congress creates a new Medicaid eligibility group for women diagnosed with cancer who were screened under the Breast and Cervical Cancer Detection Program funded through the Centers for Disease Control. Medicaid eligibility for these women lasts through treatment and includes all Medicaid covered services. The four grantees in Alaska diagnosed 39 women with breast cancer and 33 women with cervical cancer last year. Sixty-one percent of the breast cancer patients and eighteen percent of the cervical cancer patients were Alaska Native. Alaska Native women are not eligible for coverage under this option as they have creditable health insurance coverage as defined in the Public Health Service Act. Average Medicaid expenditures in FY 00 for women treated with these cancers were \$17,500 and \$12,100 respectively. Assumptions for this fiscal note were a federal match rate of 70.17 percent for FY02 (the State Children's Health Insurance match rate) and an eight percent growth rate for each succeeding year.

Prepared by: Nancy Weller, State Federal and Tribal Relations *NW* Phone 465-3355
Division: Medical Assistance Date/Time 1/5/01 2:42 PM
Approved by: Karin Hodge, Commissioner Date 1/8/01
Agency: Department of Health and Social Services

For distribution information, call the Governor's Legislative Office

Page 1 of 1

COMMITTEE COPY

SENATE BILL NO. 38

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

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/16/01

Referred: Labor and Commerce, Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a new optional group of persons eligible for medical assistance who
2 require treatment for breast or cervical cancer; and providing for an effective date."

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

4 * Section 1. AS 47.07.020(b) is amended by adding a new paragraph to read:

5 (15) persons who have been diagnosed with breast or cervical cancer
6 and who are eligible for coverage under 42 U.S.C. 1396a(10)(A)(ii)(XVIII).

7 * Sec. 2. This Act takes effect immediately under AS 01.10.070(c).



ALASKA STATE LEGISLATURE

SENATOR RANDY PHILLIPS
SENATE DISTRICT L

Session (Jan-May)
State Capitol, Room 103
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Senate Labor & Commerce Committee

SENATE LABOR
& COMMERCE
Tuesdays and Thursdays
1:30 - 3:30 p.m.
Beltz Meeting Room

MEMORANDUM

TO: Senate L&C Committee
Senators Austerman, Davis,
Leman and Torgerson

FROM: Senator Randy Phillips *Kim Ross for*

SUBJECT: Committee Agenda for 2-1-01

DATE: 1-31-01

The agenda for tomorrow's committee meeting is as follows:

SB38 BREAST/CERVICAL CANCER
Teleconferencing to Anchorage and we will take testimony

A 15-minute briefing from the AK State Hospital and Nursing Home Assn.
and the Alaska Process Industry Careers Consortium.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF MEDICAL ASSISTANCE

P.O. BOX 110660
 JUNEAU, ALASKA 99811-0660
 PHONE: (907) 465-3355
 FAX: (907) 465-2204

February 5, 2001

The Honorable Randy Phillips, Chair
 Senate Labor and Commerce Committee
 State Capitol
 Juneau, Alaska 99801-1182

Dear Senator Phillips:

During the February 1st hearing on SB 38, relating to Medical Assistance for Breast and Cervical Cancer, you requested information that I am providing in this letter. Specifically, you requested information on Medicaid hospital reimbursement and the number of states considering the new breast and cervical cancer Medicaid option.

The division sets reimbursement rates for facilities in compliance with AS 47.07.070 – AS 47.07.900. Hospital reimbursement is currently changing in compliance with new regulations that shifts reimbursement from a percent of charges structure for inpatient care to a daily per diem rate. Each hospital has a facility specific rate determined based on its individual Medicare cost report. The table below shows a comparison of rates from 1999 through 2001. Per diem rates are set for each facility based on their business fiscal year. The per diem rates shown are for those facilities with a January 1st fiscal year and the remaining facilities, currently with percent of charges, have July 1st fiscal years and will have per diem rates in effect beginning with that date.

Acute Care Rate Comparison - FY2000 to FY2001					
Facility	FYE	Facility FY1999	Facility FY2000		Facility FY2001
Alaska Regional Hospital	12/31	25.95%	33.00%	temp	\$1,942.58
Bartlett Regional Hospital	6/30	72.63%	73.66%		78.93%
Central Peninsula Hospital	6/30	71.50%	74.34%		74.63%
Cordova Community Medical Center	6/30	100.00%	121.68%		84.17%
Fairbanks Memorial Hospital	12/31	64.39%	56.55%		\$1,316.53
Ketchikan General Hospital	6/30	73.70%	77.79%		74.74% temp
Norton Sound Regional Hospital	9/30	93.10%	73.88%		73.88% temp
Petersburg Medical Center	6/30	100.00%	100.00%		100.00%
Providence Alaska Medical Center	12/31	49.47%	49.04%		\$1,531.80
Providence Kodiak Island Medical Center	6/30	\$ 2,038.07	\$ 2,092.33		\$2,208.17
Providence Seward Medical Center	12/31	\$ 1,853.60	\$ 1,900.11		\$1,948.01
Sitka Community Hospital	6/30	\$ 1,998.64	\$ 1,658.30		\$2,107.84
South Peninsula Hospital	6/30	89.51%	86.79%		83.89% temp

The Honorable Randy Phillips
February 3, 2001
Page 2

Valdez Community Hospital	12/31	100.00%		100.00%	\$3,532.53
Valley Hospital	12/31	62.94%		67.41%	\$1,625.97
Wrangell General Hospital	6/30	\$ 1,990.41		\$ 2,043.28	\$2,097.74

There are currently sixteen states with breast and cervical cancer legislation pending. Besides Alaska, they are Arizona, Colorado, Hawaii, Illinois, Indiana, Maine, Mississippi, Montana, Nebraska, New Mexico, New York, North Dakota, Texas, Virginia, and Washington.

Please contact me if you need any additional information regarding the Medicaid Program.

Sincerely,



Bob Labbe,
Director

Testimony on SB38

My name is Cathy Feaster. I am a nurse practitioner speaking as a representative of the Alaska Nurses Association.

The Alaska Nurses Association is in support of SB38 which expands the Medicaid coverage for breast and cervical cancer treatment.

In FY 2000 the Breast and Cervical Cancer Early Detection Program provided screening services for more than 15,000 women. 39 women were diagnosed with breast cancer and 33 were diagnosed with cervical cancer.

This legislation would allow those women with no other resources to obtain treatment for these cancers. Early detection and treatment may cure these conditions; thereby reducing the long-term social/economic drain on the state and increasing the woman's ability to be a contributing member of her community.

The Alaska Nurses Association appreciates this opportunity to express our support for SB38.

*Thank you,
C. Feaster, NP
2/1/01*



NATIONAL ASSOCIATION OF SOCIAL WORKERS ALASKA CHAPTER

4220 Resurrection Drive Anchorage, Alaska 99504-4727
907-332-NASW(6279) 1-800-478-NASW(6279) 907/332-6270 (fax)
e-mail: naswak@alaska.net www.naswak.org

The National Association of Social Workers is the world's largest organization of social workers, with 155,000 members including over 500 members in Alaska. NASW is committed to the concept of social justice and will advocate for the well being of individuals, families and communities in Alaska. NASW supports the vital role of government in providing for basic human needs and will promote policies that empower people to live more humane, productive, and independent lives. The Alaska Chapter of NASW is concerned about a range of issues that affect the quality of life for all Alaskans and the ability of social workers to provide quality services.

SB38 Expanding Medical Coverage for Breast & Cervical Cancer Treatment

Thank you for the opportunity to address the Labor & Commerce Committee on SB 38 "Medical Assistance for Breast and Cervical Cancer." My name is Maric Lavigne, Executive Director of the National Association of Social Workers Alaska Chapter. NASW Alaska Chapter strongly supports SB 38 and recommends its passage.

As a membership organization representing over 500 professional social workers in Alaska, NASW supports efforts to extend health care coverage to the uninsured and underinsured, including the expansion of Medicaid coverage to women diagnosed with breast and cervical cancer. SB 38 will provide treatment for women in Alaska who have been diagnosed with breast or cervical cancer, yet have no other way to pay their medical bills for life saving cancer treatment.

SB 38 takes advantage of recent action by Congress to extend Medicaid coverage for treatment of breast and cervical cancer for women who, until now, have earned too much for regular Medicaid but not enough to buy their own health. By passing SB 38, uninsured women who have been diagnosed with breast or cervical cancer under a federally financed screening program will be eligible for treatment. In Alaska, it is estimated 70 women annually who could not otherwise afford treatment may be able to receive care. SB 38 can help save these women's lives and offer relief to their families. The state's share of the cost is low, projected at \$175,000. Women diagnosed in the program who have insurance coverage will not be included and the federal government covers 100% of the cost for most I.H.S. beneficiaries. This only covers women who do not have a way to pay for treatment and the federal government covers most of the cost.

On behalf of the National Association of Social Worker Alaska Chapter, please support SB 38.

Subject: SENATE BILL SB38

Date: Tue, 6 Feb 2001 17:56:40 -0800

From: "Jan Barnes" <janetb@gc.net>

To: <Senator_Randy_Phillips@legis.state.ak.us>, <Senator_Lyda_Green@legis.state.ak.ua>, <Senator_Alán_Austerman@legis.state.ak.us>, <Senator_Loren_Leman@legis.state.ak.us>, <Senator_John_Torgerson@legis.state.ak.us>, <Senator_Bettye_Davis@legis.state.ak.us>

Dear Senators,

It's exciting that low-income women in Alaska now are able to get mammograms and screening but how unfortunate if they cannot afford the biopsy to determine cancer. It is even sadder to find out they have breast cancer and cannot afford the necessary life saving treatment so opt to do nothing!

I urge you to pass SB 38 the bill funding cervical and breast cancer treatment for low income women. Thank you for your help and support.

JAN BARNES
7 1/2 YEAR BREAST CANCER SURVIVOR
MAT-SU BREAST CANCER SUPPORT GROUP

Memorandum

To: Randy

From: Janet

Date: Thursday, February 08, 2001

Re: Carolyn Wilson re SB 38 Breast & Cervical Cancer

Carolyn Wilson 694-6644. 18226 Tonsina Ct. (District 25) 694-6644.

Carolyn called 2/6 to support SB 38 even though it would be too late to help her.

She is a foster parent. Her husband works for Dynair making \$13 an hour. If they participated in his insurance through work it would cost 25 percent of their income. She called Dyson's office who told her to call us about it as well since it is in L&C Comm. She has had breast cancer and really struggling to pay the bills.

SB#38

Subject: SB38

Date: Thu, 8 Feb 2001 17:17:08 -0900

From: Kim Ciccone <kciccone@ywcaak.org>

To: "Senator_Randy_Phillips@legis.state.ak.us" <Senator_Randy_Phillips@legis.state.ak.us>

Dear Senator:

Alaskan women deserve access to life-saving cancer treatment. Pass SB38 - the bill funding breast and cervical cancer treatment for low-income women.

My mother was diagnosed under the AK-BCCEDP earlier this year....she could have used the help that this bill could provide for other women. Allowing eligible women in Alaska to access Medicaid funding for the duration of their breast or cervical cancer treatment would bring a world of difference to their lives.

Kim Ciccone, Technical Coordinator
YWCA of Anchorage ENCOREplus Program
245 W. 5th Ave., Anchorage, Alaska
907/274-1525 direct, 907/272-3146 fax
Empowering women and girls and working to eliminate racism today and every day.

SB 38

Subject: Save Alaskan women

Date: Thu, 8 Feb 2001 17:29:36 -0900

From: "Fran Smith" <frans@ninstar.com>

To: <Senator_Randy_Phillips@legis.state.ak.us>

"Alaskan women deserve access to life-saving cancer treatment. Pass SB38 - the bill funding breast and cervical cancer treatment for low-income women.

SB# 38

Memorandum

To: Randy

From: Janet

Date: Thursday, February 08, 2001

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Subject: SB 38

Date: Fri, 9 Feb 2001 09:22:11 -0900

From: "Tom Coolidge" <tcoolidg@micronet.net>

To: <Senator_Randy_Phillips@legis.state.ak.us>

Dear Senator Phillips

Please support SB 38, the bill to extend Medicaid benefits to low-income women diagnosed with breast & cervical cancer through the federal /state screening program. Testimony during the L&C committee hearing revealed that these women do not have reasonable access to affordable health insurance. Some have been financially devastated, others chose sub-optimal treatment to reduce cost.

I am a nurse working with women diagnosed with breast cancer in the Anchorage area. I also coordinate a support group with approximately 500 breast cancer survivors as members. The cost of treatment is a real barrier to some women. I believe that life-saving treatment should be based on the medical risks and benefits of treatment not the cost. When women choose to complete only part of their treatment, such as the woman who testified that she had a cancerous lump removed (lumpectomy), but did not have the radiation treatments her doctor recommended -- her risk of getting that cancer back again is greatly increased. That means treating the cancer again at perhaps a more advanced stages -- costing even more \$\$\$\$ for treatment.

The federal/state breast & cervical screening program was created in 1990 to reduce the mortality from these high incidence cancers. Statistics show that when caught early and treated these cancers are almost 100% curable. This bill is designed to complete the process. Screening and diagnosis alone do not reduce mortality. Early detection of these cancers coupled with adequate treatment will reduce cancer deaths.

Why breast and cervical cancer? Because citizens across the country and in Alaska are asking for this coverage. This bill did not originate in some government agency. The federal legislation was drafted at the request of health care consumers from across the country. There are currently 16 states, including Alaska, actively pursuing this legislation.

Why Medicaid as the vehicle? Because the system exists in every state and has the ability to incorporate the program with minimal additional administrative costs.

The federal \$\$\$ is immediately accessible to Alaska - we just have to accept our small share of the cost. The lives of Alaska's women are worth this small cost.

Will you support SB 38?

Shelley Coolidge
Phone: 345-6668 (home), 261-3607 (work)

Subject: Senate Bill 38

Date: Fri, 9 Feb 2001 15:33:36 -0900

From: "Farleigh, Denise" <DFarleig@provak.org>

To: "Senator_Randy_Phillips@legis.state.ak.us" <Senator_Randy_Phillips@legis.state.ak.us>, "Senator_Alان_Austerman@legis.state.ak.us" <Senator_Alان_Austerman@legis.state.ak.us>, "Senator_Loren_Leman@legis.state.ak.us" <Senator_Loren_Leman@legis.state.ak.us>, "Senator_John_Torgerson@legis.state.ak.us" <Senator_John_Torgerson@legis.state.ak.us>, "Senator_Bettye_Davis@legis.state.ak.us" <Senator_Bettye_Davis@legis.state.ak.us>

Since 1990, funds have been available through the Centers for Disease Control and Prevention (CDC) to provide breast and cervical cancer screening for low-income, uninsured women. The National Breast and Cervical Cancer Early Detection Program administers these funds and was expanded in 1998 to include other diagnostic studies to evaluate these cancers.

Alaska participates in this screening and diagnosis, providing pap smears, breast physical examinations and mammograms to women that meet income and age eligibility guidelines. This program also provides education for health care providers. The program provides invaluable services to an underserved segment of our population. Screening and diagnosis alone do not prevent cancer deaths! Funding for treatment for these women has until now been lacking. Senate Bill 38/House Bill 65 will allow eligible women in Alaska to access Medicaid funding for the duration of their breast or cervical cancer treatment. Congress has provided an enhanced funding match for this program, 70% federal and 30% state dollars. The cost to the state of Alaska for this program is estimated at about \$175,000 each year.

As a health care provider involved in women's health care and specifically in breast cancer diagnosis, I would like to strongly encourage you to consider passage of this critical legislation. I am personally aware of patients who have chosen no treatment, incomplete treatment and delayed treatment due to their inability to pay for care. Please understand that untreated breast and cervical will be more costly for individual patients, the community and the state. Recurrent and metastatic cancer is more difficult to treat, more expensive, and results in more lives lost than prompt and complete initial treatment.

Treatment funding is needed.
Federal money exists and is accessible immediately.
Please pass this bill without delay

Denise Cook Farleigh, M.D.
Providence Imaging Center

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Carla Williams

13001 Norak Place

Anchorage

AK 99516

February 10, 2001

Dear Senator Randy Phillips:

I urge you to pass SB 38, the bill funding breast and cervical cancer treatment for low-income women. I am a Reach-to-Recovery volunteer and in this position I have the opportunity to visit women who have just had breast surgery. On several occasions, women have told me that they were not insured and that the mounting bills were a huge worry. In one instance, an under 60-year-old woman retired from a company who told her she would have medical insurance paid as part of her retirement, but the insurance was cancelled by the company after a couple of years. The woman could not afford the \$700 or more a month Cobra insurance costs, so she hoped that she would not get sick before Medicare started. Her luck ran out and now she is struggling to pay the medical bills.

Hospitals generally do not forgive bills, but they do offer people payment plans that run on forever. They also place liens on houses. The reality is that some women opt to either forego treatment due to the costs or they end up bankrupt or nearly bankrupt. These are hard working women who have had jobs all their lives and have often raised families as well.

Let's get our priorities straight here in Alaska and help these non-insured women. It's beyond belief that we can build a multi-million dollar train from the airport to downtown to give tourists a free ride (even though most of them will be on tour buses), but we can't seem to pass out of committee a \$175,000 a year appropriation to help our citizens with breast cancer treatment. I realize that the train is not something you have control over, but you CAN do something about this bill!

Carla Williams

Subject:

Date: Sat, 10 Feb 2001 16:01:57 -0900

From: "MERNIE" <merniec@gci.net>

To: <Senator_Randy_Phillips@legis.state.ak.us>

Alaskan women deserve access to life-saving cancer treatment. Pass SB 38 - the bill funding breast and cervical cancer treatment for low-income women

Subject: Re SB 38

Date: Mon, 12 Feb 2001 09:07:10 -0900

From: "M. Anne Brooks" <mabrooks@alaska.net>

To: Senator_Randy_Phillips@legis.state.ak.us

Dear Senator Phillips -- As my brother-in-law is terminally ill with cancer and my sister-in-law recently has been diagnosed with breast cancer, I know how important access to treatment is. These folks have the means to provide for their own treatment, many do not. Please support SB 38 because Alaskan women deserve access to life-saving cancer treatment. Pass SB 38 - the bill funding breast and cervical cancer treatment for low-income women.

Sincerely,

Marka A. Brooks
1704 Bannister Road
Anchorage, AK 99508
907-274-1479

Labor and Commerce Committee on SB 38
Testimony of Kathleen A Coleman
February 15, 2001

All the roads of my life have led me to this moment.

As an Environmental Scientist in New Mexico in the 1970s I was assigned to write a press release encouraging women to get mammograms. At that time early detection was the only cure for breast cancer. The odds of getting breast cancer in the life time of a woman was 1 in 12 or 13. In the 1980s as a Health Physicist I made a presentation at a women's health forum at the Washington State Capitol encouraging women to get mammograms, at that time breast cancer was identified as an epidemic. In the 1990s I administered Alaska's contract with the US FDA to assure standardized quality for mammograms. In this millennium, mammograms are still the only sure way to detect breast cancer, the odds of getting breast cancer in the lifetime of a woman has risen to 1 in 7 or 8.

For me now breast cancer has a uniquely personal face to it. I have become one of those statistics. Before I left state government in 1998 an abnormality was detected on my mammogram. The radiologist said no additional action was required at that time but that I should continue with mammograms on a six month basis. When I left state service I took a different insurance policy. When the new policy arrived about a month after I left state service a rider had been placed on the policy stating the policy would never cover any breast issues.

Fast forward to summer 2000, under the Alaska Breast and Cervical Cancer Early Detection Program, I was diagnosed with invasive ductal carcinoma--rather common breast cancer. The surgeon that performed the biopsy advised I had about three weeks to be on my way to some type of treatment. Without insurance I was abruptly alone in learning all there is to know about my disease, what treatments are available and how to finance those treatments. Without insurance I was not referred anywhere. This is clearly a position no one wants to find themselves in. I read everything on the web. Doctors charge \$250-\$500 to review the seven pages of lab work from my biopsy. I call every level of government and there is no financial assistance available to me. Some hospitals have charity programs for those with less than \$1500 worth of assets--including their cars. Generally hospitals do not make financial arrangements until the individual has a debt. When asked for estimates for their services, the hospitals give a broad range.

In Alaska many women with breast cancer choose a mastectomy whether or not the severity of their disease warrants it. This is by far the least expensive option, radiation therapy that accompanies a lumpectomy is not available here. I choose a lumpectomy followed by six weeks of radiation therapy to be performed in Anchorage. In addition to financial arrangements for the hospital, additional financial arrangements need to be made for the surgeon, a radiation oncologist, a medical oncologist, xray, nuclear medicine, pathologist, housing and transportation.

I finished my radiation treatment January 30. I have every reason to believe this incidence of cancer is over for me. While concentrating on healing, having to put so much energy into figuring out a treatment plan and how to finance that treatment is a heavy additional burden for a cancer patient to carry. All of my bills have not yet arrived but it is within the range to speculate they will equal \$50,000. While the cancer is over, it will be many, many years before all of the bills will be paid. It is my understanding SB 38 is not retroactive.

I was on the right track all those years ago encouraging women to get mammograms, as the state is right to offer the BCCEDP. But this only gets us part the way there. For those of us that are uninsured this bill is the next critical step, authorized by the federal government the state may now provide the essential treatment.

I urge you to do everything possible to pass this bill into law.

To: Sen. Randy Phillips
Chair
Labor and Commerce Committee
Via fax: 465-4979
Feb. 14, 2001

Please enter the following into testimony on SB 38.

Thank you.

TOTAL PAGES 2

SB

46

ALASKA STATE CHAMBER OF COMMERCE
Survey on Minimum Wage Increase

*No Indexes
 Should be made by
 legislature*

The following survey was faxed to approximately 600 Alaska businesses the first week of February 2000. The nearly 100 responses received by February 15 are summarized below.

1. Should the state legislature raise the minimum wage to \$6.40 next year and \$6.90 in 2003?
 (Representative Kott's proposal)

35% Yes 32% No 28% Undecided

2. Should the state's minimum wage be increased to \$6.40 this year; to \$7.15 next year and be indexed to inflation thereafter? (Governor's proposal)

21% Yes 49% No 28% Undecided

3. Are you currently paying any of your employees the state minimum wage of \$5.65 per hour?

a. Full-time workers 5% Yes 92% No

b. Part-time workers 5% Yes 92% No

4. What impact would a raise in the minimum wage have on your business? (Select all that apply)
 (Percentage of total respondents choosing these items.)

Would increase pay for non-minimum wage employees	15%
Would increase prices for products/services	18%
Would reduce non-wage benefits of employees	9%
Would reduce hours and/or jobs for part-time employees	14%
Would reduce hours and/or jobs for full-time employees	12%
Would have little or no impact on my business	77%

5. What is the age bracket of most of your minimum wage employees?

15 to 18 years old	14%
19 to 22	1.5%
23 to 35	9%
36 to 60	1.5%
Over 60	0%
Not applicable	77%

6. Of your minimum wage employees, about how many are the heads of a household
 (Principal wage earner for a family)?

None or almost none	14%
One-fourth	1.5%
One-half	0%
Three-quarters	0%
All or almost all	0%
Not applicable	81.5%

Alaska State Chamber Minimum Wage Survey - Page 2

7. What is the lowest hourly wage you pay starting employees?

\$5.65	6%
\$6.00 to \$6.50	8%
\$6.51 to \$7.00	2%
\$7.01 to \$7.50	6%
\$7.51 to \$8.00	9%
\$8.01 or more	69%

8. Please circle the category below which best describes your business:

a. Resource (oil & gas, mining, timber, fish harvest, agriculture, etc.)	10%
b. Manufacturing (seafood processing, forest products, petrochemical, technology/software, etc.)	7.5%
c. Construction	7.5%
d. Transportation	6%
e. Communications/Telecommunications	6%
f. Utilities	0%
g. Retail Trade	3%
h. Wholesale Trade	10.5%
i. Finance, Insurance, Real Estate	12%
j. Restaurant	1%
k. Fast food service	1%
l. Visitor-related services	7.5%
m. Business services	4%
n. Professional services (Includes health care)	13.5%
o. Non-profit trade or business organization	7.5%
p. Other	3%

9. How many employees do you have?

1 to 5 <u>15%</u>	16 to 25 <u>17%</u>	50 to 100 <u>14%</u>	250 and up <u>14%</u>
6 to 15 <u>21.5%</u>	25 to 50 <u>4.5%</u>	101 to 250 <u>14%</u>	

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 46
(S) Publish Date: 1/18/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Services
Title: An Act relating to increasing the minimum hourly wage BRU: Public Assistance
under the Alaska Wage and Hour Act. Component: ATAP
Sponsor: Rules
Requester: Governor Component Number: 220

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(99.9)	(596.7)	(829.5)	(910.1)	(980.0)	(1,191.3)
Miscellaneous						
TOTAL OPERATING	(99.9)	(596.7)	(829.5)	(910.1)	(980.0)	(1,191.3)

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

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts	(99.9)	(596.7)	(829.5)	(910.1)	(980.0)	(1,191.3)
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	(99.9)	(596.7)	(829.5)	(910.1)	(980.0)	(1,191.3)

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
Approximately 300 adults currently receiving Temporary Assistance have jobs paying the minimum wage. An increase in the minimum wage will result in an increase in the households' countable earned income. This increase will result in a reduction in monthly Alaska Temporary Assistance Program (ATAP) benefits paid to the family and will generate savings in the benefit line of the ATAP component.

A general fund savings would not be realized because federal law requires the State to contribute a fixed amount of state funds toward the program, called maintenance of effort, or be subject to penalty resulting in loss of TANF funds. The Temporary Assistance program is currently budgeted at the minimum maintenance of effort. Any further reduction will subject the State to a block grant penalty. The federal savings would show as an increase in the available TANF block grant balance which can be used for future funding of ATAP and for reinvestments into child care and work services which will help more clients secure employment and stay employed, further reducing the ATAP caseload. Congress is due to reauthorize the program for federal fiscal year 2003. Availability of excess federal dollars for the future cannot be guaranteed.

Prepared by: [Signature]
Division: Director of Public Assistance
Approved by: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: 465-2860
Date/Time: 1-17-2001
Date: 1/17/01 10:46 AM

For distribution information, call the Governor's Legislative Office

ANALYSIS (cont.):**Assumptions:**

On average, minimum wage ATAP recipients work 120 hours/month.

Currently, the average wage for ATAP recipients earning between \$5.65 and \$6.40 is \$5.87/hour. The average monthly ATAP grant for these recipients is \$593.

Effective October 1, 2001, 292 Temporary Assistance recipients will receive an earnings increase from \$5.87/hour to \$6.40/hour. The average monthly ATAP grant for these recipients is \$555, a \$38 decrease.

Effective October 1, 2002, 673 ATAP recipients will receive an earnings increase from \$6.40/hour to \$7.15/hour. The average monthly ATAP grant for these recipients is \$500, a \$93 decrease.

Beginning October 1, 2003, the minimum wage will increase by 10 cents each year, based on historical CPI information.

Effective October 1, 2003, 713 ATAP recipients will receive an earnings increase from \$7.15/hour to \$7.25/hour. The average monthly ATAP grant for these recipients is \$493, a \$100 decrease.

Effective October 1, 2004, 723 ATAP recipients will receive an earnings increase from \$7.25/hour to \$7.35/hour. The average monthly ATAP grant for these recipients is \$486, a \$107 decrease.

Effective October 1, 2005, 729 ATAP recipients will receive an earnings increase from \$7.35/hour to \$7.45/hour. The average monthly ATAP grant for these recipients is \$479, a \$114 decrease.

Effective October 1, 2006, 865 ATAP recipients will receive an earnings increase from \$7.45/hour to \$7.55/hour. The average monthly ATAP grant for these recipients is \$472, a \$121 decrease.

Calculations:

FY02	\$38/month x 9 months x 292 recipients =	\$ 99,864
FY03	\$38/month x 3 months x 292 recipients =	\$ 33,388
	\$93/month x 9 months x 673 recipients =	\$ 563,301
	Total	\$ 596,689
FY04	\$93/month x 3 months x 673 recipients =	\$ 187,767
	\$100/month x 9 months x 713 recipients =	\$ 641,700
	Total	\$ 829,467
FY05	\$100/month x 3 months x 713 recipients =	\$ 213,900
	\$107/month x 9 months x 723 recipients =	\$ 696,249
	Total	\$ 910,149
FY06	\$107/month x 3 months x 723 recipients =	\$ 232,083
	\$114/month x 9 months x 729 recipients =	\$ 747,954
	Total	\$ 980,037
FY07	\$114/month x 3 months x 729 recipients =	\$ 249,318
	\$121/month x 9 months x 865 recipients =	\$ 941,985
	Total	\$ 1,191,303

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1
 Bill Version: SB 46
 (S) Publish Date: 1/18/01

Revision Date/Time (Note if correction): _____ Dept. Affected: All
 Title: Increase Minimum Wage BRU: All
 Component: All
 Sponsor: Rules
 Requester: Governor Component Number: 56

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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						
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 (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

There are no state positions paid at or below minimum wage rates currently in effect. An increase in minimum wage will have no direct effect upon wage rates, therefore there will be no direct fiscal impact.

Prepared by: Dave Stewart Phone 465-4431
 Division: Personnel Date/Time 11/28/00 12:00 AM
 Approved by: Commissioner Jim Duncan Date 1/17/01
 Agency: Administration

For distribution information, call the Governor's Legislative Office

**COMMENTS BEFORE HOUSE LABOR AND
COMMERCE COMMITTEE, MONDAY, JANUARY 29,
2001**

MY NAME IS BILL PARGETER. I AM THE OPERATING PARTNER OF APPLEBEE'S NEIGHBORHOOD GRILL & BAR IN ANCHORAGE. APPLEBEE'S IS A 1300 UNIT NATIONAL CASUAL DINING RESTAURANT CHAIN OPERATING IN 49 STATES. OUR PLAN IS TO DEVELOP FROM 5 TO 8 APPLEBEE'S THROUGHOUT ALASKA. EACH UNIT EMPLOYEES APPROXIMATELY 85 FULL TIME AND PART TIME EMPLOYEES. I HAVE OPERATED THREE OTHER INDEPENDENT CASUAL DINING RESTAURANTS IN ANCHORAGE SINCE 1980 AND IN ADDITION OWNED AND OPERATED 15 MCDONALD RESTAURANTS FROM 1970 THRU 1986.

THERE ARE SEVERAL REASONS THAT I BELIEVE INCREASING THE MINIMUM WAGE WILL HAVE LESS THAN THE DESIRED EFFECT ON THE WORK FORCE IN THE STATE.

1. AN INCREASE IN THE MINIMUM WAGE WILL CAUSE EMPLOYER'S TO REDUCE AVAILABLE JOBS AND HOURS WORKED FOR THE LOWER SKILLED POSITIONS WHILE SHIFTING OF JOBS AND HOURS TO THE MORE SKILLED EMPLOYEES. THUS THE RESULTS OF THE INCREASE WILL PLACE MORE EMPLOYEES ON THE POVERTY ROLLS.
2. NO RECOGNITION IS GIVEN TO THE INCOME OF MINIMUM WAGE EARNERS THAT THEY RECEIVE FROM TIPS. I EMPLOY APPROXIMATELY 50 INDIVIDUALS WHO RECEIVE TIPS AS ADDITIONAL INCOME FROM WORKING AT APPLEBEE'S. 75% OF THESE INDIVIDUALS ARE PAID \$5.65 PER HOUR. IN ADDITION THEY RECEIVE AN AVERAGE \$8.00 TO \$10.00 PER HOUR IN TIPPED INCOME. TO INCLUDE THESE INDIVIDUALS IN THE MINIMUM WAGE STATISTIC IS LUDICROUS. INCREASES IN THEIR MINIMUM WILL ONLY CAUSE A SHIFTING OF INCOME FROM THE LOWER SKILLED TO THE HIGHER SKILLED EMPLOYEE.

INSTEAD FOCUS ON WORK INCENTIVES TO INCREASE LOW SKILLED JOBS.

THANK YOU FOR YOUR TIME.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Central Microfilm Services
Department of Education & Early Development
State of Alaska

**COMMENTS BEFORE HOUSE LABOR AND
COMMERCE COMMITTEE, MONDAY, JANUARY 29,
2001**

MY NAME IS BILL PARGETER. I AM THE OPERATING PARTNER OF APPLEBEE'S NEIGHBORHOOD GRILL & BAR IN ANCHORAGE. APPLEBEE'S IS A 1300 UNIT NATIONAL CASUAL DINING RESTAURANT CHAIN OPERATING IN 49 STATES. OUR PLAN IS TO DEVELOP FROM 5 TO 8 APPLEBEE'S THROUGHOUT ALASKA. EACH UNIT EMPLOYEES APPROXIMATELY 85 FULL TIME AND PART TIME EMPLOYEES. I HAVE OPERATED THREE OTHER INDEPENDENT CASUAL DINING RESTAURANTS IN ANCHORAGE SINCE 1980 AND IN ADDITION OWNED AND OPERATED 15 MCDONALD RESTAURANTS FROM 1970 THRU 1986.

THERE ARE SEVERAL REASONS THAT I BELIEVE INCREASING THE MINIMUM WAGE WILL HAVE LESS THAN THE DESIRED EFFECT ON THE WORK FORCE IN THE STATE.

1. AN INCREASE IN THE MINIMUM WAGE WILL CAUSE EMPLOYER'S TO REDUCE AVAILABLE JOBS AND HOURS WORKED FOR THE LOWER SKILLED POSITIONS WHILE SHIFTING OF JOBS AND HOURS TO THE MORE SKILLED EMPLOYEES. THUS THE RESULTS OF THE INCREASE WILL PLACE MORE EMPLOYEES ON THE POVERTY ROLLS.
2. NO RECOGNITION IS GIVEN TO THE INCOME OF MINIMUM WAGE EARNERS THAT THEY RECEIVE FROM TIPS. I EMPLOY APPROXIMATELY 50 INDIVIDUALS WHO RECEIVE TIPS AS ADDITIONAL INCOME FROM WORKING AT APPLEBEE'S. 75% OF THESE INDIVIDUALS ARE PAID \$5.65 PER HOUR. IN ADDITION THEY RECEIVE AN AVERAGE \$8.00 TO \$10.00 PER HOUR IN TIPPED INCOME. TO INCLUDE THESE INDIVIDUALS IN THE MINIMUM WAGE STATISTIC IS LUDICROUS. INCREASES IN THEIR MINIMUM WILL ONLY CAUSE A SHIFTING OF INCOME FROM THE LOWER SKILLED TO THE HIGHER SKILLED EMPLOYEE.

3. THE RESTAURANT INDUSTRY IS AN IMPORTANT EMPLOYER FOR FIRST TIME JOB SEEKERS. I HAD MY FIRST HOURLY PAID JOB AS A "SODA JERK" IN A WEST SEATTLE DRUG STORE. I WOULD GUESS THAT 40 TO 50 % OF YOU WERE IN THE SAME BOAT. TO DECREASE THIS OPPORTUNITY TO THE ENTRY LEVEL EMPLOYEE IS COUNTER PRODUCTIVE TO EMPLOYMENT AND INCOME GROWTH.

THE ENTRY LEVEL, MINIMUM WAGE JOB, IS A SHORT LIVED POSITION FOR ANY EMPLOYEE WORTH HIS SALT. IN OUR COMPANY AND IN MY MCDONALDS EXPERIENCE A MINIMUM WAGE EMPLOYEE IS RAPIDLY ADVANCED WITHIN 3 TO 6 MONTHS. TO LIMIT THIS LOW SKILLED JOB POSITION IS A DISSERVICE TO THE VERY GROUP THE MINIMUM INCREASE IS ATTEMPTING TO HELP.

4. NO ATTEMPT IS BEING MADE TO DIFFERENTIATE THE EFFECTS OF AN INCREASE IN THE MINIMUM WAGE AS IT EFFECTS THE JOBS OF THOSE EMPLOYED IN NOME VERSUS THOSE EMPLOYED IN ANCHORAGE. NOT ONLY WILL THE BUSH EMPLOYEE HAVE FEWER OPTIONS IF HIS LOW SKILLED JOB IS LOST BUT VERY LIKELY THE ADDITIONAL COSTS TO THE SMALL BUSINESS LOCATED THEIR WILL CAUSE MANY CLOSURES.

IN CLOSING THE EVIDENCE INDICATES THAT WORKERS WHO INTIALLY EARN NEAR THE MINIMUM WAGE ARE MOST ADVERSELY AFFECTED BY MINIMUM WAGE INCREASES. HIGHER-WAGE WORKERS, IN CONTRAST, ARE LITTLE AFFECTED. ALTHOUGH WAGES OF LOW-WAGE WORKERS INCREASE, THEIR HOURS AND EMPLOMENT DECLINE. AND THE COMBINED EFFECT OF THESE CHANGES IS A DECLINE IN EARNED INCOME. THIS MOVEMENT WTL.L ONLY INCREASE THE POVERTY ROLES.

I URGE YOU TO REJECT ANY INCREASE IN THE MINIMUM WAGE AND

INSTEAD FOCUS ON WORK INCENTIVES TO INCREASE LOW SKILLED JOBS.

THANK YOU FOR YOUR TIME.

February 13, 2001

Murkowski, Members of the House Labor & Commerce Committee, it is my distinct pleasure to be with you today to present my views on HB 56, "An Act Relating to Minimum Wages". My name is Larry Baker, a 33 year Alaskan resident of Anchorage. I appear before you today as a concerned business owner. My company Burger King of Alaska has been doing business in Alaska for the past 28 years and is one of the Top 40 employers in the State of Alaska. We do business in 13 communities in the State of Alaska from Prince of Wales Island in Southeast Alaska to Nome in the Northwest portion of our State. Our businesses stretch from Dutch Harbor on the Alutian Chain to Fairbanks in the Interior of Alaska. I am truly a constituent of each member of this Committee as we do business in each of your legislative districts. My business is perhaps the largest employer of young teenage employees in State of Alaska and would be dramatically impacted by the enactment of this proposed legislation.

Let me first address my general assessment of a minimum wage increase for our employees. Instead of increasing the level of economic well being for less-skilled workers, which it is purported to help, it wreaks havoc through a series of disincentives. In recent congressional testimony, Dr. Richard Burkhauser of Cornell University said that "most minimum wage workers are not heads of families but are rather second or third wage earners in families". In fact, the Bureau of Labor Statistics reports that 85% of those who would be affected by a minimum wage hike either live with relatives, are childless and live alone or have a working spouse. The few heads of households working full time at minimum wage also qualify for means-tested assistance such as Earned Income Tax Credit and Medicaid. Even a one-dollar-per-hour hike can increase the effective tax rate on these cash equivalent benefits enough to leave the employees with literally no net gain. New research from Professor Daniel Shaviro of New York University Law School shows that a teenager or childless adult under 25 would take home approximately \$1,500 of a \$1.00 minimum wage hike over a year. By contrast a single mother of two, working full time, and receiving public assistance, would enjoy only \$52 of the \$2,000 a year in extra income.

Wage mandates causes the most harm to the profitability of small businesses, which ironically are responsible for over 80% of net new jobs. When wages are forced up, employers also raise the bar on the skills which are needed to be hired. As a result, the least skilled often will lose their jobs through what Dr. Kevin Lang, of Boston University calls the "displacement effect". According to Dr. Lang, "Minimum wage increases induced a shift toward teenage workers and students and away from non-students and adults. The competition from higher-quality workers makes low-skill workers worse off". A minimum wage increase also creates market wage ripples for higher-paid employees who now argue "me too". As an employer's expenses go up accordingly, there will be even more displacement of minimum wage employees whose value vs. cost to the business continues to decline. Unfortunately, the resultant job loss among low-skilled adults strips the dignity and future earning capabilities of these workers.

Now let me address my greatest concerns if this legislation were to be enacted. First, AAC 15.910 (1) (F) and (7) (E), which would be dramatically impacted by this legislation. The Administrative Code states in this section:

"In this chapter and in AS23.10.050-23.10.150, unless the context requires otherwise (1) "administrative employee" means an employee (F) who performs along specialized or technical lines requiring special training, experience or knowledge and does not devote more than 20 percent, or in the case of a retail or service establishment who earns at least two and one half times the state minimum wage per hour for the first 40 hours of employment each week and who does not devote more than 40 percent of the employee's weekly hours to activities that are not described in this paragraph or paragraphs (7) or (11) of this section;" Similar language appear in (7) (E) of the administrative code.



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SENT TO ADN
Copy for your
records Fred

February 2, 2001

Dear Anchorage Daily News Letter to the Editor Section:

As the owner of the Red Robin Restaurants, I know first hand the impact of raising the minimum wage as proposed in HB56 by State Representative Pete Kott.

Every time the minimum wage increases, employers are faced with only a few options to offset the additional cost. In the restaurant industry profit margins average 3-5%, which doesn't leave room to absorb a minimum wage increase. Since profits are slim, other options include reducing employee benefits, such as vacation pay and health insurance and reducing the number of employees or cut their hours.

A raise in the minimum wage will hurt businesses, customers and employees statewide. Prices will increase, worker benefits will decrease, and worker hours of part-time employees will be reduced.

I trust the legislators will study the impact of raising the minimum wage and oppose it.

Sincerely,

Fred Rosenberg
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CORRECTION

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ASSURE LEGIBILITY OR PAGINATION



Central Microfilm Services
Department of Education & Early Development
State of Alaska

February 13, 2001

Murkowski, Members of the House Labor & Commerce Committee, it is my distinct pleasure to be with you today to present my views on HB 58, "An Act Relating to Minimum Wages". My name is Larry Baker, a 33 year Alaskan resident of Anchorage. I appear before you today as a concerned business owner. My company Burger King of Alaska has been doing business in Alaska for the past 28 years and is one of the Top 40 employers in the State of Alaska. We do business in 13 communities in the State of Alaska from Prince of Wales Island in Southeast Alaska to Nome in the Northwest portion of our State. Our businesses stretch from Dutch Harbor on the Alutian Chain to Fairbanks in the Interior of Alaska. I am truly a constituent of each member of this Committee as we do business in each of your legislative districts. My business is perhaps the largest employer of young teenage employees in State of Alaska and would be dramatically impacted by the enactment of this proposed legislation.

Let me first address my general assessment of a minimum wage increase for our employees. Instead of increasing the level of economic well being for less-skilled workers, which it is purported to help, it wreaks havoc through a series of disincentives. In recent congressional testimony, Dr. Richard Burkhauser of Cornell University said that "most minimum wage workers are not heads of families but are rather second or third wage earners in families". In fact, the Bureau of Labor Statistics reports that 85% of those who would be affected by a minimum wage hike either live with relatives, are childless and live alone or have a working spouse. The few heads of households working full time at minimum wage also qualify for means-tested assistance such as Earned Income Tax Credit and Medicaid. Even a one-dollar-per-hour hike can increase the effective tax rate on these cash equivalent benefits enough to leave the employees with literally no net gain. New research from Professor Daniel Shapiro of New York University Law School shows that a teenager or childless adult under 25 would take home approximately \$1,500 of a \$1.00 minimum wage hike over a year. By contrast a single mother of two, working full time and receiving public assistance, would enjoy only \$52 of the \$2,000 a year in extra income.

Wage mandates causes the most harm to the profitability of small businesses, which ironically are responsible for over 30% of net new jobs. When wages are forced up, employers also raise the bar on the skills which are needed to be hired. As a result, the least skilled often will lose their jobs through what Dr. Kevin Lang, of Boston University calls the "displacement effect". According to Dr. Lang, "Minimum wage increases induced a shift toward teenage workers and students and away from non-students and adults. The competition from higher-quality workers makes low-skill workers worse off". A minimum wage increase also creates market wage ripples for higher-paid employees who now argue "me too". As an employer's expenses go up accordingly, there will be even more displacement of minimum wage employees whose value vs. cost to the business continues to decline. Unfortunately, the resultant job loss among low-skilled adults strips the dignity and future earning capabilities of these workers.

Now let me address my greatest concerns if this legislation were to be enacted. First, AAC 15.910 (1) (F) and (7) (E), which would be dramatically impacted by this legislation. The Administrative Code states in this section:

"In this chapter and in AS23.10.050-23.10.150, unless the context requires otherwise (1) "administrative employee" means an employee (F) who performs along specialized or technical lines requiring special training, experience or knowledge and does not devote more than 20 percent, or in the case of a retail or service establishment who earns at least two and one half times the state minimum wage per hour for the first 40 hours of employment each week and who does not devote more than 40 percent of the employee's weekly hours to activities that are not described in this paragraph or paragraphs (7) or (11) of this section;" Similar language appear in (7) (E) of the administrative code.

In other words if you were to pass HB56 you would be mandating a wage increase for not only minimum wage employees but management personnel as well. Under the current law a management person who contributes more than 20 percent of their time in management responsibilities has a base salary of \$29,380 (2080 hours per year X \$5.65 per hour X 2.5 times = \$29,380). Under the proposal put forth in HB56 you would be mandating a 13.2% increase in management base salaries (2080 hours per year X \$6.40 per hour X 2.5 times = \$33,280). In the second year you would be mandating an increase to management employees of an additional 7.8%. The base salary for those employees would then increase from current \$29,380 to \$35,880 - a 21% increase in wages mandated by the implementation of this legislation for administrative and executive employees. If the committee decides to pass HB56 on to the next committee of referral, and I do not support that action, the least they should do is amend the current law to exclude the 20 percent rule and the mandating of 2.5 times the minimum wage for administrative and executive employees. I would recommend you amend HB56 to delete AAC 15.910 (1) (F) and (7) (E) if you decide to refer this legislation to the next committee.

Secondly, HB66 mandates an increase in AAC 15.125, the Minimum Wage Exemption for Student Learners. AAC15.125 © states: A wage rate authorized under this section will not be less than 75 percent of the minimum wage established under AS 23.10.065. Student Learners (commonly referred to as a Training wage in most States) needs to be amended if you are to move forward with this legislation. Student Learners start their employment without any skills whatsoever and to mandate a minimum wage increase on businesses for these employees is grossly unfair. This section of the code will need significant amendments if you decide to move forward with this legislation. Additionally the code does not stipulate an age range (most states are age 14 thru 18) for these Student Learners and has other provisions placing such a burden on employers that it is virtually impractical to utilize in the manner it was intended. The purpose of this code was to provide a training environment for entry level teenage employees. Again, if you decide to refer HB56 to the next committee of referral, AAC 15.125 needs to be amended in order that it might be utilized to help teenage Student Learners to acquire basic work skills as it was intended.

In summary, I oppose HB56 for the reasons I have articulated in this testimony to the committee. If the committee decides in their infinite wisdom to recommend this bill to the next committee of referral, I would respectfully request that you at least amend the legislation to correct the inequities that currently exist in the law and would result in making a mandated minimum wage even more onerous than they are at the present time. Madam Chairman thank you for allowing me to provide testimony to the committee, I would be pleased to answer any questions.



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*SENT TO ADN
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records zred*

February 2, 2001

Dear Anchorage Daily News Letter to the Editor Section:

As the owner of the Red Robin Restaurants, I know first hand the impact of raising the minimum wage as proposed in HB68 by State Representative Pete Kotl.

Every time the minimum wage increases, employers are faced with only a few options to offset the additional cost. In the restaurant industry profit margins average 3-5%, which doesn't leave room to absorb a minimum wage increase. Since profits are slim, other options include reducing employee benefits, such as vacation pay and health insurance and reducing the number of employees or cut their hours.

A raise in the minimum wage will hurt businesses, customers and employees statewide. Prices will increase, worker benefits will decrease, and worker hours of part-time employees will be reduced.

I trust the legislators will study the impact of raising the minimum wage and oppose it.

Sincerely,

Fred Rosenberg
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January 17, 2001

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

Dear President Halford:

At \$5.65 an hour, Alaska's minimum wage is the lowest on the West Coast, some eighty-five cents under the next lowest minimum wage. A single parent working year-round at minimum wage earns only two-thirds of the poverty level for a family of three and cannot hope to rise out of poverty. These are disturbing facts that must change.

This bill I transmit today is meant to offer Alaska's low wage workers a better quality of life by increasing the minimum wage to \$6.40 on October 1, 2001, followed by a raise to \$7.15 a year later. The wage would then adjust annually to match inflation, increasing by pennies per year, but protecting the minimal essential purchasing power of low-wage workers.

Alaska's current minimum wage is tied to the federal law. So we are reliant on whether Congress decides a raise is in order, rather than being able to determine the wage needs specifically for Alaskans. This outdated relationship has caused our minimum wage to remain stagnant for as long as nine years, from 1981 to 1990. And it's currently been more than 3 years since the last increase.

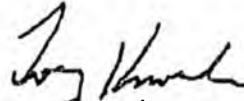
We know Alaska's economy rarely moves in exact synchronization with the rest of the country. To tie our workers' wages to what the rest of the country is doing is a disservice to Alaskans. That is why it is so important not only to raise Alaska's minimum wage, but to provide for its continued adjustment to our local economy.

We have made great progress in the past four years in moving Alaskans from welfare to work. But in FY 2000, 22 percent of public assistance recipients entering the workforce earned less than \$6.50 per hour. Increasing the wage of these Alaskans will reduce the temporary cash assistance needed to support their families.

The Honorable Rick Halford
January 17, 2001
Page 2

Working for a minimum wage in Alaska should not mean a minimum quality of life. In the interest of allowing Alaskans the opportunity to achieve financial independence, I urge your prompt and favorable action on this important measure.

Sincerely,



Tony Knowles
Governor

STATE OF ALASKA

Department of Labor and Workforce Development

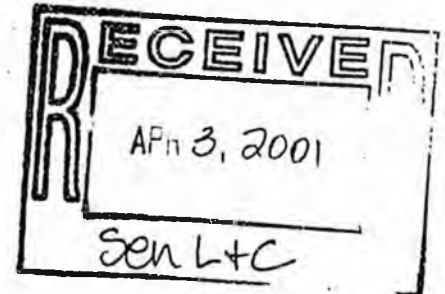
OFFICE OF THE COMMISSIONER

April 2, 2001

Tony Knowles, Governor

P.O. Box 21149
Juneau, AK 99802-1149
Phone: (907) 465-2700
Fax: (907) 465-2784

The Honorable Randy Phillips
Chair, Senate Labor and Commerce Committee
Capitol, Room 103
Juneau, AK 99801



Dear Senator Phillips:

I respectfully request that you schedule Senate Bill 46, raising the minimum wage in Alaska, for a hearing at your earliest convenience.

Alaska prides itself on being a rich state, not only in natural resources, but also opportunities. But our current minimum wage is lower than California's, Washington's, and Oregon's. A single parent with two children working full time at the current state minimum hourly wage will earn \$11,752 per year or 66 percent of the 2000 poverty level which is \$17,690 for a family of three.

Using fourth quarter 1998 Department of Labor data, approximately 14,000 Alaska workers, or 5.5 percent of the wage and salary employment, received hourly wages between \$5.65 and \$6.74. Contrary to popular belief, the majority of these workers are adults, not teenagers embarking on their first jobs. The median age of Alaskans working in typically low paying jobs, such as waitresses and waiters is 29; sales clerks, 34; cannery workers, 32; and child-care workers, 27.

No working Alaska family should depend on a job that keeps them in poverty. Senate Bill 46 recognizes the value of all Alaska's workers and their right to earn a decent, livable wage.

Please make this bill a priority of your committee and schedule it for a hearing soon. Your favorable consideration of this request is very much appreciated.

Sincerely,

Ed Flanagan
Commissioner

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AD-4 6

January 17, 2001

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President of the Senate
Alaska State Legislature
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Juneau, AK 99801-1182

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We know Alaska's economy rarely moves in exact synchronization with the rest of the country. To tie our workers' wages to what the rest of the country is doing is a disservice to Alaskans. That is why it is so important not only to raise Alaska's minimum wage, but to provide for its continued adjustment to our local economy.

We have made great progress in the past four years in moving Alaskans from welfare to work. But in FY 2000, 22 percent of public assistance recipients entering the workforce earned less than \$6.50 per hour. Increasing the wage of these Alaskans will reduce the temporary cash assistance needed to support their families.