

**ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 86/2**

**10925 HOUSE LABOR & COMMERCE**

**Subject: HB 255 wage and hour bill requires your support!**

**Date: Fri, 11 Apr 2003 14:07:59 -0400**

**From: "Terry Latham" <tlatham@gci.net>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Terry Latham  
1000 E. 36th Ane.  
Anchorage, AK 99508-4304

April 11, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

Second, This bill allows for a voluntary flexible work hour plan for casual employees which is very important in our 24 x 7 industry. Currently union collective bargaining agreements allow such provisions, our employees ask for such provisions and our businesses demand such flexibility.

Third, by creating a new statute that allows for a workable training wage we are able to more easily hire young, first-time and entry-level employees.

Thank you for your support.

Sincerely,

Terry Latham Best Western Golden Lion

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Sun, 13 Apr 2003 19:56:31 -0400**

**From: "Jack Reiss" <reiss-jack@aramark.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Jack Reiss  
241 W Ship Creek  
Anchorage, AK 99501

April 13, 2003

Dear Rep Rokeberg:

My name is Jack Reiss and I am the Vice President of Operations for ARAMARK Corporation in Alaska

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Third, by creating a new statute that allows for a work-ble training wage we are able to more easily hire young, first-time and entry-level employees.

Thank you for your support.

Sincerely,

Jack Reiss

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Fri, 11 Apr 2003 19:27:00 -0400**

**From: "Karen Haas" <haase@pmifran.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Karen Haas  
15011 Snowshoe Ln.  
Anchorage, AK 99516

April 11, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Third, by creating a new statute that allows for a workable training wage we are able to more easily hire young, first-time and entry-level employees.

Thank you for your support.

Sincerely,

Karen Haas, Owner Papa Murphy's Take 'N Bake Pizza

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Fri, 11 Apr 2003 20:35:04 -0400**

**From: "Darren Nolan" <dnolan@princesscruises.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Darren Nolan  
2815 2nd Ave  
Seattle, WA 98121-1299

April 11, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Thank you for your support.

Sincerely,

Darren Nolan

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Fri, 11 Apr 2003 22:47:24 -0400**

**From: "Richard Muhlenbruch" <rmuhlenbruch@gci.net>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Richard Muhlenbruch  
po box 232154  
Anchorage, AK 99523-2154

April 11, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Thank you for your support.

Sincerely,

Richard Muhlenbruch, Quiznos Subs

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Fri, 11 Apr 2003 22:56:44 -0400**

**From: "RON Eagley" <gwennies@gci.net>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

RON Eagley  
4333 Spenard  
Anchorage, AK 99517

April 11, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support.

It of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Thank you for your support.

Sincerely,

Ron Eagley

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 14:24:47 -0400**

**From: "Max Lowe" <mlowe@mill-usa.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Max Lowe  
4800 Spenard Rd.  
Anchorage, AK 99517

April 14, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Thank you for your support.

Sincerely,

Max J. Lowe

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 15:59:17 -0400**

**From: "Chris Buchholdt" <chris@denalilodge.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Chris Buchholdt  
PO Box 189  
Denali Park, AK 99775

April 14, 2003

Dear Rep Rokeberg:

Dear Legislators,

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to denali Lodges. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Thank you for your support.

Sincerely,

Chris Buchholdt

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 16:01:05 -0400**

**From: "Fritha Hopkins" <info@denali-cabins.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Fritha Hopkins  
PO Box 229  
Denali Park, AK 99775

April 14, 2003

Dear Rep Rokeberg:

Dear Legislators,

Please support HB255. It's time for post-pipeline employment laws.

The wage and hour legislation provided by this bill is critically important to denali Lodges. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Thank you for your support.

Sincerely,

Fritha Hopkins

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 15:27:18 -0400**

**From: "John Wilson" <obs0210@outback.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

John Wilson  
101 W. 34th Ave.  
Anchorage, AK 99503

April 14, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Thank you for your support.

Sincerely,

John F. Wilson @ Outback Steakhouse Inc.

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 15:58:06 -0400**

**From: "Eric Downey" <eric@denalilodges.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Eric Downey  
410 Denali Street  
Anchorage, AK 99501

April 14, 2003

Dear Rep Rokeberg:

Dear Legislators,

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to denali Lodges. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Thank you for your support.

Sincerely,

Eric Downey

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 15:23:06 -0400**

**From: "Sharlene Berg" <s.berg@ciri.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Sharlene Berg  
PO Box 682  
Talkeetna, AK 99676

April 14, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Thank you for your support.

Sincerely,

Sharlene A. Berg

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 15:14:45 -0400**

**From: "Patti Fitzpatrick" <haminn-anchorage-gm@stonebridgehotel.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Patti Fitzpatrick  
4301 Credit Union Drive  
Anchorage, AK 99503-6658

April 14, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Third, by creating a new statute that allows for a workable training wage we are able to more easily hire young, first-time and entry-level employees.

Thank you for your support.

Sincerely,

Patti Fitzpatrick

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 16:03:12 -0400**

**From: "Lance Swick" <lance@denalilodges.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Lance Swick  
410 Denali Street  
Anchorage, AK 99775

April 14, 2003

Dear Rep Rokeberg:

Dear Legislators,

On behalf of the hospitality industry and Alaskan business, I urge you to support HB255. The wage and hour legislation provided by this bill is critically important to Denali Lodges. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Third, by creating a new statute that allows for a workable training wage we are able to more easily hire young, first-time and entry-level employees.

Thank you for your support.

Sincerely,

Lance Swick, Lake Lucille Inn

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 16:04:56 -0400**

**From: "Dan Pearson" <dan@denaliwildernesslodge.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Dan Pearson  
PO Box 50  
Denali Park, AK 99775

April 14, 2003

Dear Rep Rokeberg:

Dear Legislators,

As an Alaskan who is trying to run a wilderness lodge, I urge you to support HB255. The wage and hour legislation provided by this bill is critically important to denali Lodges. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Third, by creating a new statute that allows for a workable training wage we are able to more easily hire young, first-time and entry-level employees.

Thank you for your support.

Sincerely,

Dan Pearson, Denali Wilderness Lodge

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 16:24:04 -0400**

**From: "Sue Hayner" <edyoung@aptalaska.net>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Sue Hayner  
P.O. Box 482  
Tok, AK 99780-0482

April 14, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Third, by creating a new statute that allows for a workable training wage we are able to more easily hire young, first-time and entry-level employees.

Thank you for your support.

Sincerely,

Sue Hayner, Young's Motel/Fast Eddy's

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 16:48:21 -0400**

**From: "Richard Dowd" <hr@alyskaresort.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Richard Dowd  
PO Box 249  
Girdwood, AK 99587

April 14, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to Alyeska Resort. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the minimum wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Third, by creating a new statute that allows for a workable training wage, we are able to more easily hire young, first-time and entry-level employees.

Thank you for your support.

Sincerely,

Richard Dowd

**Subject: HB 255 wage and hour bill requires your support! H-LC**

**Date: Mon, 14 Apr 2003 16:56:36 -0400**

**From: "Luke Peroni" <lperoni@alyeskaresort.com>**

**To: "Rep Norman Rokeberg" <Representative\_Norman\_Rokeberg@legis.state.ak.us>**

Luke Peroni  
box 249  
Girdwood, AK 99587

April 14, 2003

Dear Rep Rokeberg:

I am writing to urgently request your support of HB255.

The wage and hour legislation provided by this bill is critically important to my business. Current wage and hour law that mandates minimum salaries equal to 2.5 times the min wage for supervisory employees is onerous and unnecessary. The minimum wage increased from \$5.65 to \$7.15 increased employment costs to businesses by 26% for salaried supervisory employees because by law, they must be paid 2.5 times the min wage. Therefore, the annual minimum salary required by current regulations increased supervisors pay from \$14.12 per hour to \$17.87 per hour which equates to an increase from \$29,369 per year to \$37,169 per year.

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Third, by creating a new statute that allows for a workable training wage we are able to more easily hire young, first-time and entry-level employees.

Thank you for your support.

Sincerely,

Luke J Peroni

**HB**

**259**



# LEGAL SERVICES

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

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


State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

April 22, 2003

**SUBJECT:** School transportation funding - CSHB 259(EDU)

**TO:** Representative Carl Gatto  
Attn: Cody

**FROM:** Michael F. Ford   
Legislative Counsel

The CS you requested is enclosed. The language adopted by the committee appears as a new sec. 3. However, this provision will need substantial additional work. Moreover, it may have continuing legal effect and should be set out as permanent law. As written I don't understand how it affects the other changes made in the bill.

Please contact me if you have further questions.

MFF:med  
03-426.med

Enclosure

AMENDMENT

OFFERED IN THE HOUSE

TO: CSHB 259(EDU)

- 1 Page 2, lines 16 - 19:
- 2 Delete all material.
- 3
- 4 Renumber the following bill section accordingly.

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 259  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Education & Early Development  
 Title "An Act relating to public school transportation BRU Pupil Transportation  
 Component Pupil Transportation  
 Sponsor Representative Gatto  
 Requester House Special Committee on Education Component No. 144

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	10,745.6					
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>10,745.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	10,745.6					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>10,745.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Governor's FY04 budget request for pupil transportation is \$43,188,200  
 HB 259 cost \$53,933,800  
 Fiscal Note \$10,745,600

HB 259 will provide each school district with a per student allocation based on the per student amount reimbursed in FY03 for pupil transportation services. Beginning in FY04 school districts that offer a transportation program will be allocated a grant based on their per student amount times the number of students in the current year.

Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679  
 Division: Education Support Services Date/Time 4/16/03 1:20 PM  
 Approved by: \_\_\_\_\_ Date 4/16/2003  
 Agency: Education and Early Development

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT  
 REIMBURSABLE TRANSPORTATION COSTS PER STUDENT  
 April 15, 2003

DISTRICT	FY03 UPDATED PROJECTIONS	ADM--LESS Corresp.	Estimated FY03 COST PER STUDENT	FY04 Projected ADM	Estimated Transportation Grant Proposal
ALASKA GATEWAY	628,955	429.60	1,200	445.00	534,000
ALEUTIAN REGION	0	49.25	0	46.00	0
ALEUTIANS EAST	61,000	272.75	224	272.00	60,928
ANCHORAGE	16,574,909	48,907.49	339	49,274.00	16,703,886
ANNETTE ISLAND	22,770	290.65	78	290.65	22,671
BERING STRAIT	70,500	1,733.85	44	1,814.00	79,816
BRISTOL BAY	308,916	233.60	1,200	236.00	283,200
CHATHAM	15,201	219.90	69	224.00	15,456
CHUGACH	0	83.50	0	95.00	0
COPPER RIVER	702,500	540.22	1,200	535.25	642,300
CORDOVA	74,519	464.10	161	470.00	75,670
CRAIG	96,700	389.75	248	390.50	96,844
DELTA/GREELY	858,541	635.38	1,200	845.00	1,014,000
DENALI	349,903	296.75	1,179	311.00	366,669
DILLINGHAM	420,079	520.66	807	525.06	423,723
FAIRBANKS	8,988,949	14,874.93	604	14,841.00	8,963,964
GALENA	51,275	234.00	219	243.00	53,217
HAINES	172,000	311.95	551	292.00	180,892
HOONAH	36,193	189.40	192	188.85	36,259
HYDABURG	0	92.20	0	88.00	0
IDITAROD	53,488	309.85	173	317.00	54,841
JUNEAU	2,062,033	5,462.63	377	5,221.00	1,968,317
KAKE	30,388	151.85	200	157.00	31,400
KASHUNAMILT	4,800	350.40	14	360.00	5,040
KENAI PENINSULA	4,701,483	9,257.26	507	9,064.00	4,595,448
KETCHIKAN	1,285,530	2,381.85	540	2,364.00	1,276,560
KLAWOCK	25,448	158.90	160	158.00	25,280
KODIAK	1,206,004	2,730.35	442	2,714.00	1,199,588
KUSPUK	228,663	426.70	536	476.00	255,136
LAKE & PENINSULA	103,546	412.55	251	402.00	100,902
LOWER KUSKOKWIM	542,000	3,704.69	146	3,768.00	550,128
LOWER YUKON	3,500	2,053.15	2	2,073.25	4,147
MAT-SU	9,995,545	13,034.52	767	13,065.00	10,020,855
NENANA	117,280	203.50	576	202.00	116,352
NOME	270,093	736.15	367	764.00	280,388
NORTH SLOPE	762,187	1,970.25	387	1,934.00	748,458
NORTHWEST ARCTIC	50,784	2,141.90	24	2,163.00	51,912
PELICAN	1,440	18.00	80	18.00	1,440
PETERSBURG	143,503	625.85	229	601.00	137,829
PRIBILOF	0	135.50	0	136.00	0
SITKA	605,800	1,508.80	402	1,475.00	592,950
SKAGWAY	3,800	109.87	35	104.00	3,640
SOUTHEAST ISLAND	251,140	203.50	1,200	207.00	248,400
SOUTHWEST REGIO	245,103	721.25	340	723.35	245,939
ST. MARY'S	850	187.18	5	185.00	925
TANANA	44,685	61.80	723	60.00	43,380
UNALASKA	208,721	392.95	531	415.52	220,641
VALDEZ	413,613	866.70	477	888.00	423,576
WRANGELL	195,606	435.45	449	415.00	186,335
YAKUTAT	66,661	144.25	462	122.00	56,364
YUKON FLATS	62,098	301.25	206	286.00	58,916
YUKON/KOYUKUK	120,000	444.85	270	450.00	121,500
YUPIIT	3,000	424.00	7	416.00	2,912
CONTRACTS--Appro	208,000				206,000
**See Notes Below	480,098				565,000
TOTALS:	\$53,933,800	122,826.42		123,130.43	\$53,933,794

caps per student  
amount at \$1,200

Minimum per student  
amount is \$20

\*\*For unanticipated cost increases, e.g., added rates, contract negotiations, etc.

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

FY04 Projections – Pupil Transportation Program

Prepared 4/15/2003

Actual proration is 73.93%

DISTRICT	Reimbursement Program		FY04 Transportation Grant Proposal
	FY04 PROJECTION	FY04 Prorated Gov.s Budget	
ALASKA GATEWAY	642,534	474,997	534,000
ALEUTIANS EAST	57,000	42,138	0
ALEUTIANS REGION	0	0	60,928
ANCHORAGE	18,793,314	13,893,070	16,703,886
ANNETTE ISLAND	23,000	17,003	22,671
BERING STRAIT	78,795	58,250	79,816
BRISTOL BAY	321,021	237,317	283,200
* CHATHAM	17,001	12,568	15,456
CHUGACH	0	0	0
COPPER RIVER	720,000	532,264	642,300
CORDOVA	76,286	56,395	75,670
CRAIG	96,700	71,486	96,844
DELTA/GREELY	882,572	652,447	1,014,000
DENALI	360,186	266,270	366,669
DILLINGHAM	438,958	324,502	423,723
FAIRBANKS	9,406,638	6,953,914	8,963,964
GALENA	52,650	38,922	53,217
HAINES	172,000	127,152	160,892
HOONAH	29,235	21,612	36,259
HYDABURG	0	0	0
IDITAROD	53,488	39,541	54,841
JUNEAU	2,121,821	1,568,569	1,968,317
KAKE	36,700	27,131	31,400
* KASHUNAMIUT	4,800	3,548	5,040
KENAI PENINSULA	5,018,523	3,709,974	4,595,448
KETCHIKAN	1,339,886	990,519	1,276,560
KLAWOCK	26,924	19,904	25,280
KODIAK	1,238,570	915,620	1,199,588
KUSPUK	248,669	183,830	255,136
LAKE & PENINSULA	104,917	77,561	100,902
LOWER KUSKOKWIM	642,000	474,602	550,128
* LOWER YUKON	3,500	2,587	4,147
MAT-SU	10,663,664	7,883,177	10,023,855
NENANA	119,626	88,434	116,352
NOME	298,196	220,443	280,388
NORTH SLOPE	737,611	545,283	748,458
NORTHWEST ARCTIC	51,340	37,953	51,912
* PELICAN	1,440	1,065	1,440
PETERSBURG	163,000	120,499	137,629
PRIBILOF	0	0	0
SITKA	616,500	455,751	592,950
* SKAGWAY	3,800	2,809	3,640
SOUTHEAST ISLAND	269,700	199,377	248,400
SOUTHWEST REGION	248,983	184,062	245,939
* ST. MARY'S	850	628	925
TANANA	30,250	22,362	43,380
UNALASKA	214,983	158,927	220,641
VALDEZ	425,195	314,328	423,576
WRANGELL	234,727	173,523	186,335
YAKUTAT	79,993	59,135	56,364
YUKON FLATS	67,098	49,603	58,916
YUKON/KOYUKUK	126,000	93,146	121,500
* YUPIIT	3,000	2,218	2,912
ACS	0	0	0
MT. EDGE CUMBE	0	0	0
CONTRACTS--Approx	206,000	206,000	206,000
**See Notes Below	575,757	575,784	565,000
<b>TOTALS</b>	<b>58,145,400</b>	<b>43,188,200</b>	<b>53,933,794</b>

Projections based on information provided by districts

\* No bussing--Districts' only reimbursable costs are for payments to parents in lieu of bus transportation

\*\*For unanticipated cost increases, e.g., added rates, contract negotiations.

# *Alaska State Legislature*

**SESSION ADDRESS:**

Alaska State Capitol  
Juneau, Alaska 99801  
Phone: (907) 465-3743  
1-800-565-3743  
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**INTERIM ADDRESS:**

600 E Railroad Avenue  
Wasilla, AK 99654  
Phone : 907-376-2679  
Fax: (907) 373-4745

## House Special Committee on Education

Representative Carl Gatto, Chair

### SPONSOR STATEMENT

HOUSE BILL 259

#### AN ACT RELATING TO APPROPRIATIONS FOR PUPIL TRANSPORTATION

This bill improves the existing method of funding pupil transportation allowing each district to spend any savings in the classrooms while limiting the "runaway costs" which have been associated with pupil transportation costs.

Appropriations under this bill will be determined by dividing the FY03 pupil transportation allocation by the FY03 enrollment; this creates a per pupil transportation amount for each district. This per pupil cost of transportation will then be set in statute and used as a multiplier to the ADM, less correspondence, in future years to determine transportation entitlement. This formula will guarantee an amount of money specifically connected to the ADM count already required for Foundation Formula Funding.

This method of reimbursing school districts does two things: it allows for more realistic, appropriate and predictable annual appropriations for each district. Additionally it eliminates the "cost plus" reimbursements which have resulted in the 136% increase in this program's expense to our state since 1990. By connecting transportation costs to enrollment, and fixing the State's appropriation to the FY03 level, we create incentive for school districts to become more efficient, allowing them to place any savings associated with transportation contracts back into the classroom where it belongs. I urge your support in seeking the passage of this bill.

# Anchorage School District Student Transportation

Anchorage School District and our contractor First Student, Inc. currently operate 246 buses on a daily basis. ASD operates approximately one-third of the routes and First Student, Inc. the other two-thirds.

## Whom do we transport?

The Anchorage School District provides transportation for approximately 18,000 students. 82 % of the students transported live more than 1.5 miles from school.

11 % of the students live in areas deemed hazardous.

5 % are provided transportation in order to receive special education services.

2 % of the students transported attend other programs such as the King Career Center.

## How many buses do we operate?

One hundred fifty-four buses (63% of the buses in operation) are used to transport students who live more than 1.5 miles from school or those who live in areas determined to be hazardous. Ninety-five percent of all students transported ride these buses. Ninety-two buses (37% of the fleet) are used to transport students who receive special education services, such as the Alaska State School for the Deaf and Hard of Hearing, pre-school special education, and students with intensive needs. These 92 buses transport five percent of the students who ride the bus to and from school. Thirty-seven percent of the buses in the fleet transport five percent of the students who ride the bus on a daily basis. Federal law requires transportation for students with disabilities.

## What does a reduction Pupil Transportation in funding mean to the ASD?

We have two options. We can continue to provide transportation at the same level and cut almost 4 million dollars in services that will most likely impact the classroom. Or, we can reduce the level of school bus service currently provided which means the elimination of bus routes. We are required to provide school bus service for special education students so reductions will have to be made to the 63% of the routes that serve 93% of the students who ride the school bus. Hazardous transportation will be eliminated and walking distances will have to be increased. The impact:

- More students walking to and from school
- Increased risk to students who will be forced to use other modes of transportation
- More parents transporting students and from school creating more congestion on and around school sites
- Increased air quality issues

## What has caused increases in the cost of transportation?

During the last decade the cost of student transportation has increased. Many factors have contributed to the increased cost. The following is a list of some of the requirements that have contributed to the increase in our costs:

- Drug & alcohol testing
- Background checks
- Driver turnover
- Added staff positions for recruiting and training due to increased turnover
- 40-Hour School Bus Driver Training Program
- Certified school bus instructors
- First aid & CPR training
- Special education driver and attendant training
- Specialized training to meet individual student needs (medical issues)
- Transportation for pre-school & gifted students
- Increases in the cost of equipment and supplies (buses, fuel, tires etc)
- Minimum wage for school bus drivers
- The cost of Contracted Transportation has more than doubled since the 1990-91 school year.

### Commercial Drivers License (CDL)

Individuals interested in driving a school bus must now pay approximately \$250 in fees in order to be issued a CDL. The following is a list of the required fees.

Commercial Drivers License permit fee	\$5.00
Background check	\$20.00
School Bus Drivers Physical	\$35.00
Fingerprinting	\$25.00
Commercial Drivers License	\$100.00
DMV Fingerprint processing	\$59.00
Fee for Class "S" endorsement	\$5.00
	<u>\$249.00</u>

The standards for school buses are revised on a national level every five years. Some of the safety equipment that has been added to increase the safety of our students is listed below:

- Child safety restraints (Safety vests for all pre-school students under 50 lbs.)
- Automatic chains
- Added emergency exits
- Strobe lights
- Automatic transmissions
- Auxiliary heaters
- Reflective material
- LED stop signs
- Video cameras

The cost of a school bus has increased substantially in the last decade. The school bus is still a bargain when compared to the cost of other equipment.

School Bus (81 passenger)	\$ 81,000	
Transit Bus (47 passenger)	\$300,000	
Suburban (9 passengers)	\$ 38,000	
Ambulance	\$162,000	(1-ton a small unit)
Fire Truck	\$770,000	

## What have we done to control costs?

- **Reduced wages**  
ASD reduced wages for school bus drivers in the mid 80's and implemented a two-tier wage scale. School bus drivers at the top of the pay scale now are paid less than 25 cents an hour more than they were in 1985!
- **Consolidation of Routes**  
ASD operated 291 buses during the 1985-86 school year today we operate 246. This is a reduction of over 15%.
- **Routing and Scheduling**  
Contractors provided routing and scheduling as part of their service at one time. ASD purchased computerized routing software and brought this routing function in-house. This change resulted in a reduction of over 50 routes.
- **School Start Times**  
For many years the Transportation Department has recommended starting times for our school. Starting times are staggered in order to get best utilization of the bus fleet.
- **Larger more fuel efficient school buses**  
Beginning in 1989 ASD has increased the capacity of school buses from 66 passenger buses to 72 passenger buses. During the past 10 years the standard bus size was increased to 81-84 passenger units. The increased capacity has allowed ASD to transport more students on fewer buses. Buses are now diesel powered. New buses are twice as fuel-efficient as the gasoline powered buses that they replaced.
- **Life Cycle Costing**  
A few years ago life expectancy of a school bus was only 10 years. The district carefully evaluates available options to insure that school buses will be cost effective to operate and maintain. Buses are specified with the most appropriate engine, transmission and other heavy-duty components to insure at least 15 years of low maintenance service.
- **CNG Buses & Air Quality**  
The District purchased two Compressed Natural Gas powered buses and fueling capability with grant funds last year. This pilot program will determine if alternative fueled vehicles will be a cost effective alternative to diesel in the long run. We are pursuing grants to purchase additional CNG buses through AMATS and emission control devices through the EPA.
- **Hazardous Transportation Guidelines**  
ASD established and has recently revised the criteria used to evaluate areas where parents request transportation for students who live within 1.5 miles from school.
- **Elimination of Hazardous Transportation**  
ASD eliminated transportation in several areas of our community over the years as bike paths and sidewalks were constructed.
- **Crossing Guards**  
Adult crossing guards are used to assist students in crossing roadways that carry a high volume of traffic. Crossing guards are used rather than providing more costly school bus service.

## How safe are school buses?

Yellow school buses are a great American success story with a safety record that is unequalled in the transportation industry. Consider these comparisons per 100,000 passenger miles:

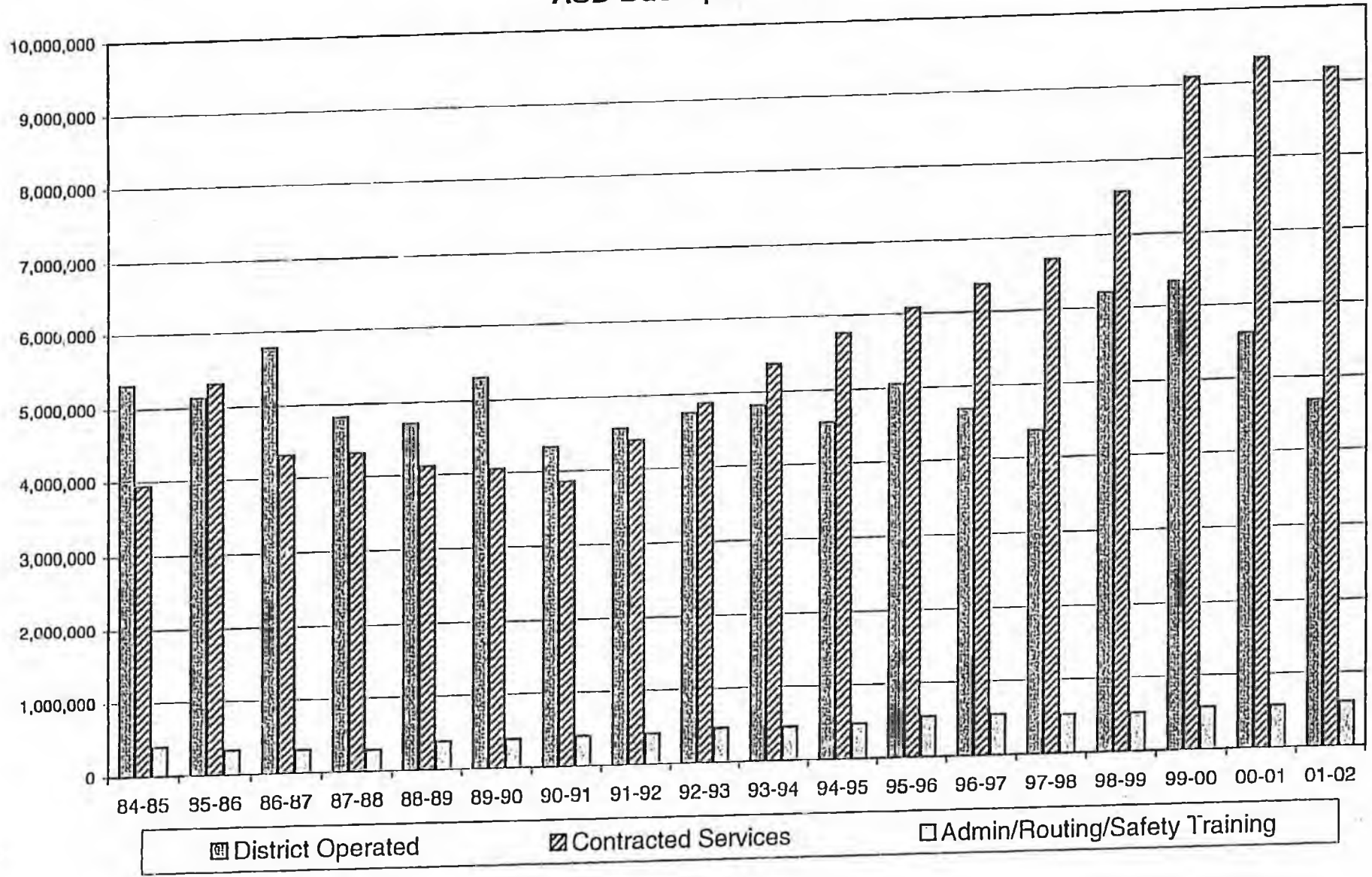
Passenger cars	0.94deaths
Scheduled airlines	0.06deaths
Passenger trains	0.04deaths
School buses	0.01 deaths

Transportation Research Board recently released Special Report 269 "The Relative Risks of School Travel". The report shows that every year, about 800 school-age children are killed in motor vehicle crashes during normal school travel hours (weekday mornings and afternoons during school months) accounting for about 14 percent of the 5,600 child deaths that occur on the nation's roadways. Of these 800 deaths, only about two percent are school-bus related, while 74 percent occur in private passenger vehicles and 22 percent are the result of pedestrian or bicycle accidents. More than half of all deaths of children between age 5 and 18 occur during normal school travel hours when a teenager is driving.

The following table outlines the average annual student injuries and fatalities by mode during normal school travel hours.

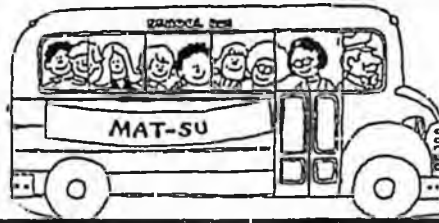
<u>Mode</u>	<u>Injuries %</u>	<u>Fatalities%</u>
Passenger vehicle, teen driver	51	55
Passenger vehicle, adult driver	33	20
Walking	6	16
Bicycle	5	6
<i>School Bus</i>	4	2
Other	<1	<1

## ASD Bus Operations



MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT  
PUPIL TRANSPORTATION DEPARTMENT

3901 E. Bogard Rd.  
PO Box 873088  
Wasilla, AK 99687



MAR 11 2003

Phone: (907) 373-2287  
Fax: (907) 376-2408

March 5, 2003

Dear Representative Gatto:

In the current times of budget shortfalls and reduced funding requires all of us to search long and hard for means to become more efficient in the way we conduct business. We have given thought to how we in the pupil transportation department can improve how we do business. I would like to pass to you some of the ideas that have come to light that could be adopted on a state-wide basis that could reduce the cost of pupil transportation for the entire state.

Thank you for your support and hard work and I look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink, appearing to be 'Scott Schwald'. The signature is fluid and cursive, written over a horizontal line.

Scott Schwald  
Transportation Supervisor

cc: Joe Precourt, Administrator, Pupil Transportation Program

**Methods to Increase Efficiency  
In  
Pupil Transportation**

- Wherever possible combine middle school and high school students on the same buses.
- School bus routing can be made more efficient by spacing stops no closer than 2400 feet and by not sending buses into areas that have less than 8 students over a mile from the current route or areas less than a mile with less than 20 students. This will reduce time and mileage resulting in lower contract costs.
- Standardize RFP statewide for Pupil Transportation. This will reduce the time for each district writing a complete RFP. It will also reduce the cost for contractors by having one standard for the entire state.
- Establish a formula for gas/diesel fuel costs in the RFP so the contractors do not have to estimate what the price of fuel will be over the life of the contract.
- Establish a formula in the RFP for variations in insurance costs. This would help a great deal with the small contractors that are not self-insured.
- State, Borough or School district own the property and terminal where all buses are operated. The contractor can then lease the property and terminal for a nominal fee.
- All school districts do all routing internal to the school district and not allow contractors to route buses.
- Establish a consulting team from the larger school districts that can be used to assist small districts with operations and administration of the transportation department.
- Increase the size of equipment required in the RFP to at least 84 passenger buses.

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 259  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Education & Early Development  
 Title \*An Act relating to public school transportation BRU Pupil Transportation  
 Component Pupil Transportation  
 Sponsor Representative Gallo  
 Requestor House Special Committee on Education Component No. 144

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	10,745.6					
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>10,745.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	10,745.6					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>10,745.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Governor's FY04 budget request for pupil transportation is \$43,188,200  
 HB 259 cost \$53,933,800  
 Fiscal Note \$10,745,600

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Prepared by: Eddy Jeans, School Finance Manager Phone 465-8679  
 Division Education Support Services Date/Time 4/15/03 5:03 PM  
 Approved by: \_\_\_\_\_ Date 4/15/2003  
 Agency Education and Early Development

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT  
 REIMBURSABLE TRANSPORTATION COSTS PER STUDENT  
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COPPER RIVER	702,500	540.22	1,200	535.25	842,300
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DILLINGHAM	420,079	520.66	807	525.06	423,723
FAIRBANKS	8,988,949	14,874.93	604	14,841.00	8,963,964
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LOWER YUKON	3,500	2,053.15	2	2,073.25	4,147
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NOME	270,093	736.15	367	764.00	280,388
NORTH SLOPE	762,187	1,970.25	387	1,934.00	748,458
NORTHWEST ARCTIC	50,784	2,141.90	24	2,163.00	51,912
PELICAN	1,440	18.00	80	18.00	1,440
PETERSBURG	143,503	625.85	229	601.00	137,629
PRIBILOF	0	135.50	0	136.00	0
SITKA	605,800	1,508.80	402	1,475.00	592,950
SKAGWAY	3,800	109.67	35	104.00	3,640
SOUTHEAST ISLAND	251,140	203.50	1,200	207.00	248,400
SOUTHWEST REGION	245,103	721.25	340	723.35	245,939
ST. MARY'S	650	167.16	5	185.00	925
TANANA	44,685	61.80	723	60.00	43,380
UNALASKA	208,721	392.95	531	415.52	220,641
VALDEZ	413,613	866.70	477	888.00	423,576
WRANGELL	195,606	435.45	449	415.00	186,335
YAKUTAT	66,661	144.25	462	122.00	56,364
YUKON FLATS	62,098	301.25	206	286.00	58,916
YUKON/KOYUKUK	120,000	444.85	270	450.00	121,500
YUPIIT	3,000	424.00	7	418.00	2,912
CONTRACTS--Approved	206,000				206,000
**See Notes Below	480,088				565,000
<b>TOTALS:</b>	<b>\$53,933,800</b>	<b>122,826.42</b>		<b>123,130.43</b>	<b>\$53,933,794</b>

caps per student amount at \$1,200

Minimum per student amount is \$20

\*\*For unanticipated cost increases, e.g., added rates, contract negotiations, etc.

DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT  
 FY04 Projections -- Pupil Transportation Program  
 Prepared 4/15/2003

Actual proration is 73.93%  
 of projected entitlement

DISTRICT	Reimbursement Program		FY04 Transportation Grant Proposal
	FY04 PROJECTION	FY04 Prorated Gov.s Budget	
ALASKA GATEWAY	642,534	474,997	534,000
ALEUTIANS EAST	57,000	42,138	0
ALEUTIANS REGION	0	0	60,928
ANCHORAGE	18,793,314	13,893,070	16,703,886
ANNETTE ISLAND	23,000	17,003	22,671
BERING STRAIT	78,795	58,250	79,816
BRISTOL BAY	321,021	237,317	283,200
* CHATHAM	17,001	12,568	15,456
CHUGACH	0	0	0
COPPER RIVER	720,000	532,264	642,300
CORDOVA	76,286	56,395	75,670
CRAIG	96,700	71,486	96,844
DELTA/GREELY	882,572	652,447	1,014,000
DENALI	360,186	266,270	366,669
DILLINGHAM	438,958	324,502	423,723
FAIRBANKS	9,406,638	6,953,914	8,963,964
GALENA	52,650	38,922	53,217
HAINES	172,000	127,152	160,892
HOONAH	29,235	21,612	36,259
HYDABURG	0	0	0
IDITAROD	53,488	39,541	54,841
JUNEAU	2,121,821	1,568,569	1,968,317
KAKE	36,700	27,131	31,400
* KASHUNAMIUT	4,800	3,548	5,040
KENAI PENINSULA	5,018,523	3,709,974	4,595,448
KETCHIKAN	1,339,886	990,519	1,276,560
KLAWOCK	26,924	19,904	25,280
KODIAK	1,238,570	915,620	1,199,588
KUSPUK	248,669	183,830	255,136
LAKE & PENINSULA	104,917	77,561	100,902
LOWER KUSKOKWIM	642,000	474,602	550,128
* LOWER YUKON	3,500	2,587	4,147
MAT-SU	10,663,664	7,883,177	10,020,855
NENANA	119,626	88,434	116,352
NOME	298,196	220,443	280,388
NORTH SLOPE	737,611	545,283	748,458
NORTHWEST ARCTIC	51,340	37,953	51,912
* PELICAN	1,440	1,065	1,440
PETERSBURG	163,000	120,499	137,629
PRIBILOF	0	0	0
SITKA	616,500	455,751	592,950
* SKAGWAY	3,800	2,809	3,640
SOUTHEAST ISLAND	269,700	199,377	248,400
SOUTHWEST REGION	248,983	184,062	245,939
* ST. MARY'S	850	628	925
TANANA	30,250	22,362	43,380
UNALASKA	214,983	158,927	220,641
VALDEZ	425,195	314,328	423,576
WRANGELL	234,727	173,523	186,335
YAKUTAT	79,993	59,135	56,364
YUKON FLATS	67,098	49,603	58,916
YUKON/KOYUKUK	126,000	93,146	121,500
* YUPIIT	3,000	2,218	2,912
ACS	0	0	0
MT. EDGE CUMBE	0	0	0
CONTRACTS--Approx	206,000	206,000	206,000
**See Notes Below	575,757	575,784	565,000
<b>TOTALS</b>	<b>58,145,400</b>	<b>43,188,200</b>	<b>53,933,794</b>

Projections based on information provided by districts

\* No bussing--Districts' only reimbursable costs are for payments to parents in lieu of bus transportation

\*\*For unanticipated cost increases, e.g., added res, contract negotiations.

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## OPINIONS

### COMPASS: Points of view from the community

#### A new option for pupil transportation

By JIM CLARK

(Published: April 20, 2003)

For many years, the state of Alaska fully funded pupil transportation costs by reimbursing school districts for 100 percent of the costs. But the reimbursement program has many flaws. The program lacks incentives for local school officials to keep costs to a minimum because, under its current structure, the state reimburses all transportation costs. It is a "cost-plus" program.

Pupil transportation costs have skyrocketed from \$25 million to \$58 million, a total increase of 136 percent from 1990 to 2004. This growth far exceeds the combination of increased enrollment and inflation. Under the current program, school districts typically solicit five-year contracts with automatic annual inflation adjustments. The costs associated with the contract and future inflation costs are passed on to the state.

Further, the program authorizes funding of additional bus routes or emergency bus routes for students who live one-and-a-half miles from school. Emergency routes take into consideration traffic patterns, harsh weather and winter darkness. These conditions vary widely around the state and each carries a different price tag.

Two other examples of uncontrollable costs are dual systems in which the school district operates its own buses and contracts for others, and the practice of transferring nonreimbursable costs to the reimbursable side of the ledger.



Jim Clark (Photo by Marc Lester / Anchorage Daily News)

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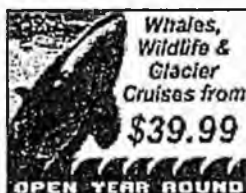
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Find your child's classroom in SchoolNews. Also, learn about Newspapers in Education.

### Community News

Check our free Web sites for non-profit groups.



HB 259 offers a more responsible alternative to the current system. This legislation will realign the current structure and control the operating costs of busing students. The proposed structure will provide funding for each district at a flat rate and empower the district to make a policy call at the local level by tying the dollars directly to the decisions made by the local school board. Finally, HB 259 serves as the catalyst for maximizing efficiencies for local school bus programs and to provide parents with measures by which local school officials can be held accountable.

The proposed changes under HB 259 repeal the reimbursement program and create a new grant program. Each district receives funding run through a formula based upon the total enrollment of each school district. The pupil transportation allocation of each district is determined by dividing the total cost of state-provided school transportation during the 2002-2003 school year, by the district's total student enrollment. For example, the state will reimburse Juneau about \$2 million for transportation costs incurred in FY2003. Currently, 5,463 students are enrolled in Juneau schools. Therefore, \$2 million would be divided by 5,463 students. This equals \$366 per student as the district's pupil transportation allocation.

HB 259 offers a school district potentially more funding for pupil transportation. As the total student population increases, the district's allocation increases. The new formula even accounts for students who do not utilize the bus service, which would offset inflation.

The proposed system enables each district to redirect the savings gained by achieving efficiencies in its school transportation service to classroom instruction.

HB 259 removes the state's power to mandate rules and regulations with which districts must comply to qualify for reimbursement. School district officials working cooperatively with their school boards and community members are in a better position to make decisions on how best to serve the transportation needs of the district.

The structure proposed by HB 259 will reduce government involvement, shift the authority from the state to local districts, provide a system of accountability for parents, maximize efficiencies in transportation services and foster a cooperative community relationship, while in the end attaining the most important goal -- transporting students to the classroom. I look forward to the debate in the Legislature.

---

Jim Clark is chief of staff for Gov. Frank Murkowski.

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**HB**

**260**



**Amendment Number 3 (Conceptual) to HB 260**

Offered in the House by Representative Lynn

Nothing in this bill shall remove civil liability from any health care provider that performs or participates in the performance of an elective abortion.

### Justification for amendment to HB 260

The reason for adding Dental Hygienists to those covered by the protection offered in this legislation is the following:

- Dental Hygienists are also health care providers by the insurance definition
- While they are covered by the dentists malpractice insurance if they are practicing under his license, there are instances where they would be required to carry their own malpractice insurance, and are also eligible to carry their own malpractice insurance above what is covered by the supervising dentist.
- Instances this would apply to an RDH:
  - A nursing home setting
  - Administering fluoride
  - Placing sealants
  - Conducting oral health screenings
  - Providing cleanings or periodontal therapy

Remote areas are currently the most underserved with regards to dental health care. Dental Hygienists provide a number of preventive and therapeutic services different than restorative dentistry. I believe the addition of this profession to the list of those covered will encourage their charitable participation.



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Anchorage, AK 99507-1069  
www.aknurse.org  
aknurse@aknurse.org

Honorable Tom Anderson  
Chair of House Labor and Commerce Committee  
Alaska State Legislator  
State Capitol (MS 3100)  
Juneau, AK 99801-1182

RE: HB 260 – Liability waiver for Volunteer Health Care Providers

Dear Representative Anderson;

The Alaska Nurses Association supports the passage of House Bill 260, a waiver of liability for health care providers who are volunteering their services. This bill is very important to the continued participation of nurses as volunteers, especially in connection with disaster preparedness and response.

Our one concern about this bill is that the current language appears to limit the coverage to traditional settings of healthcare delivery and does not appear to cover non-traditional situations that are possible during a disaster response. We would like the bill to clarify that it also covers a health care provider who volunteers services at such sites as a Red Cross Shelter or a temporary trauma unit (for example if a hospital was incapacitated and a temporary trauma unit was providing services.)

Thank you for your work on this critical matter. We hope for, and will support, speedy passage of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Camille Soleil".

Camille Soleil  
Executive Director

cc: House Labor and Commerce Committee Members



Honorable Tom Anderson, Chair  
House Labor and Commerce Committee  
Alaska Capital, Room 432  
Juneau, AK 99801-1182

April 28, 2003

RE: HB 260 (Seaton)—Support

Dear Chair Anderson:

On behalf of the AARP members in Alaska, we encourage you and your colleagues on the House Labor and Commerce Committee to support HB 260, authored by Representative Paul Seaton, and co-sponsored by Representatives Peggy Wilson, Les Gara, and you.

As you know, several states have programs that provide immunity to health care professionals who volunteer their services to help citizens in need. As Alaska attempts to provide care for the 20% of us who have no health insurance, volunteerism among health care workers is one option that is being explored to help fill the gap.

We believe HB 260 will help encourage volunteerism while still maintaining consumer access to damages if there was a case of gross negligence or reckless intentional conduct. AARP believes this is a "win-win" bill for citizens who need access to health care as well as the health professionals who are willing to volunteer their services in the highest tradition of their professions.

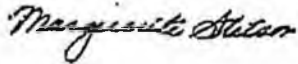
We look forward to your support of this bill in the House Labor and Commerce Committee and we sincerely thank you in anticipation of that support. AARP recommends an "AYE" vote on HB 260.

Should you have any questions about our position, please feel free to contact Marie Darlin (907.586.3637), Coordinator of the AARP Capital City Task Force; Patrick Luby (907.762.3314), AARP Legislative Representative; or me (907.245.5259).

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Thank you for your consideration.

Sincerely,



Marguerite Stetson  
AARP Alaska  
Executive Council Member for Advocacy  
3009 Northwood Street  
Anchorage, AK 99517-1871  
907.245.5259 voice  
907.245.5279 fax  
[ffmas@aurora.uaf.edu](mailto:ffmas@aurora.uaf.edu)

cc: Vice-Chair Bob Lynn  
Representative Nancy Dahlstrom  
Representative Carl Gatto  
Representative Norman Rokeberg  
Representative Harry Crawford  
Representative David Guttenberg  
Representative Paul Seaton  
Representative Peggy Wilson  
Representative Les Gara  
Marie Darlin  
Patrick Luby

# ***Alaska State Hospital & Nursing Home Association***

*We're helping people care for people!*

April 28, 2003

Representative Tom Anderson  
Capitol Building, Room 432  
Juneau AK 99801-1182

Dear Representative Anderson:

I am writing in support of HB 260 relating to immunity for free health care services provided by certain health care providers.

ASHNHA wholeheartedly supports this legislation. Any efforts to increase the limited medical resources available in Alaska are a positive for the health care community and Alaskans.

The Alaska State Hospital and Nursing Home Association (ASHNHA) is an organization of all but one of the hospitals and nursing homes in Alaska. As such we represent the views of those medical facilities. They are solidly in favor of this legislation.

If you have questions, please contact me.

Sincerely yours,



Laraine L. Derr, President/CEO

426 Main Street, Juneau, Alaska 99801

Phone: 907-586-1790 • Fax: 907-463-3573 • Web: ashnha.com

Public Law 105-19  
105th Congress

An Act

June 18, 1997  
[S. 543]

To provide certain protections to volunteers, nonprofit organizations, and governmental entities in lawsuits based on the activities of volunteers.

Volunteer  
Protection Act of  
1997.  
42 USC 14501  
note.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the "Volunteer Protection Act of 1997".

42 USC 14501.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds and declares that—

(1) the willingness of volunteers to offer their services is deterred by the potential for liability actions against them;

(2) as a result, many nonprofit public and private organizations and governmental entities, including voluntary associations, social service agencies, educational institutions, and other civic programs, have been adversely affected by the withdrawal of volunteers from boards of directors and service in other capacities;

(3) the contribution of these programs to their communities is thereby diminished, resulting in fewer and higher cost programs than would be obtainable if volunteers were participating;

(4) because Federal funds are expended on useful and cost-effective social service programs, many of which are national in scope, depend heavily on volunteer participation, and represent some of the most successful public-private partnerships, protection of volunteerism through clarification and limitation of the personal liability risks assumed by the volunteer in connection with such participation is an appropriate subject for Federal legislation;

(5) services and goods provided by volunteers and nonprofit organizations would often otherwise be provided by private entities that operate in interstate commerce;

(6) due to high liability costs and unwarranted litigation costs, volunteers and nonprofit organizations face higher costs in purchasing insurance, through interstate insurance markets, to cover their activities; and

(7) clarifying and limiting the liability risk assumed by volunteers is an appropriate subject for Federal legislation because—

(A) of the national scope of the problems created by the legitimate fears of volunteers about frivolous, arbitrary, or capricious lawsuits;

within the scope of the volunteer's responsibilities in the nonprofit organization or governmental entity;

(3) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer; and

(4) the harm was not caused by the volunteer operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to—

(A) possess an operator's license; or

(B) maintain insurance.

(b) **CONCERNING RESPONSIBILITY OF VOLUNTEERS TO ORGANIZATIONS AND ENTITIES.**—Nothing in this section shall be construed to affect any civil action brought by any nonprofit organization or any governmental entity against any volunteer of such organization or entity.

(c) **NO EFFECT ON LIABILITY OF ORGANIZATION OR ENTITY.**—Nothing in this section shall be construed to affect the liability of any nonprofit organization or governmental entity with respect to harm caused to any person.

(d) **EXCEPTIONS TO VOLUNTEER LIABILITY PROTECTION.**—If the laws of a State limit volunteer liability subject to one or more of the following conditions, such conditions shall not be construed as inconsistent with this section:

(1) A State law that requires a nonprofit organization or governmental entity to adhere to risk management procedures, including mandatory training of volunteers.

(2) A State law that makes the organization or entity liable for the acts or omissions of its volunteers to the same extent as an employer is liable for the acts or omissions of its employees.

(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

(4) A State law that makes a limitation of liability applicable only if the nonprofit organization or governmental entity provides a financially secure source of recovery for individuals who suffer harm as a result of actions taken by a volunteer on behalf of the organization or entity. A financially secure source of recovery may be an insurance policy within specified limits, comparable coverage from a risk pooling mechanism, equivalent assets, or alternative arrangements that satisfy the State that the organization or entity will be able to pay for losses up to a specified amount. Separate standards for different types of liability exposure may be specified.

(e) **LIMITATION ON PUNITIVE DAMAGES BASED ON THE ACTIONS OF VOLUNTEERS.**—

(1) **GENERAL RULE.**—Punitive damages may not be awarded against a volunteer in an action brought for harm based on the action of a volunteer acting within the scope of the volunteer's responsibilities to a nonprofit organization or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action of such volunteer which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

(3) **NONECONOMIC LOSSES.**—The term “noneconomic losses” means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other nonpecuniary losses of any kind or nature.

(4) **NONPROFIT ORGANIZATION.**—The term “nonprofit organization” means—

(A) any organization which is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code and which does not practice any action which constitutes a hate crime referred to in subsection (b)(1) of the first section of the Hate Crime Statistics Act (28 U.S.C. 534 note); or

(B) any not-for-profit organization which is organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes and which does not practice any action which constitutes a hate crime referred to in subsection (b)(1) of the first section of the Hate Crime Statistics Act (28 U.S.C. 534 note).

(5) **STATE.**—The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(6) **VOLUNTEER.**—The term “volunteer” means an individual performing services for a nonprofit organization or a governmental entity who does not receive—

(A) compensation (other than reasonable reimbursement or allowance for expenses actually incurred); or

(B) any other thing of value in lieu of compensation, in excess of \$500 per year, and such term includes a volunteer serving as a director, officer, trustee, or direct service volunteer.

# FISCAL NOTE

**STATE OF ALASKA**  
**2003 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB 260  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_  
 Title Immunity for Providing Free Health Care  
 Sponsor Representative Seaton  
 Requester Labor and Commerce

Dept. Affected: DCED  
 BRU Occupational Licensing (117)  
 Component Occupational Licensing  
 Component No. 2360

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156 - Receipt Supported Services						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

HB 260 provides immunity for free health care services by certain health care providers. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Administrative Manager  
 Division: Occupational Licensing  
 Approved by: Edgar Blatchford, Commissioner  
 Agency: Department of Community & Economic Development

Phone (907) 465-2144  
 Date/Time 4/28/03 1:32 PM  
 Date 4/28/2003

# ALASKA STATE LEGISLATURE

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FISHERIES

*Vice-Chair*  
EDUCATION

*Member*  
HEALTH, EDUCATION AND SOCIAL SERVICES

*Member*  
STATE AFFAIRS



**REPRESENTATIVE PAUL SEATON**  
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## SPONSOR STATEMENT

HB 260

### "Volunteer Health Care Provider Immunity Act"

Alaska is currently experiencing a shortage of physicians and many of the physicians that do work in the state will be retiring soon. This lack of physicians may decrease future medical care available to Alaskans. HB 260 addresses this problem by extending the ability of licensed physicians and other health care providers to administer health care services free of charge. By exempting such services from malpractice liability, HB 260 would allow health care providers to donate their professional services at a lower personal cost. HB 260 will be especially helpful to retiring health professionals that wish to donate their services but do not still carry medical malpractice insurance. 43 other states have enacted similar legislation.

Historically, Alaska has had a hard time recruiting and keeping adequate numbers of physicians and other health care providers. Currently, with 186 physicians per 100,000 residents, Alaska ranks 49<sup>th</sup> in the country in per capita physicians. The average age of Alaska's physicians is over 51 years old. Many of Alaska's most senior and experienced physicians will be retiring in the next 5 to 10 years.

As licensed physicians in Alaska retire, many of them would like to provide free services within their communities. Unfortunately, paying for extremely expensive medical malpractice insurance while providing free services is costly and prohibitive. HB 260 would allow health care providers to give free services without this cost and thus would greatly increase the volunteer activity among the state's aging health care providers.



HB 260 would exempt from malpractice liability only those health care services that are provided for free to individuals that are willing to receive such services. HB 260 does not in any other way alter medical malpractice laws or liability. Health care providers would still be liable for actions resulting from gross negligence, reckless behavior, or intentional misconduct.

# ALASKA STATE LEGISLATURE

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*Member*  
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*Member*  
STATE AFFAIRS



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House District 35

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## SECTIONAL ANALYSIS

HB 260

### “Volunteer Health Care Provider Immunity Act”

**Section 1:** Titles HB 260 as the Volunteer Health Care Provider Immunity Act of 2003.


**Section 2:** Lays out the findings of the legislature in drafting HB 260.

**Section 3:** Amends AS 09.65 by adding a new section that gives health care providers immunity from civil damages resulting from medical malpractice, but only if the services are provided without charge (09.65.290). This section also lays out the provisions under which this immunity will apply and defines “health care provider” and “health care services.”

**Section 4:** States that this act applies only to actions occurring after the effective date of this act.

**Section 5:** Sets the effective date of this act at July 1, 2003.



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## Primary Health Care

### Access to Health Care: Volunteer Health Care Providers and Civil Immunity Laws

Updated March 2000

Laws establishing immunity from civil liability for health care providers delivering uncompensated care to indigent populations have been enacted in a majority of the states in the last decade. Viewed as a way to encourage health care providers to provider free care to underserved populations, states have removed the threat of civil suits against providers who are acting in good faith.

Laws providing immunity only for services rendered in an accident or emergency situation are not included.

First Letter of State A C D F G H I K L M N O P R S T U V W

State	Description
Alabama	Ala. Code § 6-5-339 provides immunity from civil immunity to medical professionals who volunteer their services at free medical clinics without compensation, and provides that an act or omission of a volunteer medical professional shall be the responsibility of the free medical clinic.
Alaska	-
American Samoa	-
Arizona	Ariz. Rev. Stat. Ann. § 12-571 states that a health professional who provides medical or dental treatment within the scope of their certificate or license at a nonprofit clinic where neither the professional or the clinic receives compensation is not liable in a medical malpractice action unless the health professional was grossly negligent.
Arkansas	Ark. Stat. Ann. § 16-6-105 states that physicians and health care professionals who are licensed under the laws of the state, and who render medical services voluntarily and without compensation to any person at a any free or low-cost medical clinic shall not be liable

for any civil damages for any act or omission resulting from the medical services unless the act or omission was a result of gross negligence or willful misconduct.

Ark. Stat. Ann. § 17-95-108 expands upon the previous law to state that the immunity applies when the patient acknowledges in writing that the physician is immune from civil liability.

California	Cal. Business and Professions Code § 2395.5 states that a physician who serves on an on-call basis to a hospital emergency room and in good faith renders emergency obstetrical services to any person while on-call shall not be liable for any civil damages except in cases of gross negligence, recklessness, or willful misconduct.
Colorado	Colo. Rev. Stat. § 24-10-103 (4) extends governmental immunity from civil damages to any health care practitioner employed by a public entity and to any health care practitioner who volunteers his services at or on behalf of a public entity or as a participant in the community maternity services program.
Connecticut	-
Delaware	Del. Code Ann. Tit. 10 § 8135 grants immunity from civil suits resulting from any negligent act or omission performed during or in connection with an activity of the volunteer while serving the medical clinic to any licensed physician or nurse engaged in an activity for a medical clinic without compensation.
District of Columbia	D. C. Code Ann. § 2-1344 extends limited immunity to health care professionals including physicians, nurses or nurse midwives who in good faith provide health care or treatment at a free health clinic without the expectation of receiving or intending to receive compensation unless the act or omission is an intentional wrong or constitutes a willful or wanton disregard for the health and safety of others.
Florida	Fla. Stat. § 768.13(4) states that any person who is licensed to practice medicine, while acting as a staff member or with professional clinical privileges at a nonprofit medical facility shall not be held liable for any civil damages for any care provided gratuitously.
Georgia	Ga. Code. § 51-1-29 states that no health care provider licensed under Chaps. 11, 26, 30, or 34 who voluntarily and without expectation or receipt of compensation provides professional service, within the scope of their license, for a hospital, public school, nonprofit organization or an agency of the state shall be liable for damages or injuries alleged to have occurred in the rendering of these services.
Guam	-
Hawaii	-
Idaho	Idaho Code § 6-1605 provides immunity for civil liability for nonprofit organization officers, directors, and volunteers who serve

- the nonprofit without compensation with the exception of willful, wanton misconduct.
- Illinois** Ill. Rev. Stat. ch. 111§ 4400-30 provides immunity from civil damages for physicians who provide medical treatment in good faith at a free medical clinic to medically indigent patients if he or she receives no compensation, excludes willful or wanton misconduct.
- Indiana** Ind. Code § 34-412.1-2, 34-4-12-1.5 provides that a health care provider, including a retired physician, who voluntarily provides health care at a medical clinic or health care facility is immune from civil liability arising from the care provided unless the acts constitute a criminal act, gross negligence or willful, wanton misconduct.
- Iowa** Iowa Code § 65-135.24 establishes a volunteer physician program and states that physicians providing care under this program will be considered employees of the state and shall be afforded the protection from civil immunity for their services.
- Kansas** Kan. Stat. Ann. § 75-6102 provides indemnity to charitable health care providers who have entered into an agreement with the secretary of health and environment and who provides free professional services to medically indigent patients by considering the provider a state employee.
- Kentucky** Ky. Rev. Stat. § 304.40-075 states that the Department of Insurance will provide medical malpractice insurance to a charitable health care provider who has registered with the Cabinet for Human Resources. A charitable health care provider is defined as any person, agency, clinic or facility engaged in providing medical care without compensation. This law also applies to health care providers who are not licensed in the state of Kentucky as long as they meet the definition of charitable health care provider.
- Louisiana** La. Rev. Stat. Ann. § 40:1299.152 provides state indemnification of health care providers who provide charity care in at least 10% of the provider's patient encounters. Charity care is limited to defined State programs or care provided at federally funded nonprofit clinics. Health care providers can be a person, partnership or corporation. The providers must maintain liability insurance, the law excludes protection for gross negligence or intentional misconduct.
- La. Rev. Stat. Ann. § 40:1299.161 provides a state mandated premium discount for health care providers who provide at least 10% or more charity care in their practices.
- Maine** Me. Rev. Stat. Ann. Tit. 24, § 2904 states that a licensed physician who voluntarily, and without compensation, provides professional services within the scope of his practice to a nonprofit organization or to an agency of the state shall not be liable for damages or injuries related to those services. The state will be liable unless the damages were caused willfully, wantonly or by gross negligence.
- Me. Rev. Stat. Ann. Tit. 14, §315 states that the Board of Medicine

shall issue a license free of charge to any physician who provides medical services to patients with no compensation and is not engaged in the private practice of medicine.

**Maryland**

**Md. Courts & Judicial Proceedings Code Ann. Sec. 5-616** repealed a requirement compelling volunteer health care providers and physicians delivering care at charitable organization to carry a specified amount of insurance to qualify for immunity from specified types of civil liability.

**Massachusetts**

**Mass. Gen. Laws Ann. Ch. 112, § 12C** states that no physician rendering immunizations or other protective programs under public programs shall be liable for civil damages.

**Michigan**

-

**Minnesota**

-

**Mississippi**

**Miss. Code Ann. § 11-46-1** indemnifies physicians who provide care under an agreement with State government. The physician is considered a State employee.

**Miss. Code Ann. § 73-25-18** establishes a special volunteer medical license for physicians who are retired from active practice and with to donate their expertise for the medical care and treatment of indigent and needy people or people in medically underserved areas. The laws provides that the license be issued without charge and that the license shall limit the practice of the physician to a specific location.

**Missouri**

**Mo. Rev. Stat. § 105.711** provides that the state legal defense fund covers payment of claims against physicians, dentists, dental hygienists, nurses and physician assistants who provide primary or preventive care for free at a city or country health department or a tax-exempt nonprofit community health center or who provide such care to students of public, private or parochial elementary or secondary schools, pursuant to a contract with a local health department.

**Montana**

-

**Nebraska**

-

**Nevada**

**Nev. Rev. Stat. Ann. § 41.505** provides civil immunity for physicians, including retired physicians, who offer free care and, or provide emergency obstetrical services.

**Nev. Rev. Stat. Ann. § 41.485** states that a volunteer of a charitable organization is immune from liability for civil damages as a result of an act or omission. Volunteer includes any person who performs services without compensation.

**New Hampshire**

**N.H. Rev. Stat. Ann. § 329:25-a** grants certain retired physicians immunity from civil liability for health education services.

**N.H. Rev. Stat. Ann. § 508:17** provides immunity from civil damages for volunteers of a nonprofit organization or government

<b>Texas</b>	<b>Texas Civil Practice and Remedies Code Ann. § 119.001</b> indemnifies physicians for defined "charity care" if the physician renders the care in at least 10% of his patient encounters during the year a claim is made.  <b>Texas Insurance Code Ann. § 5.15-4</b> states that a physician is entitled to a premium discount for medical professional liability insurance for providing services for selected charity care programs.
<b>U.S. Virgin Islands</b>	-
<b>Utah</b>	<b>Utah Code Ann. § 58-12-23.5</b> provides qualified immunity for health care providers who render charity care without compensation in a qualified location, excludes gross negligence and willful misconduct.
<b>Vermont</b>	-
<b>Virginia</b>	<b>Va. Stat. Ann. Tit. § 54-1.2:2</b> states that health care professionals rendering services free of charge at free clinics are exempt from civil liability, excludes acts of gross negligence and willful misconduct.
<b>Washington</b>	-
<b>West Virginia</b>	<b>W. Va. Code § 30-3-10a</b> establishes special volunteer medical licenses for physician wishing to donate their expertise for the medical care and treatment of indigent and needy patients of clinics organized in whole or in part for the delivery of health care services without charge and provides immunity from civil actions for physicians rendering such care.
<b>Wisconsin</b>	<b>Wis. Stat. § 146.89</b> provides indemnification for volunteer health care providers who submit an application associating them with a nonprofit agency to the state.
<b>Wyoming</b>	-

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r. Kelth Brownsberger, 69, begins an annual physical with longtime patient Lois Klehl. Brownsberger met Klehl more than 30 years ago when they both worked in Sitka. Brownsberger is one of many older doctors in Alaska. Experts are concerned the state will face a doctor shortage in the near future.

# Shingle Shortage?

*State statistics point to a coming medical crunch as aging doctors retire*

By ANN POTEPA  
Anchorage Daily News

One of the youngest states in the nation has an aging problem: Its doctors are growing older. Jim Jordan, executive director of the Alaska State Medical Association, wanted to know just how old Alaska's doctors had become. His staff studied a list of physicians and guessed their ages from the dates they graduated from medical school. Based on his study, about half are older than 50.

His guess was right. Leslie Gallant, executive administrator of the state medical board, verified Jordan's research with her own database, complete with ages. Today, 48 percent of Alaska's licensed doctors have passed the half-century mark.

Gallant's data shows a sharp drop-off in practicing physicians as the decades mount up: Almost 650 retain their licenses in their 50s, but less than half that many remain licensed into their 60s. Slightly more than 100 of the state's 2,170 doctors are 70 or older.

That statistic foreshadows a pending crisis.

"Within the next 10 years, we could lose as many as half of Alaska's doctors," said Dr. Harold Johnston, a family practice physician who's older than 50.

When these doctors retire or cut back their practices, more doctors will have to move here and fill in. But that's not happening.

"They're not coming to Alaska," Johnston said.

At least not with the frequency they did in the past.

"There's going to be a problem, and we see it coming," said Dr. Tom Nighswander, who turns 60 this year. "And the time to be working on it is now."

Doctors used to come to Alaska for many reasons. Physicians came here to flee states that had health

“  
*There's going to be a problem, and  
we see it coming. And the time to be  
working on it is now.*

”  
— Dr. Tom Nighswander

maintenance organizations.

"They were what I termed to be 'managed care refugees,'" Jordan said.

But Johnston said managed care is changing, and fewer doctors are moving here for that reason now.

Decades ago, the government signed up doctors to come north and work with the military and the U.S. Public Health Service. In the early 1970s, Nighswander came to Alaska to fulfill a two-year contract with the U.S. Public Health Service.

"That is where the Indian Health Service got all their manpower," he said.

Thirty years later, he's still here. Other physicians who came to Alaska through the health service finished their contracts and elected to stay, too.

Nighswander said the public health service's role in Alaska has changed since those days. It no longer brings doctors to Alaska to serve the Native population. Instead, the tribes have taken over and directly recruit their own physicians to care for Alaska

## ALASKA'S AGING PHYSICIANS

State officials are concerned about Alaska's ability to serve the medical needs of residents as the state's physicians get older. Records show a sharp drop in the state's number of physicians who continue to practice beyond the age of 60. Almost half the state's licensed physicians are more than 50 years old.

Age group	Number of licensed physicians
<30	9
30-40	411
40-50	698
50-60	649
60-70	297
70-80	98
80+	7

Source: Alaska State Medical Board 2002

See Page E-2, DOCTORS



Rank	State	#
	United States	285
1	District of Columbia	811
2	Massachusetts	454
3	New York	423
4	Maryland	413
5	Connecticut	397
6	Rhode Island	372
7	Vermont	362
8	New Jersey	327
9	Pennsylvania	321
10	Hawaii	306
11	Florida	290
12	Illinois	287
13	Minnesota	282
14	California	280
15	Colorado	274
16	New Hampshire	273
17	Washington	272
18	Louisiana	270
19	Tennessee	269
19	Virginia	269
21	Maine	268
22	Oregon	266
23	Delaware	264
24	North Carolina	262
25	Ohio	261
26	Wisconsin	256
27	Missouri	250
28	Michigan	249
29	Nebraska	247
30	North Dakota	246
31	New Mexico	243
32	Arizona	240
33	West Virginia	239
34	South Carolina	234
35	Kansas	232
35	Kentucky	232
37	Georgia	230
38	Montana	228
39	Utah	225

40	Texas	222
41	Indiana	219
42	Alabama	217
43	Arkansas	214
44	South Dakota	211
45	Iowa	200
46	Nevada	199
47	Wyoming	198
48	Oklahoma	187
49	Alaska	186
50	Mississippi	180
51	Idaho	179
NR	Guam	NA
NR	Puerto Rico	NA
NR	Virgin Islands	NA
NR	Residence Unknown	NA

**Notes:** Nonfederal physicians are employed in the private sector of the US physician population. They represent 98% of total physicians.  
The US total excludes physicians and population in the possessions.

**Sources:** Physician Characteristics and Distribution in the US, 2001-2002 Edition, American Medical Association, copyright 2001, Table 5.20, p. 348.



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# Alaska State Medical Association

4107 Laurel Street • Anchorage, Alaska 99508 • (907) 562-0304 • (907) 561-2063 (fax)

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04/24/2003

Honorable Paul Seaton  
State of Alaska  
House  
State Capitol, Room 428  
Juneau, AK 99801 - 1182

Transmitted by Fax:  
907-465-3472

Re: HB 260 - Volunteer Health Care Provider Immunity Act of 2003

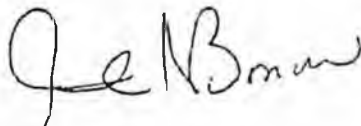
Dear Representative Seaton:

The Alaska State Medical Association (ASMA) represents Alaska's patients and the physicians who care for them.

ASMA supports the Volunteer Health Care Provider Immunity Act of 2003 (HB 260). HB 260 provides the vehicle for tapping into this experienced physician resource to provide free care.

Physicians provide significant amounts of free care during their active careers. The Volunteer Health Care Provider Immunity Act will allow that practice to be carried into the retirement years.

Sincerely,



By: Jeanne Bonar, MD  
President

For: Alaska State Medical Association



Lung & Sleep Clinic  
of Alaska, Inc.  
**William Lucht MD, FCCP.**

April 17, 2003

Honorable Tom Anderson  
House of Representatives  
Chairman Labor and Commerce  
State Capitol, Room 432  
Juneau, AK 99801-1182

Re: HB260 – The Retired Physicians Immunity Bill

Dear Representative Anderson:

I am an Anchorage based physician specializing in Pulmonary, Critical Care Medicine, and Sleep Medicine.

Like many of my colleagues, I have plans to eventually retire in Alaska, and would like to continue to benefit the community by providing occasional free healthcare services to the elderly and indigent. HB260 will alleviate one of my major concerns about providing this free healthcare.


Currently, it is not realistic for retired physicians to pay large medical malpractice insurance premiums to provide free services. HB260 would provide some needed civil liability protection.

Please note that the bill will also encourage many other types of healthcare providers to offer their services free of charge to many of the most needy in Alaska.

Alaska has always had trouble attracting and maintaining adequate numbers of physicians to care for it's geographically dispersed population. HB260 would to some extent help alleviate this problem.

I urge you to support the bill. HB260 will encourage Alaska's healthcare providers to care for those Alaskans most in need, and allow some of Alaska's most senior and experienced physicians to continue to practice even after they retire.

Sincerely,

  
Bill Lucht, MD

JOHN B. DEKEYSER, M.D., P.C.  
Obstetrics & Gynecology

Alaska Medical Plaza  
1200 Airport Heights Drive, #280A  
Anchorage, Alaska 99508-2955  
(907) 339-9717 (800) 818 2229  
Fax (907) 339-9720

April 18, 2003

Honorable Tom Anderson  
House of Representatives  
Chairman Labor and Commerce  
State Capital, Room 432  
Juneau, AK. 99801-1182

Re: HB260 - The Retired Physicians Immunity Bill

Dear Representative Anderson:

I am an Anchorage based physician specializing in Obstetrics & Gynecology.

Like many of my colleagues, I have plans to eventually retire in Alaska, and would like to continue to benefit the community by providing occasional free healthcare services to the elderly and indigent. HB260 will alleviate one of my major concerns about providing this free healthcare.

As you are aware, we are in the midst of both a medical liability insurance crisis along with a Medicare availability shortage. HB260 is a partial answer to both of these issues. I strongly urge you to support HB260.

Sincerely,



John B. DeKeyser, M.D.

tjl

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KENNETH S. LAUFER, M.D.  
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TIMOTHY NOAH LAUFER, M.D.

"Promot Thorough Concerned"

Diplomates American Board of Family Practice

2211 EAST NORTHERN LIGHTS BOULEVARD, ANCHORAGE ALASKA 99508

Honorable Tom Anderson  
House of Representatives  
Chairman Labor and Commerce  
State Capitol, Room 432  
Juneau, AK 99801-1182

April 18, 2003

Re: HB260 - The Retired Physicians Immunity Bill

Dear Representative Anderson:

I am an Anchorage based physician specializing in Family Practice.

Like many of my colleagues, I have plans to eventually retire in Alaska, and would like to continue to benefit the community by providing occasional free healthcare services to the elderly and indigent. HB260 will alleviate one of my major concerns about providing this free healthcare.

Currently, it is not realistic for retired physicians to pay large medical malpractice insurance premiums to provide free services. HB260 would provide some needed civil liability protection.

Please note that the bill will also encourage many other types of healthcare providers to offer their services free of charge to many of the most needy in Alaska.

Alaska has always had trouble attracting and maintaining adequate numbers of physicians to care for it's geographically dispersed population. HB260 would to some extent help alleviate this problem.

I urge you to support the bill. HB260 will encourage Alaska's healthcare providers to care for those Alaskans most in need, and allow some of Alaska's most senior and experienced physicians to continue to practice, even after they retire.

Sincerely,

Charles L. Aarons, M.D.

April 18, 2003

Honorable Tom Anderson  
House of Representatives  
Chairman Labor and Commerce  
State Capitol, Room 432  
Juneau, AK 99801-1182

Re: HB260 – The Retired Physicians Immunity Bill

Dear Representative Anderson:

I am an Anchorage based physician specializing in Gastroenterology and Liver Disease.

Like many of my colleagues, I have plans to eventually retire in Alaska, and would like to continue to benefit the community by providing occasional free healthcare services to the elderly and indigent. HB260 will alleviate one of my major concerns about providing this free healthcare.

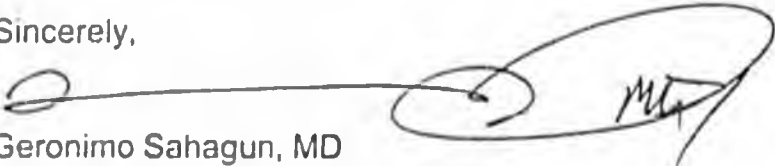
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I urge you to support the bill. HB260 will encourage Alaska's healthcare providers to care for those Alaskans most in need, and allow some of Alaska's most senior and experienced physicians to continue to practice even after they retire.

Sincerely,

  
Geronimo Sahagun, MD  
Staff Gastroenterology/Hepatologist  
Internal Medicine Associates (2841 DeBarr Rd-50, Anchorage, AK 99508)

CREED MAMIKUNIAN, M.D.

2401 EAST 42<sup>ND</sup> AVENUE, SUITE 206  
ANCHORAGE, ALASKA 99508  
(907) 562-1860 • FAX (907) 562-1865

Otolaryngology  
Head and Neck Surgery

Facial Plastic and  
Reconstructive Surgery

April 17, 2003

Honorable Tom Anderson  
House of Representatives  
Chairman Labor and Commerce  
State Capitol, Room 432  
Juneau, AK 99801-1182

Re: HB260 – The Retired Physicians Immunity Bill

Dear Representative:

I am an Anchorage based physician specializing in Otolaryngology.

Like many of my colleagues, I have plans to eventually retire in Alaska and would like to continue to benefit the community by providing occasional free healthcare services to the elderly and indigent. HB260 will alleviate one of my major concerns about providing this free healthcare.

Currently, it is not realistic for retired physicians to pay large medical malpractice insurance premiums to provide free services. HB260 would provide some needed civil liability protection.

Please note that the bill will also encourage many other types of healthcare providers to offer their services free of charge to many of the most needy in Alaska.

Alaska has always had trouble attracting and maintaining adequate numbers of physicians to care for it's geographically dispersed population. HB260 would to some extent help alleviate this problem.

I urge you to support the bill. HB260 will encourage Alaska's healthcare providers to care for those Alaskans most in need and allow some of Alaska's most senior experienced physicians to continue to practice even after they retire.

Sincerely,



Creed K. Mamikunian, MD

# John D. Erkmann, M.D.

A PROFESSIONAL CORPORATION  
*Diplomate American Board Obstetrics & Gynecology*

1200 Airport Heights Drive, Suite 280  
ANCHORAGE, ALASKA 99508-2954  
(907) 339-9700

April 21, 2003

Honorable Tom Anderson  
House of Representatives  
Chairman Labor and Commerce  
State Capital, Room 432  
Juneau, AK. 99801-1182

Re: HB260 - The Retired Physicians Immunity Bill

Dear Representative Anderson:

I am an Anchorage based physician specializing in OB/GYN.

Like many of my colleagues, I have plans to eventually retire in Alaska, and would like to continue to benefit the community by providing occasional free healthcare services to the elderly and indigent. HB260 will alleviate one of my major concerns about providing this free healthcare.

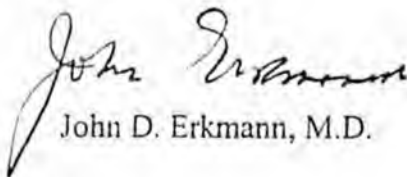
Currently, it is not realistic for retired physicians to pay large medical malpractice insurance premiums to provide free services. HB260 would provide some needed civil liability protection.

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Alaska has always had trouble attracting and maintaining adequate numbers of physicians to care for its geographically dispersed population. HB260 would to some extent help alleviate this problem.

I urge you to support the bill. HB260 will encourage Alaska's healthcare providers to care for those Alaskans most in need, and allow some of Alaska's most senior and experienced physicians to continue to practice even after they retire.

Sincerely,



John D. Erkmann, M.D.

tjl

JOHN SCHULTZ, D.O.  
DIPLOMATE OF THE AMERICAN BOARD OF DERMATOLOGY  
4048 LAUREL STREET, SUITE 301  
ANCHORAGE, ALASKA 99508  
—  
TELEPHONE (907) 562-2510

April 17, 2003

Honorable Tom Anderson  
House of Representatives  
Chairman Labor and Commerce  
State Capitol, Room 432  
Juneau, AK 99801-1182

Re: HB260 - The Retired Physicians Immunity Bill

Dear Representative Anderson:

I am an Anchorage based physician.

Like many of my colleagues, I have plans to eventually retire in Alaska, and would like to continue to benefit the community by providing occasional free healthcare services to the elderly and indigent. HB 260 will alleviate one of my major concerns about providing this free healthcare.


Currently, it is not realistic for retired physicians to pay large medical malpractice insurance premiums to provide free services. HB260 would provide some needed civil liability protection.

Please note that the bill will also encourage many other types of healthcare providers to offer their services free of charge to many of the most needy in Alaska.

Alaska has always had trouble attracting and maintaining adequate numbers of physicians to care for it's geographically dispersed population. HB260 would to some extent help alleviate this problem.

Please support the bill. HB260 will encourage Alaska's healthcare providers to care for those Alaskans most in need, and allow some of Alaska's most senior and experienced physicians to continue to practice even after they retire.

Sincerely,



John Schultz, D.O.



Richard A. Anshutz, MD, FACC  
 James A. Baldauf, MD, FACC  
 Leo B. Bustad, MD, FACC  
 John C. Finley, MD, FACC  
 Seth L. Krauss, MD, FACC  
 William F. Mayer, MD, FACC  
 Paul A. Peterson, MD, FACC  
 Mark A. Selland, MD, FACC  
 David W. Sonneborn, MD, FACC

Krzysztof W. Balaban, MD  
 Mario Binder, MD  
 Steven J. Compton, MD, FACC, FACP  
 Thomas K. Kramer, MD, FACC  
 William A. Kuchera, MD, FACC  
 Mark W. Moronei, MD  
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 Alan E. Skolnick, MD, FACC

Margaret Barnett, ANP      Janet E. Campara, ANP      Laurel E. Racenet, ANP  
 Vicki L. Vermillion, ANP      Mary Weppeler, MSN, NP

April 23, 2003

Honorable Tom Anderson  
 House of Representatives  
 Chairman Labor and Commerce  
 State Capitol, Room 432  
 Juneau, AK 99801-1182

Re: HB260 – The Retired Physicians Immunity Bill

Dear Representative Anderson:

The Alaska Heart Institute, LLC, is an Anchorage based physician group that specializes in Cardiology. We have 17 Board Certified physicians and 5 Nurse Practitioners.

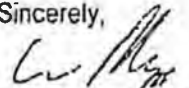
Many of these physicians will eventually retire in Alaska. We believe that providing a process where retired physicians are able to provide occasional free healthcare services to the elderly and indigent would alleviate some of the uninsured and access issues.

It is not realistic for a retired physician to pay a large medical malpractice insurance premium just to provide free services. HB260 would provide some needed civil liability protection.

Additionally, this bill will also encourage other types of healthcare providers to offer their services free of charge to many of the most needy in Alaska.

The physicians of the Alaska Heart Institute urge you to support HB260. It will encourage Alaska's healthcare providers to care for those Alaskans most in need, and allow some of Alaska's most senior and experienced physicians to continue to practice even after they retire.

Sincerely,

  
 William Mayer, MD  
 President



23 April, 2003

Honorable Tom Anderson  
House of Representatives  
Chairman Labor and Commerce  
State Capitol, Room 432  
Juneau, AK 99801-1182

RE: HB260—The Retired Physicians Immunity Bill

Dear Representative Anderson:

I am an Anchorage based physician specializing in anesthesia.

Like many of my colleagues, I have plans to eventually retire in Alaska. I may want to continue to benefit my community by providing occasional free healthcare services to the elderly and the indigent. HB260 will alleviate one of my major concerns about providing the free healthcare.

Currently, it is not realistic for retired physicians to pay large medical malpractice insurance premiums to provide free services. HB260 would provide some needed civil liability protection.

Please note that the bill will also encourage other types of healthcare providers to offer their services free of charge to many of the most needy in Alaska.

Alaska has always had trouble attracting and retaining adequate numbers of physicians to care for its geographically dispersed population. We have the fourth lowest number of physicians per capita in the nation. HB260 may help alleviate this problem.

I urge you to support the bill. HB260 will help Alaska's healthcare providers to care for those Alaskans most in need. It will allow us to continue to practice and serve our communities after retirement.

Sincerely,

Barbara M. Chen, M.D.



A N C H O R A G E  
**WOMEN'S Clinic**  
A T P R O V I D E N C E

PRIMARY AND SPECIALTY CARE FOR WOMEN

April 17, 2003

Honorable Tom Anderson  
House of Representatives  
Chairman Labor and Commerce  
State Capitol, Room 432  
Juneau, AK 99801-1182

Re: HB260 – The Retired Physicians Immunity Bill

Dear Representative Anderson:

I am an Anchorage based physician specializing in Obstetrics and Gynecology. Like many of my colleagues, I have plans to eventually retire in Alaska, and would like to continue to benefit the community by providing occasional free healthcare services to the elderly and indigent. HB260 will alleviate one of my major concerns about providing this free healthcare.

Currently, it is not realistic for retired physicians to pay large medical malpractice insurance premiums to provide free services. HB260 would provide some needed civil liability protection.

Please note that the bill will also encourage many other types of healthcare providers to offer their services free of charge to many of the most needy in Alaska.

Alaska has always had trouble attracting and maintaining adequate numbers of physicians to care for it's geographically dispersed population. HB260 would to some extent help alleviate this problem.

I urge you to support the bill. HB260 will encourage Alaska's healthcare providers to care for those Alaskans most in need, and allow some of Alaska's most senior and experienced physicians to continue to practice even after they retire.

Sincerely,

Karen A. McCreary, M.D.

**Alaska Physicians & Surgeons, Inc.**  
4120 Laurel Street, Suite 206  
Anchorage, Alaska 99508  
Phone: 907-561-7705 Fax: 907-561-7704  
E-mail: [akphys@alaska.net](mailto:akphys@alaska.net)  
Website: [www.apsdoctors.org](http://www.apsdoctors.org)

April 24, 2003

Honorable Tom Anderson  
House of Representatives  
Chairman Labor and Commerce  
State Capitol, Room 432  
Juneau, AK 99801-1182

Re: HB260 -- The Retired Physicians Immunity Bill

Dear Representative Anderson:

I am the Executive Director of Alaska Physicians & Surgeons, representing approximately 170 Anchorage based physicians. My association strongly supports HB260's goal of expanding healthcare access to indigent and elderly Alaskans by encouraging retired and other physicians to provide free service.

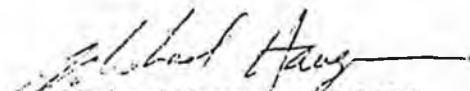
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Please note that the bill will also encourage many other types of healthcare providers to offer their services free of charge to many of the most needy in Alaska.

Alaska has always had trouble attracting and maintaining adequate numbers of physicians to care for it's geographically dispersed population. HB260 would to some extent help alleviate this problem.

I urge you to support the bill. HB260 will encourage Alaska's healthcare providers to care for those Alaskans most in need, and allow some of Alaska's most senior and experienced physicians to continue to practice even after they retire.

Sincerely,



Michael Haugen, JD, MBA  
Executive Director

PRIMARY CARE ASSOCIATES  
4100 Lake Otis Parkway, Ste 322  
Anchorage, AK 99508  
Voice 907-562-1234  
Fax 907-561-8550

PRIMARY CARE ASSOCIATES  
10928 Eagle River Road, Ste 150  
Anchorage, AK 99577  
Voice 907-694-7223  
Fax 907-696-5123

## Health Works

April 17, 2003

Hon. Tom Anderson  
House of Representatives  
Chairman of the Labor and Commerce  
State Capital, Room 432  
Juneau, AK 99801-1182

RE: HB260-The retired physicians immunity bill.

Dear Representative Anderson:

I am a 64-year-old family practice physician in Anchorage. Like many of my colleagues, I have plans to eventually retire in Alaska, and I would like to continue to benefit the community by providing occasional free healthcare services to the elderly and indigent. HB260 will alleviate one of the major concerns about providing this free healthcare.

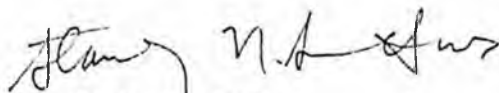
Currently, it is not realistic for retired physicians to pay large medical malpractice insurance premiums to provide free services. HB260 will provide some needed civil liability protection.

Please note that the bill will also encourage many other types of healthcare providers to offer their services free of charge to many of the most needy in Alaska.

Alaska has always had trouble attracting and maintaining adequate numbers of physicians to care for its geographically dispersed population. HB260 would, to some extent, help alleviate this problem. I urge you to support the bill. HB260 will encourage Alaska's healthcare providers to care for those Alaskans most in need, and allow some of Alaska's most senior and experienced physicians to continue to practice even after they retire.

Your attention to this matter is greatly appreciated.

Cordially,



Stanley N. Smith, M.D.

SNS/ILHS/xm.KB

HB

268

# HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: April 15, 2003

FURTHER REFERRALS:

Date of Committee Action: May 07, 2003

The LABOR AND COMMERCE Committee considered:

HB 268

HOUSE BILL NO. 268

LICENSING SPECIALTY CONTRACTORS

"An Act relating to an exemption for specialty contractors under the laws regulating architects, engineers, land surveyors, and landscape architects."

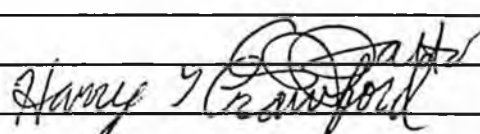

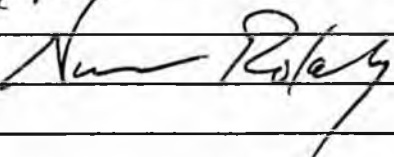
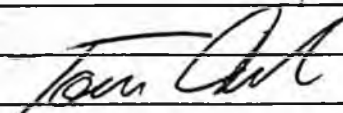
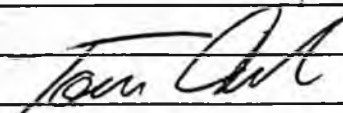
Recommends it be replaced with  HCS or  CS for \_\_\_\_\_ (\_\_\_\_\_)  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 HSS  
 LEG  
 LAW  
 LWF  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
<u>CED</u>				✓

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	LYNN				
	GIATTO			X	
	CRAWFORD			X	
	GUTTENBERG			X	
	DAHLSTROM				
	ROKEBERG			X	
Chair: 	ANDERSON	X			
Chair: 					

# Alaska State Legislature

Session:  
State Capitol  
Juneau, AK 99801  
Phone: (907) 465-2995  
Fax: (907) 465-6592



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716 W 4<sup>th</sup> Avenue, Suite 300  
Anchorage, AK 99501-2133  
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Fax: (907) 269-0249

## Representative Lesil McGuire

Chair, Judiciary Committee

### Sponsor Statement

#### HB 268

*"An Act relating to an exemption for specialty contractors under the laws regulating architects, engineers, land surveyors, and landscape architects."*

I have introduced HB 268 by request of the State Board of Registration for Architects, Engineers and Land Surveyors (AELS Board), the regulatory board responsible to ensure minimum competency of design professionals it regulates and to ensure that the public health, safety and welfare is met. The AELS Board is also responsible for overseeing the scope of work practices of those professionals.

There currently exists an exemption for specialty contractors in AS.08.48.331 that reads: *"... (7) a specialty contractor licensed under AS.08.18 while engaged in the business of construction contracting or designing systems for work within the specialty to be performed or supervised by the specialty contractor, or a contractor preparing shop or field drawings for work that the specialty contractor has contracted to perform."*

The AELS Board is concerned, and its investigators have indicated, that specialty contractors are using this statutory exemption to go beyond specialty contracting and actually perform the design work without licensed professionals on non-residential projects. The work could encompass non-residential facilities such as commercial, civic, and educational uses, and should be designed by registered architects and engineers. The AELS Board believes the statutory exemption has created a loophole that allows specialty contractors to perform work beyond their expertise and believe there may be serious public health and/or safety concerns when a building used by the general public is designed without the expertise of registered Alaskan architects and engineers.

The Board's investigators indicated that there have been numerous incidents of construction of non-residential projects that did not have an engineer or an architect involved in the design process. The AELS Board wants specialty contractors to be able to perform specialty contractor residential work and to be able to produce shop drawings for non-residential work based upon designs created by professional architects, engineers or landscape architects.