

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11128 SENATE HEALTH, EDUCATION & SOCIAL SERVICES



- A decrease in job satisfaction, as inadequate staffing is preventing RNs from providing high quality care to patients. One of the single most important factors in nurses being satisfied with their working conditions is the RN having ample time to provide quality care to their patients. This is usually directly tied the number and the acuity of the patients they are required to care for.
- Increased work-acquired injury and illness. This is addressed in detail elsewhere, but between the increased number of HIV and hepatitis infected patients and the increased weight of the population, many nurses have suffered career ending injuries or illnesses. It is not unusual for nurses to be asked to care for 300-500 lb patients.

### Importance of RNs to Patient Health and Safety

The nursing shortage effects patient care in two main ways. Studies tie RNs to positive patient outcomes and poor staffing causes experienced RNs to leave the profession due to job dissatisfaction.

- A 2000 study<sup>iii</sup> looked at hospital and Medicare data from hospitals in nine states in five categories of adverse outcomes: length of hospital stay, pneumonia contracted in the hospital, postoperative infection, bed sores, and urinary tract infections contracted while in the hospital. All five measures are markedly decreased with higher levels of RN involvement in patient care.
- A study published in the October 2002 Journal of the American Medical Association<sup>iv</sup>, found the risk of patient mortality increased by 7% for every additional patient in the average nurse's workload in the hospital;
- The study suggests that RNs contribute importantly to surveillance, early detection, and timely interventions that save lives;
- The benefits of improved RN staffing also extend to larger numbers of hospitalized patients who are not at risk for mortality but nevertheless are vulnerable to a wide range of unfavorable outcomes;
- Higher emotional exhaustion and greater job dissatisfaction in nurses were strongly and significantly associated with patient-to-nurse ratios;
- Improving nurse staffing levels may reduce alarming turnover rates in hospitals by reducing burnout and job dissatisfaction, major precursors of job resignation;
- Improving staffing may not only save patient lives and decrease nurse turnover but also reduce hospital costs, if recently published estimates of the costs of replacing a hospital medical and surgical general unit and a specialty nurse (\$42,000 to \$64,000) are correct.



### Health and Safety Issues Related to the Nursing Shortage

Health care is rapidly becoming the most hazardous industry in America, as well as Alaska. RNs report that health and safety concerns play a major role in their decisions to remain in the profession. Nurses and other health care workers are exposed to the following hazards:

- Biological hazards: HIV, hepatitis B and C and more than 20 other infectious agents have caused infections in nurses caring for patients with these infections.
- Ergonomic Injuries -- Ergonomics hazards of manual lifting and transfer of patients cause back injuries to over 1/3 of all nurses. Nurses are more prone to back injuries than construction laborer, truck loader, or warehouse worker.<sup>v</sup> Nurses accounted for more than 10% of the total for all occupations combined for neck, back and muscle injuries.<sup>vi</sup>
- Chemical hazards: latex allergy and disinfectants cause occupational asthma, and laser smoke, exposure to carcinogenic chemotherapeutic agents result in illness.

### The Shortage Will Grow

Alaska Department of Labor and Workforce Development<sup>vii</sup> provided the below statistics related to the current and growing nursing shortage.

- Employment demand for RNs is projected to grow nearly 40% between 1998 – 2008, faster than the all-occupational average (16.6%)
- The number of RNs needed to fill the new jobs resulting from industry growth will increase by nearly 1,600.
- If 2008 projections hold true, RNs will be the largest single healthcare occupation and the seventh largest occupation in the state.
- Nursing shortage is nationwide and Alaska must compete for RNs, or grow more of our own, to keep up with demand caused by the aging of society, as well as the aging of the RNs.

### Alaska Nursing Employer Survey Results<sup>viii</sup>

In 2002, the Alaska Colleagues in Caring, in collaboration with the Alaska Hospital and Nursing Home Association, surveyed facilities in Alaska regarding their nursing workforce needs.

- Vacancy rates for RNs increased on average from 5.7% in 2000 to 11.5% in 2002 with the West and North respondents reporting a 20.8% vacancy rate in 2002.



- Rate of Turnover reported for RNs in 2002 was 24% indicating difficulties with retaining RNs
- Employers identified the most successful retention incentives included
  - Decreased workload and greater scheduling choices
  - Educational Options
  - Management education and involvement
  - Positive work environment
- The percentage of facilities that actively recruit RNs from other states increased from 47.6% of facilities in 2000 to 83.3% of facilities in 2002.
- Employers identified the following anticipated changes in demand for nurses in the next two years
  1. Aging population/increased number of nurses retiring
  2. Increase in medical services used and number of patients
  3. Increased need for nurses, especially RNs
  4. Possible closure of facilities
  5. New facilities built/facility expansion
  6. An increased difficulty in recruiting and retaining nurses

### **Current Nursing Education in Alaska**

The University of Alaska is the primary educator of nurses in the state. Weber State has had a small LPN program in the state for many years, but they will soon be leaving the state. Nursing education is very expensive to provide due to the cost of labs and clinical rotations. This cost is why there are not more providers of nursing education, and why nationally there has been a decrease in nursing education programs.

### **Current RN Programs Provided by UAA (110 RN graduates per year)**

- 2 year RN – Anchorage 32 students admitted per year; Fairbanks 16 students, Kodiak 9 students (every 2 years)
- 4 year RN – Anchorage 80 students admitted per year, with an additional 40 being added this summer
- 1 year LPN – Anchorage 16 students admitted per year, Bethel 7, Fairbanks 8 (rotates), Ketchikan 6 (rotates)

### **Projected Locations and Numbers of Nursing Students 2006 (220 RN graduates per year)**

- 2 year RN – Anchorage 32 students admitted per year, Fairbanks 16, and about 40 students admitted per year in Juneau, Bethel, Kodiak, Kenai, Ketchikan, or Sitka on a rotating basis. Other sites are also being investigated.
- 4 year RN – Anchorage 120 students admitted per year.



### **Articulation Programs**

The University already has an RN to BSN program in place that can be completed through distance learning. UAA is in the process of refining the LPN to RN program to make mobility within the profession easier.

### **Current Demand for Nursing Education Exceeds Slots**

The UAA four-year BSN program has only a minimal waiting list, which should be eliminated with this year's planned expansion. This year the 2-year (AAS) RN program had 2 applicants for every position. Initial interest meetings in expansion sites such as Kenai have shown a tremendous interest from persons in the community.



## SOLUTIONS

The Alaska Nurses Association suggests the following solutions to the Alaska nursing shortage, which come under three main categories:

- Recruitment and education of new RNs
- Retention of experienced RNs
- Adapting the work environment to prolong the careers of aging RNs

### RECRUITMENT AND EDUCATION

- State funding support of UAA and Industry Consortium's effort to double the number of RN graduates by 2006. This requires the State to match the industries commitment of 2.4 million over the next three years.
- Continue Federal funding of the Recruitment and Retention of Alaska Natives into Nursing (RRANN Program) at UAA.
- Support legislation for tuition loan reimbursement of nurses who work in Alaska. Currently several legislators are working to draft such legislation.
- Support an increase to competitive salaries for nursing professors. RNs can currently make more practicing in a hospital than teaching at the University, making the recruitment of qualified instructors very difficult.
- The Alaska Nurses Association is working to develop a recruitment program aimed at grade school children to show them the variety of careers available in the nursing profession.
- The Alaska Nurses Association, hopefully with the support of the Alaska Department of Labor and the University, is planning to work with high schools in developing a pre-nursing preparation program to ensure a successful foundation is created in math and science, especially for rural and non-traditional students.
- With the help of industry, identify and develop training for post-graduate RNs in high-need specialty areas, such as OR and ICU.
- Encourage employers to provide financial incentives for nurses working in facilities to mentor nursing students and new graduates.



## RETENTION OF EXPERIENCED RNS

### **Workplace Conditions**

- Support creation and adoption of legislation and/or standards for an appropriate nurse to patient acuity system that creates a safe and satisfying work environment. Several states have passed or are considering similar legislation.
- Create financial incentives for facilities to apply for Nursing Magnet Status with American Nurses Credentialing Center. Magnet status ensures RN participation in workplace design, and promotes quality patient care, highly increasing job satisfaction.
- Encourage employers to make nursing attractive as a long-term career by increasing retirement and medical benefits.
- Encourage Employers to be responsive to RN needs, such as providing daycare that is available during the hours that nurses work and providing flexible scheduling options.
- Create legislation to prohibit mandatory overtime as a staffing solution to the nursing shortage. Other states have successfully passed such legislation.

### **Health and Safety Solutions**

- Provide legislative or administrative incentives for facilities to purchasing latex free products in order to limit latex injuries to RNs and patients, as well as decrease related costs.
- Support the revision and passage of Alaska's existing Needlestick Legislation<sup>ix</sup> to meet federal standards, to protect patients and healthcare workers from HIV, Hepatitis, and other infectious diseases.
- Department of Labor's development of Regulations aimed at reducing injuries, and related costs, acquired from lifting and transferring patients in facilities, such as lift teams and assistive devices. Alaska Native Medical Center has had significant success in this area.

## ADAPTING THE WORK ENVIRONMENT TO PROLONG THE CAREERS OF AGING RNS

- Encourage institutions to be flexible about working hours and patient loads to allow aging nurses to physically prolong their careers. Many facilities demand 12-hour shifts, which are physically demanding and difficult for aging RNs.
- Fund a study to explore what measures need to be adopted to keep RNs who are over 50 in the workforce.



- Find creative ways to utilize experienced nurses to educate, mentor and recruit new nurses into the profession.

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<sup>i</sup> "Alaska Colleagues in Caring, Alaska Re-Licensure Survey for RNs, 1996, 1998, and 2000", October 2001

<sup>ii</sup> Id.

<sup>iii</sup> ANA's Nurse Staffing and Patient Outcomes in the Inpatient Hospital Setting released in May of 2000.

<sup>iv</sup> "Hospital Nurse Staffing and Patient Mortality, Nurse Burnout, and Job Dissatisfaction," by Linda Aiken, PhD, RN, et. al., is in the October 23/30, 2002, issue of JAMA. The study looked at 232,342 patients between the ages of 20 and 85 who underwent general surgical, orthopedic, or vascular procedures in 168 Pennsylvania hospitals from April 1, 1998 to November 30, 1999.

<sup>v</sup> Labor Department's Bureau of Labor Statistics, in 1998.

<sup>vi</sup> Id.

<sup>vii</sup> Alaska Department of Labor and Workforce Development, Research and Analysis Section (April 9, 2002)

<sup>viii</sup> Alaska Colleagues in Caring Nursing Employer Survey, 1998, 200, & 2002.

<sup>ix</sup> Sec. 18.60.880. Needlestick and sharps injury protections for health care workers.

# ALASKA ECONOMIC TRENDS

April 2003

## *Alaska's Health Care Industry*

Alaska Department of Labor  
and Workforce Development

Frank H. Murkowski  
Governor of Alaska

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**Greg O'Claray, Commissioner of Labor**  
**and Workforce Development**

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# Alaska's Health Care Industry

by  
Neal Fried, Labor Economist  
and Brynn Keith, Economist

## An amazing job machine

**T**he health services industry is the fastest growing, and one of the larger sectors of Alaska's economy. It's a billion-dollar industry, and it employs about 22,000 people. It would be hard to find an industry in Alaska with a growth pattern as strong and sustained as that of health care.

Employment settings range from private practice physicians with one employee to large urban hospitals providing hundreds of diverse jobs. Health related occupations include many specializations and have a wide variety of educational and skill requirements. Employment is widely distributed throughout the state, making health related careers viable choices in both urban and rural Alaska. (See Exhibit 1.)

This article will look at health related employment in two ways. First the spotlight will focus on the number of workers employed in Alaska's health services industry, regardless of whether or not the jobs they perform are health related. (For example, a secretary or maintenance worker at a hospital is included in health services industry employment.) Then, using the results of the Alaska Department of Labor and Workforce Development's (DLWD) 2000 - 2010 occupational forecast, we will look at the number and variety of health related jobs across all industries.

## It is on a fast track

Today more than 21,700 people work in Alaska's wage and salary health services industry. That number is conservative, because the data do not

## Health Services Employment

2002\*

1

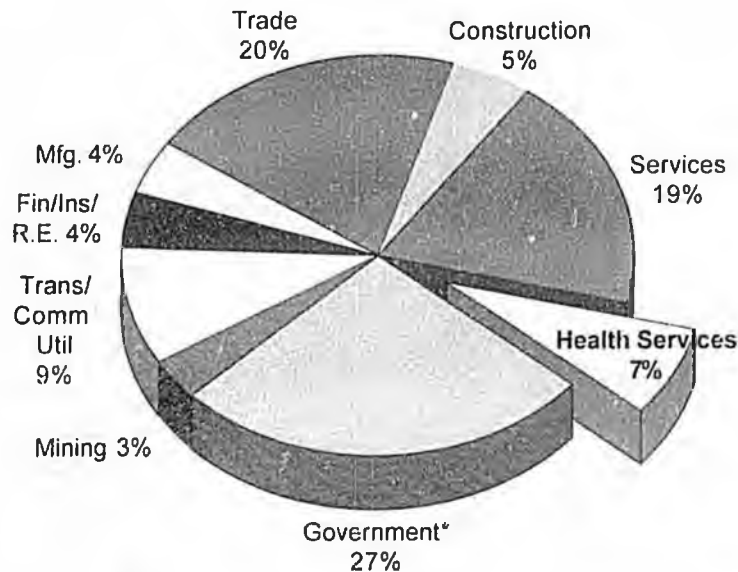
State	Jobs
Aleutians East Borough	56
Aleutians West Census Area	74
Municipality of Anchorage	11,271
Bethel Census Area	1,117
Bristol Bay Borough	7
Denali Borough	11
Dillingham Census Area	357
Fairbanks North Star Borough	2,160
Haines Borough	54
Juneau Borough	1,079
Kenai Peninsula Borough	1,542
Ketchikan Gateway Borough	421
Kodiak Island Borough	287
Lake and Peninsula Borough	n/a
Matanuska-Susitna Borough	1,088
Nome Census Area	429
North Slope Borough	n/a
Northwest Arctic Borough	518
Prince of Wales Census Area	59
Sitka Borough	644
Skagway-Hoonah-Angoon Census Area	26
Southeast Fairbanks Census Area	42
Valdez-Cordova Census Area	176
Wade Hampton Census Area	n/a
Wrangell-Petersburg Census Area	197
Yakutat Borough	n/a
Yukon-Koyukuk Census Area	n/a

n/a = not available because of employers categorized outside the Health Care industry.

\* Based on employers in the health services industry. Does not include health care workers in government and nonprofit agencies outside of the health services industry classification. Based on first 9 months of 2002 data.

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

## 2 Health Services is a Big Player In Alaska's employment picture

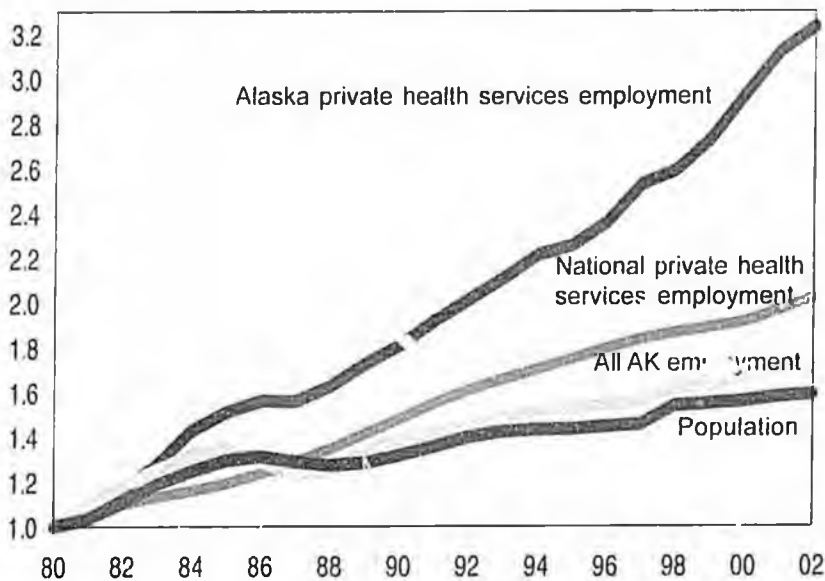


\*Public health care employment was subtracted from government and added to health services

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

## 3 Health Services Employment Growth Is in a league all its own

Percent



Growth index 1980=1

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

include uniformed military personnel, or the self-employed. Furthermore, because of the way employee numbers are reported, some health care workers are counted under other industries, and not under health services. In 2002 more than seven percent of all wage and salary employment was in health services, making health services a larger employer than either construction or civilian federal government. (See Exhibit 2.) According to the 1997 U.S. Economic Census (the most recent data), total receipts for Alaska's health services industry were \$1.8 billion.

From 1992 to 2002 the number of health services industry wage and salary jobs increased from 13,400 to 21,700. Health services employment grew by 62 percent, more than three times as fast as the all-industry growth rate of 18 percent. This accelerated growth did not begin during the past decade, but has been with us for at least three decades. During the state's worst recession (1986-1988) when more than 20,000 jobs were lost in the economy, health services employment growth stalled for a year and then resumed its impressive upward trend, giving health services a nearly recession-proof quality.

Employment growth in Alaska's health services sector outstripped population growth over the 1980-2002 period. (See Exhibit 3.) Nationwide the health services industry has been one of the more dynamic sectors, but in Alaska from 1992-2002 it grew much faster than in the rest of the nation.

### So why all this growth in health care?

There is no single explanation for this degree of growth or for Alaska's growth being so much more accelerated than the nation's. Health care, as an indispensable service, does not fit the classic economic model of supply and demand. In a similar vein, the method used to pay for these services is very different from buying typical consumer goods. Payment of these services is usually made by a third-party payer instead of by the patient directly. Since the consumer of the services rarely pays directly for them, cost is often not a key consideration when purchasing these services. The delivery of most health care is also

different from most other services. Combinations of private for-profit, private nonprofit, and public providers usually perform this service, giving it a unique character. (See Exhibit 4.)

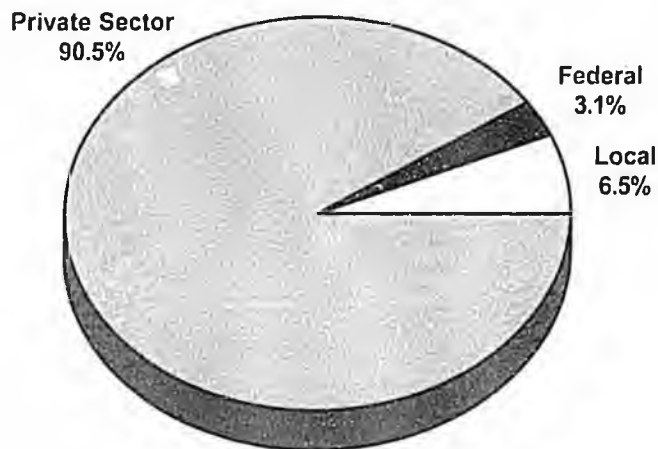
Supply and demand conditions do help explain some of the spectacular increases in health services employment. Technological changes are boosting the demand for health care services. The number of medical procedures continues to grow as more remedies are found for health problems. Another powerful ingredient is demographics, as the population continues to age. Between 1990 and 2000, Alaska's 65-plus population grew nearly 60 percent, and a repeat of this increase is expected in the decade ahead. (See Exhibit 5.) Alaska has a smaller slice of its population over 65 than does the nation as a whole, but Alaska's senior population is growing faster than their national counterpart. This may well be one reason health services employment is growing faster in the state.

### More reasons for growth

Another factor associated with the more rapid growth in health services employment in Alaska than in the rest of the nation is "import substitution." An increasing share of Alaska's health care needs formerly taken care of outside of the state is now met locally. Industry growth presents more health care choices, causing more of Alaska's health care dollars to be spent in the state, which stimulates further industry expansion. Since the health services share of total employment remains smaller in Alaska than nationwide, Alaska's trend of faster growth may well continue. (See Exhibit 6.)

Another boost to growth in health services has come with the privatization and expansion of the Alaska Native Medical Center in Anchorage. (See Exhibit 7.) The number of federal employees at this facility has actually declined steadily since the late 1990s, but the increase in private nonprofit workers at the Center has more than made up for the losses. One of the organizations that took over the federal role was the Alaska Native Tribal Health Consortium, established in late 1997 and now having more than 700 employees, making it one of the state's largest health care providers.

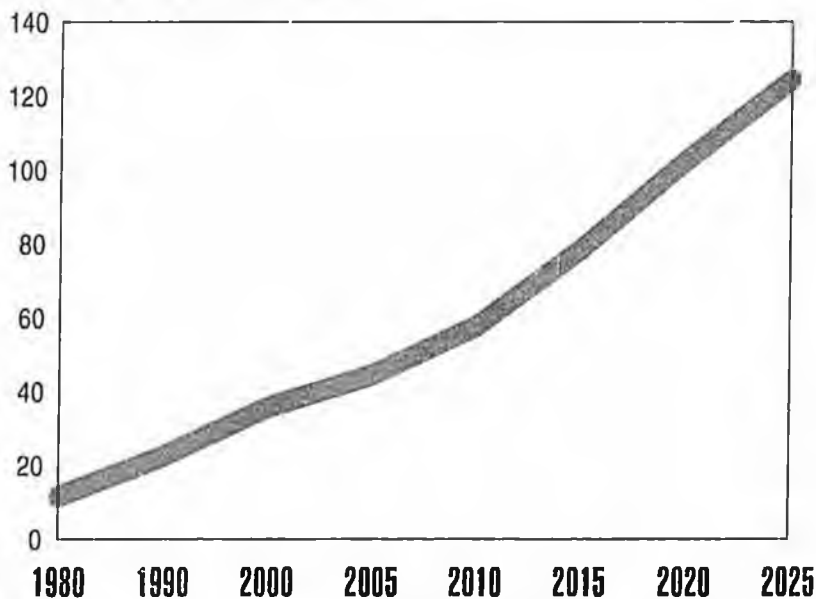
## Most Health Services Employment Is in the private sector—2002 **4**



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

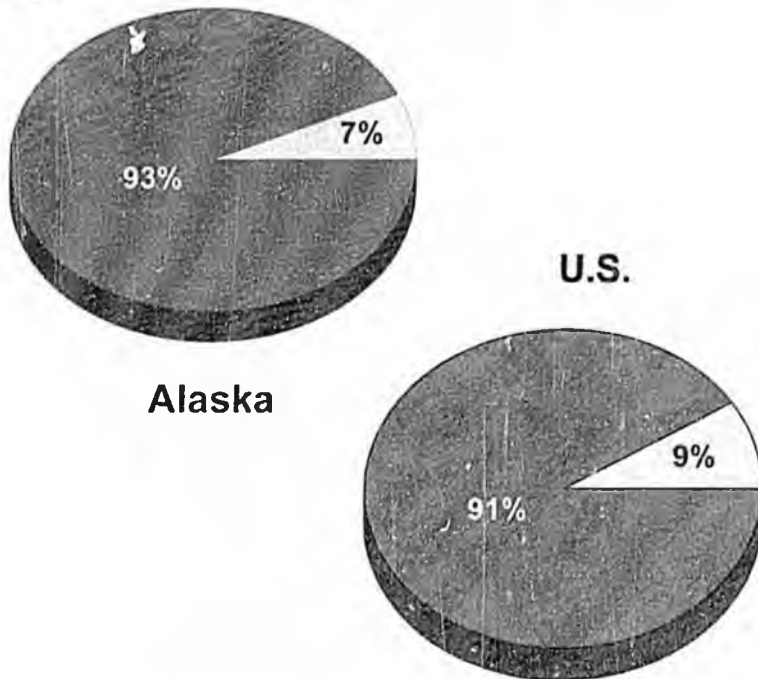
## Aging Population Means Growing demand for health services **5**

Population 65+ — Thousands



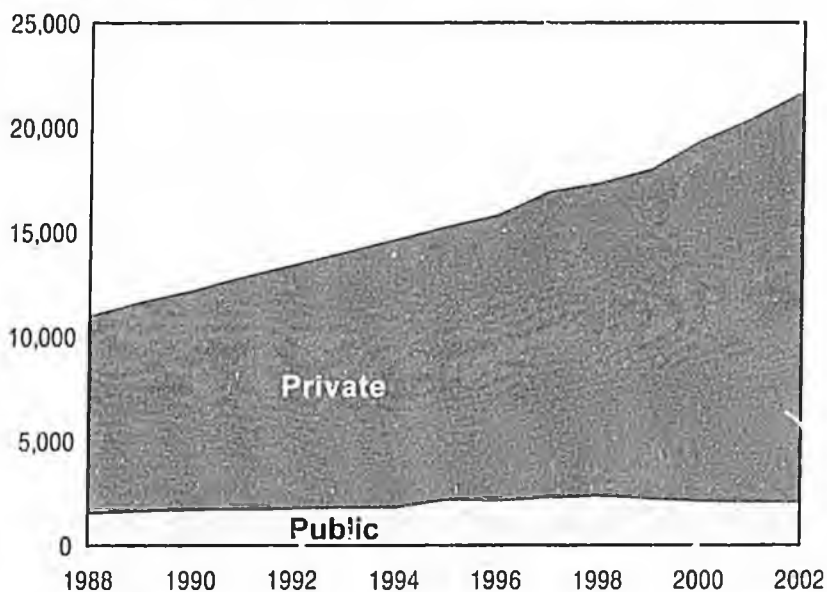
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 6 Alaska Health Services Employment Grows toward national norms



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

## 7 Private Sector Grows the Most In health services



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

(See Exhibit 8.) The Southcentral Health Foundation, which is also responsible for delivering many of the health care services of the health care employer, more than tripled the size of its workforce in less than five years.

### Hospitals are the big players

In 2002, hospitals were responsible for nearly 44 percent of all wage and salary employment in the state—not greatly different from the rest of the nation. (See Exhibit 9.) In Alaska, approximately 21 percent of hospital employment consists of government employees; the biggest group is employed in local public hospitals and most of the rest are employed at the Alaska Native Medical Center. No other segment of health services gets even close to hospitals' dominance. According to the 1997 Economic Census, \$1 billion was paid to hospitals in Alaska, representing 56 percent of all health care receipts.

One reason that hospitals are such big employers is they provide around-the-clock care and are very labor intensive. Three shifts of workers cycle through these hospitals each day. Because of this labor intensity it is not unusual for hospitals to be the largest or near largest employer in a community. In fact, in 2001 Providence Hospital became the single largest private sector employer in the state. Other examples are Banner Health Systems in Fairbanks and Kakanak Hospital in Dillingham, the largest private sector employers in their respective communities. In 2001 five of the 100 largest private sector employers were hospitals. If public hospitals were included, they too would often be one of the top employers in their respective geographic areas.

Over the past decade hospital employment in Alaska has grown considerably faster than in the rest of the nation. But hospital employment has not always been immune from cutbacks. In 1994, a number of hospitals pared back their workforces and hospital employment actually fell. Changes in Medicare and the move from inpatient to outpatient care hit some hospitals. They resumed growing in 1995. The traditional hospital model hardly exists today. An increasing share of hospital

## Top 25 Health Services Employers - 2002\*

8

activity is tied to outpatient care. Hospitals are branching out and opening day clinics and other health care facilities not often associated with hospitals of the past. The average annual earnings in the hospital sector are higher than average annual earnings in the broader health services industry category. (See Exhibit 10.)

### A large slice of health services workers are in doctor and dentist offices

More than a third of all health services employees work in doctor and dentist offices. Over the past decade employment in doctors' offices has more than doubled, making it one of the fastest growing segments of the health services industry. The proliferation of outpatient care facilities in the past decade may explain some of this growth. Like hospitals, these "doctor's offices" sometimes look very different from the past. Some look like hospitals minus the inpatient care. Employment in dentists' offices has increased much more moderately than the overall average. Both of these segments represent a bigger slice of the Alaska health services pie than they do nationally. The reasons for this are not entirely clear.

1	Providence Health Systems in Alaska	3,617
2	Banner Health Systems	1,195
3	Yukon Kuskokwim Health Corporation	1,097
4	Alaska Regional Hospital	893
5	Southcentral Foundation	872
7	Alaska Native Tribal Health Consortium	737
8	Southeast Alaska Regional Health Consortium	664
9	Manilaq Association	516
10	Valley Hospital	492
11	Norton Sound Health Corporation	420
12	Bartlett Regional Hospital	392
13	Central Peninsula General Hospital	370
14	Bristol Bay Area Health Corporation	350
15	Ketchikan General Hospital	307
16	Anchorage Community Health Services	262
17	North Star Behavioral Health System	254
18	Tanana Valley Medical Surgery Group	247
19	South Peninsula Hospital	241
20	South Peninsula Mental Health Association	141
21	Consumer Direct Services	130
22	Central Peninsula Counseling Services	116
23	Sitka Community Hospital	113
24	Anchorage Neighborhood Health Center	111
25	Fairbanks Community Mental Health Center	109

\*Average of first nine months

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

### Employment for other health care practitioners more than doubles

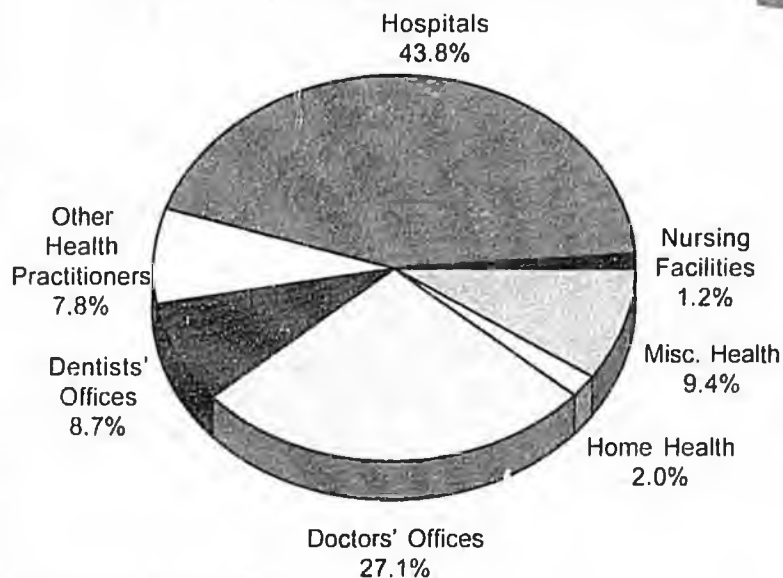
Included in this category are such health care providers as chiropractors, optometrists, podiatrists, psychologists, acupuncturists, naturopaths and others. It is not a large group but it is growing fast—more than doubling during the past decade. The growing popularity of alternative medicine is pushing these numbers higher, along with increases coming from some of the more traditional practitioners.

### Nationally, nursing facilities still grow

Nationally, nursing facilities represent a much larger proportion of health services employment than in Alaska. Part of this difference may be explained by data shortcomings. Many of the nursing facilities in Alaska are run by the state, such as the Pioneer Homes, which means that this

## Where the Jobs Are In Alaska's health services - 2002\*

9

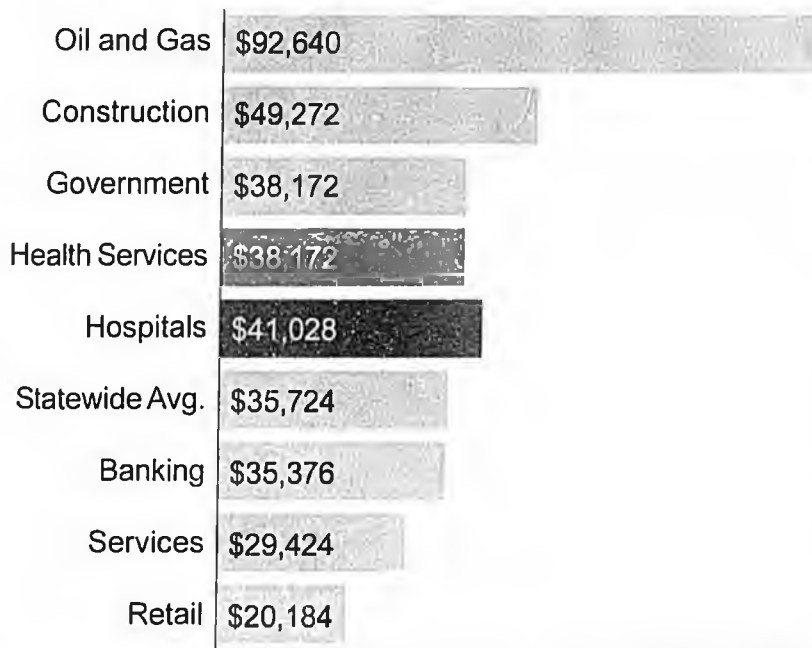


\*Average of first nine months

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

# 10 Health Services Industry Earnings - above average

Average annual earnings —2001



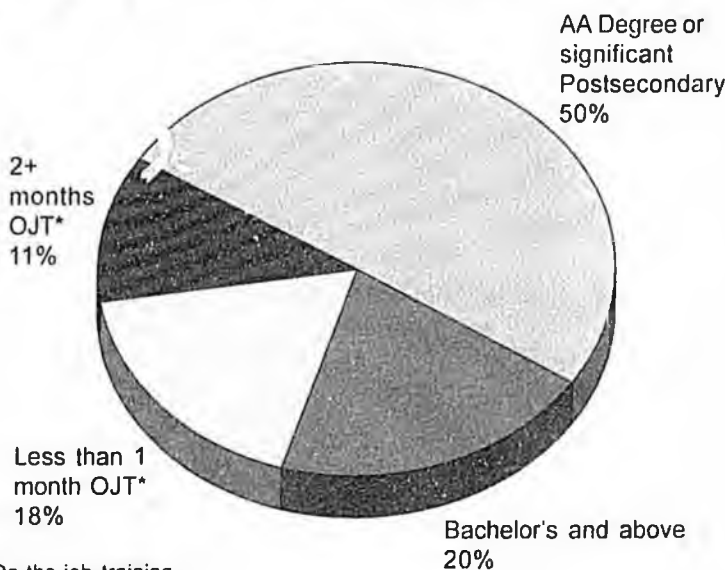
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

employment is captured in state government and not health services. Other nursing facilities such as the Providence Extended Care Center in Anchorage and the Denali Center in Fairbanks are connected to hospitals and are counted under hospital employment. The collocation of hospitals and nursing facilities around the state is quite common. One real difference is demographics. The 65-plus population is one of Alaska's fastest growing demographic groups, but only 5.7 percent of the state's population is 65 or older compared to 12.4 percent for the rest of the nation. The rapid growth of this population means these facilities are likely to grow more rapidly in the future and absorb a growing proportion of health services.

## Health care occupations – a more detailed look at employment

Based on DLWD's most recent occupational forecast, Alaska occupational employment is projected to increase 16.7 percent from 302,255 to 352,693 between 2000 and 2010. (This includes an estimate of self-employed workers.) Alaska employment for health related occupations, across all industries, is expected to increase 78 percent from 15,982 to 28,466 for the same time period. Future demand for health care workers will be affected by major economic, demographic and social forces, forces that will continue to shape not only the nature of the health care workforce but also the manner in which services are provided.

# 11 Future Alaska Health Care Jobs By education level required - 2010



\*On-the-job training

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

The 42 health care occupations reviewed in this article fall into two broad occupational categories: 1) *health care practitioner and technical occupations* and 2) *health care support occupations*. Although concentrated in the health services industry sector, jobs in health-related occupations are found throughout the economy including the federal, state, and local government, and business services industry sectors, and they encompass a wide range of employment settings, skill levels and job requirements.

The economy will continue to generate jobs for health care workers at a variety of education and

# Health Care Occupations **12**

By education, employment, wages

training levels. (See Exhibit 11.) Fifty percent of health related jobs in 2010, dominated by Registered Nurses\* and a variety of health care technician occupations, will require an associate degree or significant postsecondary vocational training. One in five will require a bachelor's degree or higher; these include health care practitioner occupations such as Physical Therapists and Physicians. The remaining jobs include health care technical and support occupations and require varying levels of on-the-job training.

## Outlook for health related occupations is good

The projected job growth in health care services reflects an aging population, technological advances in medicine, cost cutting measures and increasing administrative requirements. Even though the overall demand for health care services is projected to rise significantly, future need for individual health occupations will vary. The growth rates for specific occupations range from an increase of nearly 165 percent for medical assistants to a decline of 8 percent for Orthotists & Prosthetists.

Nursing Aides, Orderlies & Attendants, and Registered Nurses, the two largest health related occupations in 2000, together will contribute nearly 5,000 new jobs over the forecast period. (See Exhibit 12.) Population growth and aging are expected to be the primary factors driving this increase.

Cost containment in the health care industry will stimulate employment for health related aides and assistants. Some services formerly provided by specialists such as Physical Therapists, Dentists, Pharmacists, and Physicians will be shifted to lower-paid workers. The rapid growth for medical assistants, projected to be Alaska's single fastest growing occupation, reflects this trend. With a projected growth rate of 139 percent, Physical Therapy Aides are expected to grow significantly faster than physical therapists over the forecast period. The number of Medical Records & Health Information Technician positions will climb

\*Based on US Bureau of Labor Statistics classification, all RNs are grouped in the Associate Degree category.

2001 Statewide Wage Quartile	Wage Quartile	Employment		
		2000	2010	Change
\$	Less than \$12.35			
\$S	\$12.35 - \$16.71			
\$SS	\$16.72 - \$23.83			
\$SSS	\$23.84 & higher			
<b>Bachelor's and Above</b>				
Physical Therapists	SSSS	276	535	259
Pharmacists	SSSS	332	535	203
Medical & Clinical Laboratory Techs	SSSS	270	452	182
Dentists	SSSS	346	490	144
General Practitioners	SSSS	217	331	114
Internists, General	SSSS	136	244	108
Occupational Therapists	SSSS	138	243	105
Physician Assistants	SSSS	157	233	76
Dietitians & Nutritionists	SSSS	100	173	73
Speech-Language Pathologists	SSSS	201	272	71
Chiropractors	N/A	143	193	50
Optometrists	SSSS	88	126	38
Audiologists	SSSS	34	71	37
Veterinarians	SSSS	162	190	28
Psychiatrists	SSSS	47	69	22
Occupational Health/Safety Workers	SSSS	173	178	5
Orthotists & Prosthetists	SSSS	101	93	-8
<b>Associate Degree or Significant Postsecondary Vocational Training</b>				
Registered Nurses	SSSS	4,439	8,556	4,117
Medical Records & Health Info Techs	\$S	375	746	371
Dental Hygienists	SSSS	403	753	350
Licensed Practical Nurses	SSS	487	750	263
Radiologic Techs	SSS	289	545	256
Medical Transcriptionists	SSS	241	439	198
Respiratory Therapists	SSS	108	212	104
Medical & Clinical Laboratory Techs	SSS	74	242	101
Surgical Technologists	SSS	96	195	99
EMTs & Paramedics	\$S	323	409	86
Massage Therapists	\$S	193	270	77
Physical Therapist Assistants	\$S	49	120	71
Diagnostic Medical Sonographers	SSSS	64	129	65
Cardiovascular Techs	SSS	46	107	61
Veterinary Techs	\$S	87	108	21
<b>Med- or Long-term Training or Experience</b>				
Dental Assistants	\$S	619	1,465	846
Medical Assistants	\$S	366	968	602
Pharmacy Techs	\$S	300	519	219
Opticians, Dispensing	SSS	182	257	75
<b>Short-term Training or Experience</b>				
Nursing Aides, Orderlies & Attendants	\$S	1,196	2,059	863
Home Health Aides	\$	858	1,260	402
Physical Therapist Aides	\$S	54	129	75
Medical Equipment Preparers	\$S	64	125	61
Veterinary Assistants	\$	137	165	28
Pharmacy Aides	\$	45	53	8

Shading denotes occupations with higher than average wages and estimated growth rates, and projected increase of 75 or more between 2000 and 2010.

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

# 13 Health Care Occupations

## Nonresident\* & over-45 workers

### 2001

\*Did not receive a 2001 or apply for a 2002 Alaska Permanent Fund dividend

	% of Workers 45 and Over	% Non- Resident Workers	Training Available in Alaska
<b>Bachelor's and Above</b>			
Physical Therapists	26.9	16.9	
Pharmacists	44.8	18.4	
Medical & Clinical Laboratory Techs	59.7	19.1	Yes
Dentists	N/A	N/A	
General Practitioners	43.2	25.1	
Internists, General	37.0	21.2	
Occupational Therapists	35.7	16.4	
Physician Assistants	55.1	22.4	Yes
Dietitians & Nutritionists	33.0	9.0	Yes
Speech-Language Pathologists	50.5	16.2	
Chiropractors	52.4	35.7	
Optometrists	41.2	15.8	
Audiologists	60.0	0.0	
Veterinarians	35.4	15.8	
Psychiatrists	52.2	14.2	
Occupational Health/Safety Workers	N/A	N/A	
Orthotists & Prosthetists	50.0	50.0	

<b>Associate Degree or Significant Postsecondary Vocational Training</b>			
Registered Nurses	52.8	17.7	Yes
Medical Records & Health Info Techs	27.6	12.0	Yes
Dental Hygienists	37.5	9.5	Yes
Licensed Practical Nurses	53.2	13.3	Yes
Radiologic Techs	37.9	23.8	
Medical Transcriptionists	54.7	6.2	Yes
Respiratory Therapists	39.5	15.3	
Medical and Clinical Laboratory Techs	33.6	13.0	Yes
Surgical Technologists	39.0	29.1	
EMTs & Paramedics	22.0	14.8	Yes
Massage Therapists	39.2	14.8	Yes
Physical Therapist Assistants	20.0	10.0	
Diagnostic Medical Sonographers	40.0	17.2	
Cardiovascular Techs	43.5	19.2	
Veterinary Techs	8.2	19.1	

<b>Med - or Long-term Training or Experience</b>			
Dental Assistants	19.0	11.6	Yes
Medical Assistants	21.4	12.3	Yes
Pharmacy Techs	21.7	11.7	
Opticians, Dispensing	28.6	10.6	

<b>Short-term Training or Experience</b>			
Nursing Aides, Orderlies & Attendants	31.1	9.1	Yes
Home Health Aides	32.6	12.2	Yes
Physical Therapist Aides	24.1	13.3	
Medical Equipment Preparers	40.0	10.5	
Veterinary Assistants	19.9	16.2	
Pharmacy Aides	17.8	5.3	

Shading denotes occupations with higher than average wages and estimated growth rates, and projected increase of 75 or more between 2000 and 2010.

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

to more than 700 by 2010, reflecting heightened medical records scrutiny by third-party payers, courts and consumers.

Employment of home health workers, such as Home Health Aides, will increase as more individuals choose to remain in their homes rather than move to long-term care or assisted living facilities.

Only one health related occupation is expected to experience an employment decline over the forecast period. The specialty occupation of Orthotists & Prosthetists will shed eight jobs, with a projected employment level of 93 in 2010. This decrease in occupational employment will result from a continued shift of orthopedic and prosthetic work to other health care occupations such as Occupational and Physical Therapists.

### Replacement needs

In addition to new jobs resulting from employment growth, job opportunity also results from the need to replace workers who retire, enter other occupations, or leave the labor force for other reasons. Retirement, and thus the age of incumbent workers, plays a major role in the future need for workers in high skilled occupations. Ten of the 17 health related occupations requiring a BA or more face major future workforce replacement needs. Based on 2001 data, over 40 percent of the workers in these occupations will reach retirement age within the next 15 years. Of the health related occupations requiring either an AA degree or significant postsecondary vocational training, one-third face similar replacement needs. (See Exhibit 13.)

Retirement plays a lesser role in determining replacement needs for workers in the lower skilled health related occupations. Workers in these occupations are more apt to transfer to other occupations than remain in the occupation until retirement age. For occupations requiring on-the-job training, the percentages of workers nearing retirement are generally lower than for higher skilled occupations. The degree of transition in and out of the lower skilled occupations

depends in part on the relative attractiveness of other entry level jobs and general economic conditions.

### Nonresidents capture many top jobs

Exhibit 13 lists the percentage of nonresident health care workers by occupation in 2001. Nonresident employment in high-wage/high-growth occupations such as Physical Therapists (nearly 17 percent nonresident employment) and Pharmacists (over 18 percent nonresident employment) represent lost opportunity for Alaska's workers.

### Wages vary widely

Earnings in health related occupations vary widely based on education and skill attainment. (See Exhibit 12.) All of the health related occupations requiring a BA or above had estimated earnings in the highest wage quartile. Dentists and Physicians whose wages are reported to DLWD earn more than \$55 per hour, but unreported self-employed earnings could raise that figure considerably.

Ten of the 15 health related occupations requiring an associate degree or significant postsecondary education pay wages higher than the average for all occupations, more than \$16.71 per hour. The Dispensing Opticians occupation is the only on-the-job training occupation that generally pays more than the all-occupation average wage. (See Exhibit 12.)

### In-state training availability

High-skill/high-wage health occupations require specific training and/or education, often leading to certification or licensure. Of the 17 health related occupations offering both good employment opportunity and higher than average wages, noted by shading on Exhibits 12 and 13, training is available in Alaska for only seven. (See Exhibit 13.)

## Conclusion

Alaska's health care industry, employment star of the 1990s, will continue to generate job opportunities throughout the coming decade. Health related employment exists in all regions of the state, requiring varying levels of education and training. Future employment opportunities will arise from both employment growth and the need to replace retiring workers.

### Nurses working in Alaska in 1997 *Where were they in 2002?*

Given the difficulty in filling nursing positions, the need to retain incumbent workers has received increasing attention. DLWD analyzed 1997 and 2002 administrative data to help shed light on the career attachment of Alaska's nurses.

#### Of the RNs working in Alaska in 1997 — in 2002

- 47% Working as RNs in Alaska
- 8% Working in other health related occupations (such as medical and health services managers)
- 5% Working in non-health related occupations
- 40% Not working in Alaska wage and salary jobs

#### Of the LPNs working in Alaska in 1997 — in 2002

- 35% Working as LPNs in Alaska
- 14% Working in other health occupations (such as nursing aides & orderlies)
- 6% Working in non-health related occupations
- 43% Not working in Alaska wage and salary jobs

# The Year 2002 in Review

by Dan Robinson, Neal Fried,  
Brigitta Windisch-Cole, and Neal  
Gilbertsen, Labor Economists

## State marks 15 consecutive years of employment growth

### STATEWIDE by Dan Robinson

## 1 Wage and Salary Employment Statewide — 2001-2002

	2001	2002	Change	Percent Change
Total Nonfarm Wage & Salary	289,300	295,800	6500	2.2%
Goods Producing	38,300	37,900	-400	-1.0%
Services Providing	251,000	257,900	6900	2.7%
Natural Resources & Mining	11,600	10,800	-800	-6.9%
Logging	700	500	-200	-28.6%
Mining	11,000	10,300	-700	-6.4%
Oil & Gas Extraction	9,500	8,800	-700	-7.4%
Construction	14,900	15,800	900	6.0%
Manufacturing	11,700	11,200	-500	-4.3%
Wood Products Mfg.	400	300	-100	-25.0%
Seafood Processing	7,900	7,400	-500	-6.3%
Trade, Transportation & Utilities	60,200	61,000	800	1.3%
Wholesale Trade	6,200	6,200	0	0.0%
Retail Trade	33,200	33,800	600	1.8%
General Merchandise Stores	9,200	9,400	200	2.2%
Food and Beverage Stores	5,900	5,700	-200	-3.4%
Trans/Warehousing/Utilities	20,800	20,900	100	0.5%
Air Transportation	6,600	6,300	-300	-4.5%
Truck Transportation	2,600	2,700	100	3.8%
Information	7,300	7,200	-100	-1.4%
Telecommunications	4,400	4,200	-200	-4.5%
Financial Activities	13,800	13,600	-200	-1.4%
Professional & Business Svcs	22,800	23,300	500	2.2%
Educational & Health Services	27,900	30,300	2400	8.6%
Health Care & Social Assistance	25,900	28,100	2200	8.5%
Ambulatory Health Care	10,700	11,900	1200	11.2%
Hospitals	7,300	7,500	200	2.7%
Leisure & Hospitality	28,300	29,200	900	3.2%
Accommodation	7,200	7,300	100	1.4%
Food Svcs & Drinking Places	17,200	17,500	300	1.7%
Other Services	11,900	12,300	400	3.4%
Government	78,800	81,000	2200	2.8%
Federal Government	16,800	16,800	0	0.0%
State Government	22,900	23,800	900	3.9%
Local Government	39,100	40,400	1300	3.3%
Tribal Government	3,300	3,500	200	6.1%

Benchmark: March 2002. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

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

**A**laska recorded its fifteenth consecutive year of employment growth in 2002. The 6,500 new jobs equate to a growth rate of 2.2 percent. (See Exhibits 1 and 2.) Repeating the theme of recent years, the growth came primarily from the service-providing sector of the economy. In the goods-producing sector, only the construction industry showed growth in 2002.

### New classification system enters the scene

Revised numbers for 2001 and 2002 are being published for the first time under the North American Industry Classification System, or NAICS. NAICS replaces the Standard Industrial Classification system, or SIC. The reasons behind the change are detailed in the July 2002 issue of *Alaska Economic Trends*, and some examples of what the change will mean to Alaska are discussed in the March 2003 *Trends*.

The new NAICS categories present challenges for the users of these employment data, who will be unaccustomed to the new groupings, and to the economists estimating the numbers, who will not have the benefit of extended historical data. As a result, analysis will be more complicated and revisions to the numbers are likely to be larger than usual for the next year or two.

### Construction a bright spot

A significant number of public construction projects and a building season extended by unseasonably warm weather contributed to another good year

for the construction industry. The 900 new construction jobs equate to a healthy over-the-year growth rate of 6.0 percent.

### Fewer oil and seafood processing jobs

After adding jobs for the last two years, the oil industry had a down year in 2002. With no major new projects in 2002, employment fell by 700 jobs, or 7.4 percent. Seafood processing jobs also fell over the year as much of Alaska's fishing industry continued to struggle with low prices and competition from farmed fish.

### Strong health care growth continues

Health care and social assistance, a new category under NAICS, added 2,200 jobs in 2002. That number amounts to about a third of the state's employment growth and is an over-the-year increase of 8.5 percent. A sub-category called ambulatory health care accounts for 1,200 of the new jobs and had a whopping over-the-year growth rate of 11.2 percent. Employment classified under ambulatory health care includes physician and dentist offices, as well as other health practitioners (chiropractors, optometrists, physical therapists), medical & diagnostic laboratories, and home health care services.

### Leisure and hospitality adds jobs

Another new category, leisure and hospitality, added 900 jobs in 2002. The category conveniently combines the lion's share of Alaska's visitor-related industries, facilitating analysis of this important segment of the state's economy. Growth in these industries is notable because following the September 11, 2001 terrorist attacks considerable uncertainty circulated about what kind of a visitor season the summer of 2002 would bring. A related industry, air transportation, did not fare so well, losing 300 jobs in 2002.

### Professional and business services grow

The state added 500 jobs over the year in yet another new category, professional and business

services. The category combines employment in the professions including law, accounting, architecture, advertising, and engineering, with employment related to scientific research. The category also includes jobs in employment placement agencies, telephone call centers, private security firms, janitorial and landscaping services, convention and visitor bureaus, and waste collection, treatment, and disposal, among others.

### State and local government add jobs

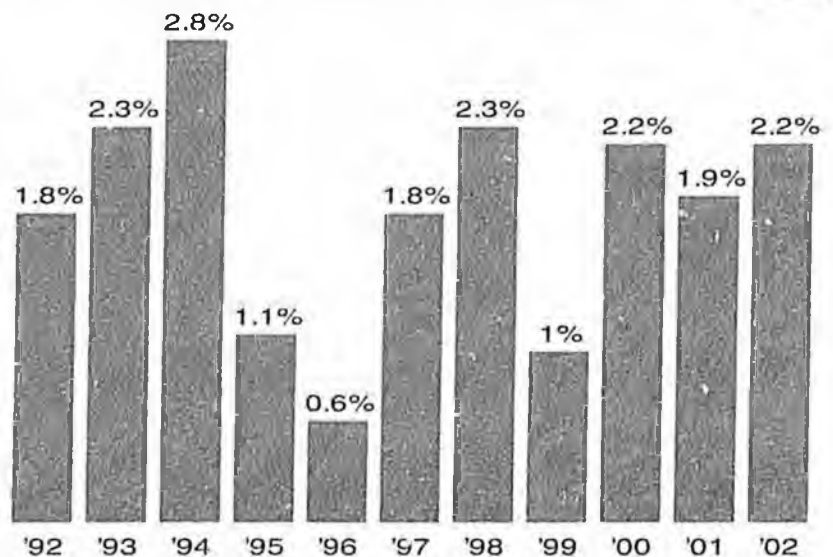
Both state and local government added a significant number of jobs in 2002. State government, which includes the University of Alaska system, added 900 jobs over the year. For its part, local government added 1,300 jobs and grew at a rate of 3.3 percent. Total employment in federal government held steady in 2002 despite several hundred new jobs in airport security.

### Unemployment rate higher in 2002

Even as employment grew in 2002, unemployment grew faster. Revised numbers show that 2002's unemployment rate rose one and

## State Maintains Moderate Growth 2

Percent employment change from previous year



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

three-tenths of a percentage point over the year to 7.7 percent. The rate is the highest Alaska has seen since 1997. One likely cause for the increase is the indirect effect of the unsteady national economy. During the U.S. economy's strong growth years in the mid to late 1990s, Alaska had more people migrating out of the state than migrating in.

That all changed with the national recession that began in 2001 and the uncertain recovery that persisted throughout 2002. For the first time in almost a decade, Alaska had moderate in-migration in 2002. So while Alaska's economy has continued to add jobs, it has also had to absorb more job seekers. The inability to absorb them all has led to higher unemployment rates, a condition that will likely persist until either the rate of job growth in Alaska increases or the economy in the lower 48 improves noticeably.

## ANCHORAGE by Neal Fried

In 2002 employment in Anchorage climbed by 2.7 percent or by 3,800 jobs. (See Exhibits 3 and 4.) This represents a higher rate of growth than the ten-year average of approximately 2 percent but is less than 2001's growth rate of 2.8 percent. But given the oil and visitor industries' below par performance of the past year, 2002's numbers came in stronger than expected. Services, construction, retail and government generated most of the new jobs. Underlying much of this growth was the continued increase of federal funds. In a sense, 2002 was an uneventful year for Anchorage—no single economic event, or string of them, positive or negative, took place. Instead, the momentum of the past few years continued.

### Unemployment stayed low

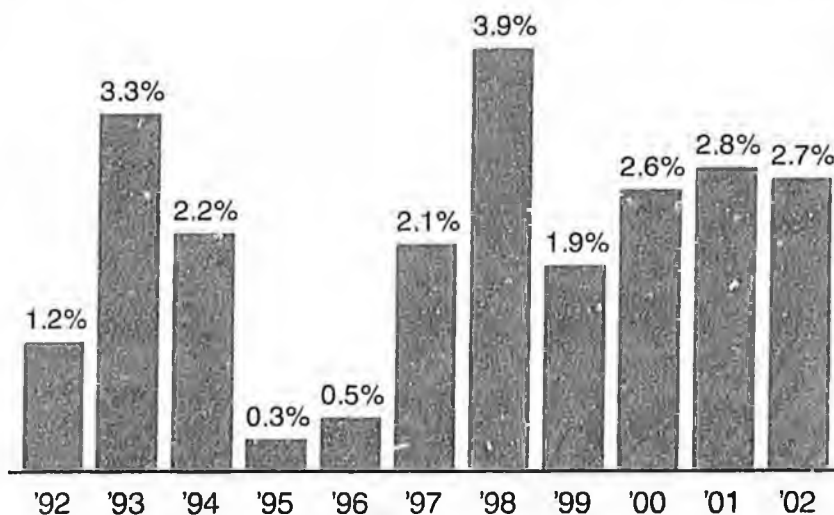
The unemployment rate for Anchorage came in at 5.4 percent, a point higher than last year's figure but below the statewide average of 7.7 percent and national figure of 5.8 percent—an indicator that the local job market remained relatively healthy. This higher rate was a sign that the job market did soften in 2002. Unlike the previous three years, job seekers reported finding fewer opportunities and employers were finding it less difficult to recruit workers.

### The oil patch lost ground

After more than three years of strong oil prices one might expect petroleum industry activity to remain high, but instead in late 2001 and during all of 2002, employment in the oil industry fell. Oil industry employment in Anchorage fell by nearly 600 jobs or eighteen percent. After the big Alpine and Northstar projects and strong exploration in the previous two years, activity fell in 2002. Most of the losses came from the oil field services share of the industry but some of the producers also scaled back. Both Unocal and BP trimmed their workforces in 2002 and BP closed its Alaska exploration office. The downturn in the oil industry's activity probably best explains the overall slowdown in Anchorage's employment growth in 2002.

## 3 Anchorage Grows Steadily

Percent employment change from previous year



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

## Construction helped keep the economy on a positive track

For the second year in a row Anchorage saw strong employment growth in construction. Employment climbed nearly 500 jobs up to the 8,000 level. The city's building permit valuations totaled \$584 million in 2002, close to last year's near record of \$599 million. All of the industry's major sectors shared in the growth. Commercial construction activity was anchored by the completion of the new \$10 million headquarters for the Arctic Slope Regional Corporation—the largest commercial office building built in Anchorage since the 1980s. The construction of a new Carrs, Lowe's and Fred Meyer in Eagle River and Aspen Hotel and a host of other projects rounded out the commercial side of this industry. The \$230 million expansion of the International Airport remained the single largest public building project, but added to this list were two new high schools, an elementary school, a new National Park Service headquarters building along with a list of smaller projects. A busy and long highway season in Anchorage and the Mat-Su Valley kept Anchorage contractors busy.

It was also another good year for residential construction. Builders broke ground for 1,332 new residential units in Anchorage—again close to last year's level of 1,423 units. The average home sale value rose seven percent in 2002. Continued low interest rates and a relatively healthy economy have kept this slice of the construction industry in the black. As building lots are becoming increasingly expensive in the Anchorage bowl, more of the new housing units being built are duplexes, condominiums and other multifamily-type housing.

## Another moderate year for retail

For an industry that employs more than 17,000 workers, the addition of 300 retail jobs in 2002 represents a modest increase. The new South Anchorage Fred Meyer opened in February and Lowe's opened later in the spring. Toward the end of the year, a new Best Buy electronics store opened its doors. Combined, these new stores

employ 400 to 500 workers, but because they opened up at different times of the year the net increase for 2002 was somewhat smaller. Cutbacks in existing stores also offset some of this growth. For example, KMart, which added groceries to their two operations in Anchorage during the last quarter of 2001 and hired hundreds of new workers, significantly cut back this workforce during the latter part of 2002. Then, in January of 2003, KMart announced the closure of its Alaska stores, which will affect 2003's retail employment levels.

## Wage and Salary Employment 4 Anchorage – 2001-2002

	2001	2002	Change	Percent Change
Total Nonfarm Wage & Salary	138,200	142,000	3,800	2.7%
Goods Producing	12,700	12,700	-	0.0%
Services Providing	125,500	129,300	3,800	3.0%
Natural Resources & Mining	3,400	2,800	(600)	-17.6%
Mining	3,300	2,700	(600)	-18.2%
Oil & Gas Extraction	3,200	2,600	(600)	-18.8%
Construction	7,500	8,000	500	6.7%
Manufacturing	1,800	1,900	100	5.6%
Trade, Transportation & Utilities	32,500	32,700	200	0.6%
Wholesale Trade	4,700	4,700	-	0.0%
Retail Trade	16,900	17,200	300	1.8%
General Merchandise Stores	4,200	4,400	200	4.8%
Food and Beverage Stores	2,500	2,300	(200)	-8.0%
Transport/Warehousing/Utilities	10,900	10,900	-	0.0%
Air Transportation	3,500	3,400	(100)	-2.9%
Truck Transportation	1,500	1,500	-	0.0%
Information	4,800	4,700	(100)	-2.1%
Telecommunications	2,900	2,700	(200)	-6.9%
Financial Activities	8,500	8,300	(200)	-2.4%
Professional & Business Svcs	16,100	16,900	800	5.0%
Educational & Health Services	14,800	16,200	1,400	9.5%
Health Care & Social Assistance	13,600	14,800	1,200	8.8%
Ambulatory Health Care	5,400	6,200	800	14.8%
Hospitals	4,400	4,600	200	4.5%
Leisure & Hospitality	14,000	14,500	500	3.6%
Accommodation	2,800	3,000	200	7.1%
Food Svcs & Drinking Places	9,500	9,800	300	3.2%
Other Services	5,600	6,000	400	7.1%
Government	29,200	30,100	900	3.1%
Federal Government	9,700	9,600	(100)	-1.0%
State Government	9,100	9,600	500	5.5%
Local Government	10,400	10,900	500	4.8%
Tribal Government	200	200	-	0.0%

Benchmark: March 2002. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

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

## Transportation budged little in 2002

Employment numbers in transportation's largest sector, air transportation, moved little in 2002 but Alaska fared far better than the rest of the nation. September 11<sup>th</sup>, a slower international air cargo season during the first half of 2002, and a weaker visitor season all had negative effects on the industry. In light of the existing environment it performed surprisingly well. Employment at Alaska's largest air carrier, Alaska Airlines, actually increased a little in 2002 despite the weaker visitor season. For the state's largest two international air cargo players, Federal Express and United Parcel Services, employment held steady. International air cargo activity did make a strong comeback during the second half of 2002, but employment levels have yet to follow.

## Health care and social services climbed

Education and health services created more than a third of all new jobs in Anchorage and a majority of these were in the category of health care and social assistance. All levels of health care grew in Anchorage, including hospitals, doctors' offices, clinics and just about anything else tied to this industry. An increase in federal money has also boosted employment for both health care and social service organizations. The privatization of these services was also a factor. But services growth has also come from engineering and other professional type services. The one area of services that was not a top performer was the visitor industry. By nearly all accounts businesses tied to the visitor industry struggled more than in past years. Bed taxes collected in Anchorage fell slightly—from \$11.2 in 2001 to \$11 million in 2002. However, the leisure and hospitality industry did manage to grow by three percent. Three new hotels opened in Anchorage in 2002—the Hilton Gardens, the Dimond Center Hotel and the Aspen. Food services and drinking places continued their expansion with the opening of a number of national chain restaurants in 2002, including Boston Pizza, International House of Pancakes, Applebee's and Chili's. Other smaller local establishments also opened.

## State and local government grew

Federal government employment fell slightly in 2002. The privatization of military activities and the Alaska Native Medical Center might explain most of this 150-job loss. However, during the last quarter of the year employment at the federal level got a big boost when more than 300 federal security people were hired at Anchorage International Airport. Because it happened so late in the year, these new hires will have a much bigger effect on levels of federal employment in 2003.

Employment levels in state and local government grew by 500 jobs respectively. State growth came both from the University of Alaska and state government operations. Nearly all of local government's growth came from the Anchorage School District.

## FAIRBANKS by Brigitta Windisch-Cole

If construction employment were the bellwether for the economy, Fairbanks would have recorded fabulous growth in 2002. Construction employment grew at the impressive rate of 12.5 percent. Overall, Fairbanks' economy booked a much more modest increase of 1.9 percent. (See Exhibits 5 and 6.) That translated to a gain of 650 jobs. Outside of construction, most sectors grew little or remained the same. Still, the big push from construction kept the local economy on track for its 14<sup>th</sup> year of growth.

## Construction flexed strong muscles

The dramatic growth in construction came from big public sector projects and a blend of commercial and residential building. Over a third of all new jobs created in the local economy were in construction. The net gain of 250 jobs in this industry resulted in an average employment level of 2,250. This was Fairbanks' best building season in seventeen years. The museum expansion, the Westmark Hotel renovation, and road projects such as Badger overpass, are a few examples of

the 2002 construction agenda. Proximity to the large Fort Greely missile site project also contributed to Fairbanks' performance.

In the Borough, the cornerstone project remained the \$215 million Basset Hospital, but other large military projects kept construction crews busy as well. A number of projects were not completed during 2002 and will carry over to the 2003 season.

### Health care & social assistance climbed

Demographics are often cited to explain the rise in health care employment. Fairbanks is aging, despite the presence of large young adult age cohorts that dominate the military and university populations. According to the Census Bureau, the median age in Fairbanks rose by two years between 1990 and 2000 to 29.5 years. While this remains below the statewide figure, aging baby boomers are a significant part of Fairbanks' population. This group, as elsewhere in the state, has influenced the demand for health care. The widening repertoire of specialized services also explains some of the industry's growth. Employment in the health care and social assistance category in Fairbanks rose by 100 in 2002. (See Exhibit 6.)

### Opposite business cycles emerged in mining

Mining employment in 2002 was a combination of growth and contraction. The oil and gas industry cut jobs while gold mining enjoyed an up cycle. Alaska's oil producers have curtailed capital spending on North Slope development, which resulted in a down year for Fairbanks' oil and gas support industry. Stringent cost controls in oil transportation further curtailed business for oil industry contracting partners.

Fairbanks' dominant gold mining employer, Ft. Knox, had a good year. At the beginning of 2002 an ounce of gold traded well below \$300 per ounce on world markets but by year's end prices had climbed to over \$340 per ounce. In addition, the 2001 acquisition of the True North

deposit has helped the mine to mill more ore and increase production. As a result, employment has steadily risen at the mine. Staff levels in 2002 were about 380, up 85 jobs from 2000.

### Transportation stayed on the level

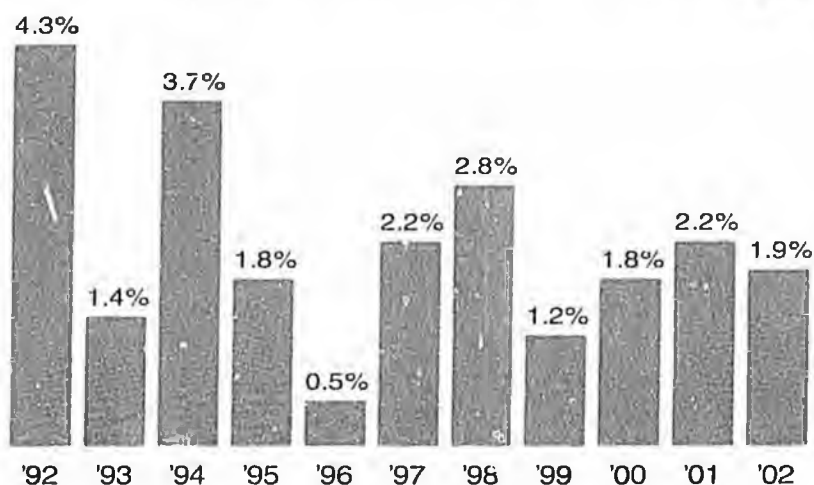
While employment in the transportation sector appeared to be steady, a closer examination reveals some problems. In the second half of the year, Alyeska Pipeline Service Company started to transfer personnel from its Fairbanks business unit back to Anchorage. More than 100 jobs have now been moved. The impact of the move will become more apparent in 2003 employment numbers. Ground transportation, especially trucking, also helped mask some of the loss.

### Some growth in retail jobs

Fairbanks added 250 retail jobs in 2002, despite the constant flux on the national retail scene that has kept Fairbanks lean in retail employment and left voids in the local market place. Little empty retail space was filled this past year, although a new Home Depot store helped overall retail employment grow. General merchandise, the department store section, was still ailing, suffering a loss of 100 jobs. This loss came from a cumulative downsizing of staff in several large stores, and does not reflect the loss of

## Fairbanks is Still Growing

Percent employment change from previous year



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

the Kmart Super Center, which will register in 2003.

## Uncertainties surrounded the visitor industry

With the advent of the North American Industry Classification System, a clearer picture can now be drawn of the visitor industry and its influence on employment. NAICS established a new sector for leisure and hospitality. Amusement, accommodation, and eating & drinking employment are all counted here. Employment in this new sector averaged 3,850 jobs in 2002.

The trend in hotel employment and room revenues

ran counter to these gains. Hotel employment was down four percent and room revenues fell eight percent below 2001 averages. Several reasons may explain the weakness of this past travelling season. The national recession and consumer confidence shaken by national security concerns may have played a role. Competition is another possibility. The favorable exchange rate of the Canadian dollar to U.S. and other currencies may have diverted some travelers to the Yukon Territory for their Arctic experience.

Employment in restaurants and amusement services, which get their stimuli not only from visitors but also from local populations, grew by 100 jobs. Several new dining places opened in Fairbanks during 2001 and 2002. Recreational services employment has grown not only in Fairbanks but across the state and nation. Sports club memberships, for example, have risen sharply in the past decade.

## Government employment shifted

Public sector employment gains in 2002 are largely attributable to state government. State government added 200 jobs in 2002, many of them at the University of Alaska. These gains offset small employment losses on the local and federal level. Downsizing the federal workforce has been a national policy for several years and specific agencies have felt the effects. The civilian contingent of the Department of Defense, for example, has become considerably smaller. Privatization of support services on the bases has replaced federal employees with private sector workers. However, this past November a change in the opposite direction occurred. The newly created transportation security division created more than 90 new federal jobs at Fairbanks International Airport.

## 6 Wage & Salary Employment Fairbanks 2001-2002

	2001	2002	Change	Percent Change
Total Nonfarm Wage & Salary	34,700	35,350	650	1.9%
Goods Producing	3,500	3,700	200	5.7%
Services Providing	31,200	31,650	450	1.4%
Natural Resources & Mining	950	900	-50	-5.3%
Mining	950	900	-50	-5.3%
Oil & Gas Extraction	550	450	-100	-18.2%
Construction	2,000	2,250	250	12.5%
Manufacturing	550	550	0	0.0%
Trade, Transportation & Utilities	7,050	7,250	200	2.8%
Wholesale Trade	500	500	0	0.0%
Retail Trade	3,900	4,150	250	6.4%
General Merchandise Stores	1,250	1,150	-100	-8.0%
Food and Beverage Stores	400	400	0	0.0%
Trans/Warehousing/Utilities	2,600	2,600	0	0.0%
Air Transportation	900	850	-50	-5.6%
Truck Transportation	600	650	50	8.3%
Information	600	600	0	0.0%
Telecommunications	300	350	50	16.7%
Financial Activities	1,300	1,300	0	0.0%
Professional & Business Svcs	2,100	1,800	-300	-14.3%
Educational & Health Services	3,400	3,550	150	4.4%
Health Care & Social Assistance	3,200	3,300	100	3.1%
Leisure & Hospitality	3,700	3,850	150	4.1%
Accommodation	1,050	1,000	-50	-4.8%
Food Svcs & Drinking Places	2,300	2,400	100	4.3%
Other Services	1,950	2,050	100	5.1%
Government	11,150	11,250	100	0.9%
Federal Government	3,350	3,300	-50	-1.5%
State Government	4,700	4,900	200	4.3%
Local Government	3,100	3,050	-50	-1.6%

Benchmark: March 2002. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

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

## SOUTHEAST REGION by Neal Gilbertsen

The Southeast regional economy shed 150 jobs in 2002, resulting in a four-tenths percent decline from 2001. While not as severe as that experienced from 1997 to 1998, the setback was the third largest in a decade, and the first time in the decade that the region has suffered two consecutive years of decline. Job losses in logging and wood products manufacturing were major factors contributing to this negative trend. Transportation jobs also fell and jobs in the new category of leisure and hospitality showed no growth. Educational and health services and government were the two categories that showed noticeable growth. (See Exhibit 8.)

The Southeast goods producing sector did not have a good year in 2002. The year opened with the failure of Gateway Forest Products and closed with Wards Cove Packing Company's announcement that it would not operate in 2003. Construction employment was flat, and the news from the rest of the sector was disappointing.

### Timber

The newly adopted U.S. tariff imposed on Canadian softwoods resulted in shipment of more than a billion feet of Canadian lumber across the border prior to the tax's taking effect in May 2002. Already low lumber prices collapsed under this glut, and logging operations and lumber mills across both the U.S. and Canada were curtailed or closed for much of the year. For the already struggling timber industry in Southeast, this spelled further hardships. Largely as a result of the Gateway closure, the wood products industry shed over 100 jobs. Nearly 200 additional logging jobs disappeared as the economic effects of low prices added to the industry's woes. Most recently, Silver Bay, the largest logging company in Southeast, has filed for bankruptcy protection as it seeks to reorganize.

### Seafood

The full impact of the Wards Cove closure has not yet been felt in Southeast; still the loss of a major

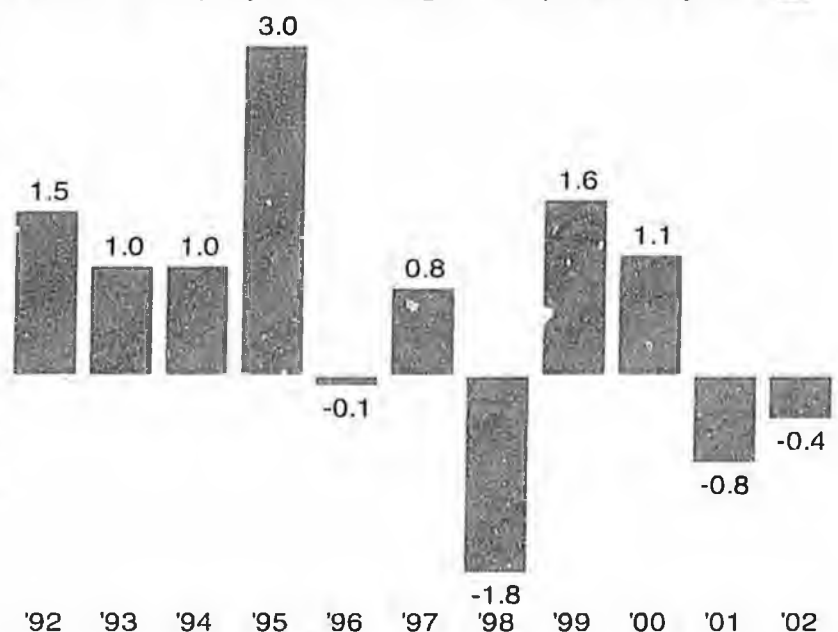
buyer and two of its three seafood processing plants is cause for concern. (E.C. Phillips and Assoc. have acquired the cold storage plant in Ketchikan.) While 2002 seafood processing employment remained unchanged from 2001, it seems likely that 2003 will see significant reductions unless new operators for the remaining plants step forward. Unfortunately, the underlying causes of the Wards Cove closure, low prices and farmed fish competition, continue to plague both fishermen and processors.

### Fish prices remain low

According to the Alaska Department of Fish and Game, the 2002 Southeast salmon fisheries produced 242 million pounds, 95 million pounds fewer than the 337 million pounds of 2001. The ex-vessel value of this harvest was estimated to be \$38.9 million, down \$53.9 million from the 2001 landings of \$92.8 million. A very similar harvest level of 242.5 million pounds in 2000 produced nearly twice as much revenue, \$72.2 million. Due to low prices and processor restrictions on the number of vessels whose fish they would purchase, fewer fishermen participated in the

## Southeast Employment Declines **7**

Percent employment change from previous year



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

harvest. Only 273 purse seine vessels operated in 2002 compared to 345 in 2001. Similar reductions in effort characterized the power troll and drift gillnet fisheries. Fewer vessels and fewer fishermen resulted in reduced demand for support industries such as fuel docks, grocery stores, and ship chandlers.

While the Alaska Department of Fish and Game expects strong returns in 2003, depressed ex-vessel prices, loss of processing capacity and ever-lower fleet participation do not point to an early recovery of the industry.

## Services

Most services employment remained flat in 2002. The losses that occurred in transportation and in accommodation employment may point to a leveling off in tourist related industries. The major gains in health care and social assistance continue a long-term trend and are probably attributable to Southeast's aging population. Both wholesale and retail trade posted gains for the year, but the closure of Juneau's KMart makes it unlikely that this growth will continue through 2003.

The addition of more than 150 airport security personnel created federal employment growth. State government also grew, adding 170 jobs, most of which can be attributed to the University of Alaska Southeast. The apparent increase masks the fact that state government has grown very slowly over the past 13 years. The average annual rate of increase in state government, including the University, from 1990 through 2002 has been approximately one half of one percent, with total employment increasing from 5,600 to 6,000.

## 8 Wage & Salary Employment Southeast 2001-2002

	2001	2002	Change	Percent Change
Total Non-farm Wage & Salary	35,950	35,800	-150	-0.4%
Goods Producing	4,300	3,950	-350	-8.1%
Services Providing	31,650	31,850	200	0.6%
Natural Resources & Mining	800	650	-150	-18.8%
Logging	500	300	-200	-40.0%
Mining	300	300	0	0.0%
Construction	1,600	1,600	0	0.0%
Manufacturing	1,850	1,700	-150	-8.1%
Wood Products Mfg.	300	150	-150	-50.0%
Seafood Processing	1,300	1,300	0	0.0%
Trade, Transportation & Utilities	7,100	6,950	-150	-2.1%
Retail Trade	4,250	4,300	50	1.2%
Trans/Warehousing/Utilities	2,400	2,150	-250	-10.4%
Information	550	500	-50	-9.1%
Financial Activities	1,300	1,250	-50	-3.8%
Professional & Business Svcs	1,350	1,400	50	3.7%
Educational & Health Services	3,200	3,400	200	6.3%
Health Care & Social Assistance	3,000	3,150	150	5.0%
Leisure & Hospitality	3,750	3,700	-50	-1.3%
Accommodation	1,400	1,300	-100	-7.1%
Food Svcs & Drinking Places	1,600	1,600	0	0.0%
Other Services	1,150	1,150	0	0.0%
Government	13,200	13,500	300	2.3%
Federal Government	1,750	1,850	100	5.7%
State Government	5,450	5,650	200	3.7%
Local Government	5,950	6,000	50	0.8%
Tribal Government	550	550	0	0.0%

Benchmark: March 2002. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

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

## GULFCOASTREGION

by Brigitta Wirdisch-Cole

The Gulf Coast region includes the Kenai Peninsula area, the Kodiak Island Borough and the Valdez-Cordova census area. Employment in the regional economy increased by just half a percent or 150 jobs in 2002. (See Exhibit 9.) Gains in public sector employment and the leisure and hospitality category largely offset continuing job losses in the seafood processing industry.

### Job losses mount in the seafood industry

Before the 2002 summer salmon season, Polar Equipment, which operated under the name of Cook Inlet Processors, sold its plants in Kenai and Kodiak to Ocean Beauty Seafoods of Kodiak. At year end Wards Cove Packing Company announced the closure of its plants. The exodus of seafood processing firms illustrates the weakness of the Alaska salmon industry that has severely impacted the Gulf Coast region. In 1994, the Gulf's seafood processing industry employed 3,500 workers. By 2002, the employment level had shrunk to 2,200 jobs, a decline of 38 percent over this eight-year period. (See Exhibit 9.)

Salmon fishermen in Kodiak, Prince William Sound, and Cook Inlet have experienced a downturn in earnings and suffered the devaluation of their assets over the past decade. Investments in fishing permits, boats and gear have fallen to a small fraction of their former values. In 2002, earnings for fishermen in Kodiak dropped 45 percent from 2001 and in Prince William Sound harvest value took a cut of 27 percent. Only Cook Inlet fishermen experienced an increase in 2002, with the harvest value up 57 percent and harvest volume up 84 percent. Participation in the fisheries in all three areas has declined, and many harvesters have fished shortened seasons because of low prices and imposed harvest limits. Due to poor market conditions, fish buyers' interest in processing the harvests has also become problematic.

Fishery reliant areas of the Gulf such as Kodiak Island, where many residents have lifetime investments in the industry, are experiencing lean times and are losing population. The diversification of Kodiak's fisheries has partially cushioned the severe economic setbacks associated with salmon and herring.

### Other industries are more stable

The performances of other industries in the Gulf Coast are somewhat better. The Cook Inlet oil and gas industry even made a comeback. Exploration continued and new deposits were identified. A gas pipeline between Ninilchik and Kenai is

## Wage & Salary Employment 9 Gulf Coast Region 2001-2002

	2001	2002	Change	Percent Change
Total Non-farm Wage & Salary	27,850	28,000	150	0.5%
Goods Producing	6,150	5,950	-200	-3.3%
Services Providing	21,700	22,050	350	1.6%
Natural Resources & Mining	1,400	1,450	50	3.6%
Oil & Gas Extraction	1,250	1,300	50	4.0%
Construction	1,600	1,600	0	0.0%
Manufacturing	3,150	2,900	-250	-7.9%
Seafood Processing	2,450	2,200	-250	-10.2%
Trade, Transportation & Utilities	5,500	5,550	50	0.9%
Retail Trade	3,300	3,300	0	0.0%
Trans/Warehousing/Utilities	1,900	1,900	0	0.0%
Information	400	450	50	12.5%
Financial Activities	800	850	50	6.3%
Professional & Business Svcs	1,450	1,400	-50	-3.4%
Educational & Health Services	1,800	1,850	50	2.8%
Health Care/Social Assistance	1,700	1,750	50	2.9%
Leisure & Hospitality	3,100	3,150	50	1.6%
Accommodation	1,000	1,150	150	15.0%
Food Svcs & Drinking Places	1,750	1,750	0	0.0%
Other Services	1,450	1,400	-50	-3.4%
Government	7,200	7,350	150	2.1%
Federal Government	750	800	50	6.7%
State Government	1,600	1,650	50	3.1%
Local Government	4,850	4,900	50	1.0%
Tribal Government	300	350	50	16.7%

Benchmark: March 2002. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

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

currently being built. Unocal announced that it will shut down its platforms, but other oil companies are looking at Cook Inlet with increased interest. Pipeline employment at the Valdez terminus fell, with employees of the Valdez business unit being moved back to Anchorage.

## **SOUTHWEST REGION**

by Brigitta Windisch-Cole

### **Older population drives growth**

Health care employment continued to grow in 2002. The aging of the population and an emerging mail box economy based on retirement checks is linked to the increased demand for health services. The Kenai Peninsula appears to be attracting an influx of retirement age population. Among the three Gulf areas, the Kenai Peninsula has the most diversified economy and benefits from proximity to Anchorage. Its natural beauty and recreational opportunities not only lure retirees but attract a large visitor clientele from Anchorage and elsewhere.

### **The visitor industry continues to enlarge**

The visitor industry continued to grow in 2002. Employment increases were mainly associated with hotels. Two large new businesses opened this season: the Aspen Hotel in Soldotna and the Princess Hotel at the entrance of the Wrangell/St. Elias National Park at Copper Center. An Aspen Hotel, a remodeled property, will open this year in Valdez.

### **The public sector adds staff**

Public sector employment increased in 2002 at all three levels of government. Federal employment grew with the hiring of security personnel at Gulf region airports. Kodiak alone gained more than 30 federal workers. Increased university staff largely explained growth in state government. The gain in local government stemmed from hiring at the two Kenai Peninsula hospitals and enhanced tribal employment.

Although the decline in seafood processing employment cost 300 jobs, wage and salary employment was above 2001 levels by 250 jobs. Overall employment registered 1.4 percent growth in 2002. (See Exhibit 10.) The public sector contributed 150 new jobs. Health care and social assistance led employment growth among the other services producing industries, adding 150 new jobs. The remaining small gain was evenly spread among the services sectors.

Fishing is the economic mainstay in Southwest Alaska. The 2002 fishing seasons produced mixed results. The Bering Sea groundfish fleet had a successful year. Crab fishermen had a more mixed experience. The winter crab harvest was small and prices were down early in 2002. The Red King crab fishery, however, was profitable for most participants and harvest prices were high.

Only a few seafood companies showed up in Bristol Bay to process fish. Numerous plants remained dormant, there were very few fish, and the harvest price was low. Many fishermen opted to sit out the season fearing the costs of participation would exceed gross earnings. All in all, it was another disastrous year for the Bristol Bay fishery.

Two of the three areas making up the Bristol Bay region have lost population, and the third is barely holding its own. Populations in Bristol Bay and Lake and Peninsula Boroughs both fell by 9.1 percent between 2000 and 2002. The Dillingham census area gained just eight new residents, which means that natural increase (births minus deaths) could barely mask the out-migration trend. This population trend underscores the problems associated with the local fishery.

## NORTHERN REGION

by Brigitta Windisch-Cole

Wage and salary employment increased by 200 jobs in 2002. The corresponding growth rate for the year was 1.3 percent, and contained only small changes in industry employment. Employment in the North Slope Borough oil fields remained flat for most of the year. With the exception of a few maintenance and upgrade programs, the industry concentrated on oil and gas production from existing fields.

Employment in the western part of the region that encompasses the Nome Census Area, the Northwest Arctic, and the North Slope Boroughs grew some with the public sector creating most of the new jobs. Increases in local government employment took place in school districts, federally recognized tribes, and other government entities. Most of the new job creation in the private sector was in the educational and health services category. A soft spot was mining employment at the Red Dog Mine. Employment levels there dropped by about 25 jobs in 2002 from its 2001 average.

## Wage & Salary Employment Southwest Region 2001-2002

# 10

	2001	2002	Change	Percent Change
Total Nonfarm Wage & Salary	18,050	18,300	250	1.4%
Goods Producing	4,300	4,050	-250	-5.8%
Services Providing	13,750	14,250	500	3.6%
Seafood Processing	4,150	3,850	-300	-7.2%
Government	7,300	7,450	150	2.1%
Federal Government	350	350	0	0.0%
State Government	500	550	50	10.0%
Local Government	6,400	6,550	150	2.3%
Tribal Government	1500	1550	50	3.3%

Benchmark: March 2002. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

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

## Wage & Salary Employment Northern Region 2001-2002

# 11

	2001	2002	Change	Percent Change
Total Nonfarm Wage & Salary	15,950	16,150	200	1.3%
Goods Producing	5,600	5,550	(50)	-0.9%
Services Providing	10,350	10,650	300	2.9%
Oil & Gas Extraction	4,400	4,450	50	1.1%
Government	4,850	5,100	250	5.2%
Federal Government	150	150	-	0.0%
State Government	300	350	50	16.7%
Local Government	4,350	4,600	250	5.7%
Tribal Government	500	550	50	10.0%

Benchmark: March 2002. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

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

# Benchmark

by  
Dan Robinson  
Labor Economist

The Alaska Department of Labor and Workforce Development revises the nonfarm wage and salary employment estimates each January in a procedure called benchmarking. Exhibits 1 and 2 show statewide revised estimates for 2001 and 2002.

## 1 Wage and Salary Employment 2001

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Annual Average
<b>Nonfarm Wage &amp; Salary</b>	264,900	274,100	276,700	281,900	293,250	303,600	311,700	312,400	305,000	290,300	280,000	277,300	289,300
<b>Goods Producing</b>	29,900	35,000	35,400	35,600	37,200	41,600	49,900	49,400	44,600	38,300	32,400	29,800	38,300
<b>Services Providing</b>	235,000	239,100	241,300	246,300	256,100	262,000	261,800	263,000	260,500	252,000	247,600	247,500	251,000
<b>Nat Resource/Mining</b>	10,500	11,500	11,600	11,800	12,000	12,300	12,200	12,100	12,000	11,800	11,200	10,700	11,600
Logging	300	500	700	900	900	900	900	900	900	700	600	300	700
Mining	10,300	11,000	11,000	11,000	11,300	11,500	11,300	11,200	11,100	11,100	10,700	10,400	11,000
Oil & Gas Extraction	9,000	9,700	9,600	9,600	9,800	9,800	9,600	9,500	9,500	9,500	9,200	9,000	9,500
<b>Construction</b>	10,900	11,500	12,100	13,300	14,900	17,200	18,200	19,000	18,100	16,800	14,100	13,100	14,900
<b>Manufacturing</b>	8,500	12,000	11,800	10,500	10,300	12,200	19,500	18,300	14,500	9,800	7,100	6,000	11,700
Wood Products Mfg.	400	400	300	400	500	500	500	500	500	400	400	400	400
Seafood Processing	5,100	8,600	8,400	6,900	6,400	7,900	15,300	14,100	10,300	5,700	3,300	2,200	7,900
<b>Trade/Trans/Util</b>	55,600	55,300	55,800	57,800	61,100	64,000	65,600	65,500	63,400	60,500	58,800	58,700	60,200
Wholesale Trade	5,900	5,900	5,900	6,000	6,200	6,400	7,000	6,900	6,400	6,000	5,900	5,900	6,200
Retail Trade	31,500	31,000	31,100	32,000	33,400	34,900	35,100	35,100	34,300	33,500	33,400	33,400	33,200
Food/Bev Stores	5,900	5,700	5,800	5,800	6,000	6,200	6,300	6,200	6,100	5,800	5,700	5,600	5,900
Gen Merch Stores	8,500	8,500	8,500	8,700	8,900	9,300	9,400	9,500	9,500	9,800	9,800	9,700	9,200
Trans/Warehouse/Util	18,300	18,400	18,700	19,800	21,600	22,700	23,500	23,600	22,700	21,000	19,500	19,400	20,800
Air Transportation	6,400	6,300	6,300	6,400	6,800	7,200	7,100	7,100	7,000	6,500	6,300	6,300	6,600
Truck Trans	2,300	2,400	2,400	2,500	2,700	2,800	3,000	2,900	2,800	2,700	2,600	2,600	2,600
<b>Information</b>	7,300	7,400	7,400	7,200	7,400	7,500	7,500	7,500	7,300	7,300	7,300	7,200	7,300
Telecommunications	4,300	4,200	4,200	4,300	4,300	4,400	4,400	4,500	4,400	4,400	4,400	4,300	4,400
<b>Financial Activities</b>	13,400	13,400	13,400	13,600	14,000	14,500	14,300	14,400	14,100	13,700	13,400	13,500	13,800
<b>Prof/Biz Svcs</b>	21,200	21,900	21,900	22,200	23,100	24,100	24,500	24,800	23,600	22,500	21,700	21,800	22,800
<b>Education/Health Svc</b>	26,500	27,000	27,300	27,400	27,800	27,900	28,000	28,400	28,400	28,600	28,800	29,000	27,900
HealthCare/Soc	24,600	25,000	25,300	25,400	25,700	26,000	26,200	26,300	26,300	26,400	26,600	26,800	25,900
Amb. Health Care	10,100	10,300	10,400	10,500	10,600	10,800	11,000	11,000	10,900	11,000	11,100	11,200	10,700
Hospitals	7,000	7,100	7,200	7,200	7,200	7,300	7,300	7,400	7,400	7,400	7,300	7,400	7,300
<b>Leisure &amp; Hospitality</b>	23,800	24,500	24,700	26,000	29,300	33,500	34,100	34,200	31,600	26,700	25,300	25,400	28,300
Accommodation	5,500	5,600	5,700	6,000	7,400	9,700	10,300	10,200	8,800	6,500	5,500	5,600	7,200
Food Svcs/Drinking	15,000	15,400	15,600	16,500	17,900	19,600	19,400	19,400	18,600	16,500	16,200	16,100	17,200
<b>Other Services</b>	11,400	11,500	11,700	11,800	12,150	12,300	12,100	12,200	12,100	11,900	11,800	11,800	11,900
<b>Government</b>	75,700	78,300	79,200	80,300	81,300	78,200	75,600	76,100	80,000	80,800	80,500	80,200	78,800
Federal	16,300	16,200	16,300	16,400	16,900	17,600	17,600	17,400	17,300	16,500	16,300	16,900	16,800
State	21,500	22,800	23,100	23,300	23,500	22,100	22,300	21,900	23,700	23,700	23,700	23,500	22,900
Local	37,900	39,300	39,800	40,600	40,900	38,400	35,700	36,800	39,000	40,700	40,500	39,800	39,100
Tnbal	2,900	3,000	3,050	3,100	3,200	3,400	3,600	3,600	3,500	3,600	3,400	3,400	3,300

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

# Wage and Salary Employment 2

## 2002

	Jan.	Feb.	Mar.	April	May	June	July	Aug	Sept.	Oct.	Nov.	Dec.	Annual Average
<b>Nonfarm Wage &amp; Salary</b>	271,200	280,400	283,500	286,600	298,200	308,100	317,100	317,800	310,600	298,600	289,600	287,400	295,800
<b>Goods Producing</b>	30,900	35,100	35,400	34,500	36,100	40,700	48,900	47,900	43,500	38,100	32,900	30,300	37,900
<b>Services Providing</b>	240,300	245,400	248,100	252,100	262,000	267,400	268,200	269,900	267,200	260,500	256,700	257,000	257,900
<b>Nat Resource/Mining</b>	10,500	10,700	10,800	11,100	10,800	11,000	11,400	11,300	10,900	10,750	10,300	9,900	10,800
Logging	200	300	400	500	600	700	700	800	700	600	600	300	500
Mining	10,300	10,500	10,500	10,500	10,200	10,300	10,700	10,500	10,200	10,100	9,900	9,900	10,300
Oil & Gas Extraction	8,900	9,100	9,100	9,100	8,700	8,700	9,000	8,900	8,600	8,500	8,400	8,400	8,800
<b>Construction</b>	12,200	12,400	12,800	13,400	15,900	18,200	19,100	19,700	19,000	17,700	15,500	14,100	15,800
<b>Manufacturing</b>	8,200	11,900	11,700	10,000	9,500	11,600	18,300	16,900	13,500	9,600	7,000	6,300	11,200
Wood Products Mfg.	300	300	300	300	300	300	400	400	400	300	400	300	300
Seafood Processing	4,600	8,300	8,000	6,400	5,700	7,700	14,100	12,500	9,300	6,000	3,400	2,600	7,400
<b>Trade/Trans/Util</b>	56,700	57,000	57,800	58,700	62,300	64,800	65,800	65,900	63,500	60,600	59,800	59,700	61,000
Wholesale Trade	5,700	5,700	5,800	6,100	6,300	6,500	7,000	6,900	6,400	6,200	6,200	6,000	6,200
Retail Trade	32,000	31,900	32,150	32,500	34,200	35,400	35,800	35,600	34,900	34,100	34,100	34,000	33,900
Food/Bev Stores	5,400	5,500	5,500	5,500	5,800	6,000	6,100	5,900	5,800	5,700	5,700	5,550	5,700
Gen Merch. Stores	9,300	9,100	9,200	9,100	9,200	9,500	9,600	9,500	9,400	9,700	9,800	9,700	9,400
Trans/Warehouse/Util	19,000	19,400	19,900	20,000	21,900	22,800	23,000	23,400	22,200	20,400	19,500	19,700	20,900
Air Transportation	6,100	6,100	6,100	6,300	6,700	7,100	6,900	6,900	6,600	5,800	5,600	5,500	6,300
Truck Transport	2,500	2,600	2,500	2,600	2,800	3,000	3,000	3,000	2,800	2,700	2,600	2,500	2,700
<b>Information</b>	6,900	6,800	6,900	7,100	7,200	7,200	7,500	7,300	7,300	7,200	7,300	7,200	7,200
Telecommunications	4,100	4,100	4,100	4,100	4,100	4,200	4,400	4,300	4,300	4,300	4,200	4,200	4,200
<b>Financial Activities</b>	13,200	13,200	13,300	13,200	13,600	14,000	14,100	14,300	14,000	13,700	13,400	13,500	13,600
<b>Prof/Biz Svcs</b>	21,200	21,800	22,000	22,200	23,100	24,100	24,800	26,000	24,800	23,900	22,800	22,700	23,300
<b>Education/Health Svc</b>	29,000	29,500	29,700	30,100	30,400	30,600	30,600	30,700	30,400	30,700	30,700	30,800	30,300
HealthCare/Soc	26,800	27,200	27,500	27,800	28,200	28,400	28,600	28,600	28,300	28,600	28,500	28,700	28,100
Amb. Health Care	11,300	11,400	11,700	11,700	11,900	12,100	12,200	12,400	12,100	12,200	12,200	12,400	12,000
Hospitals	7,300	7,400	7,400	7,400	7,500	7,500	7,600	7,500	7,500	7,500	7,600	7,500	7,500
<b>Leisure &amp; Hospitality</b>	24,000	24,800	25,000	26,800	30,300	34,000	35,100	34,800	32,400	28,300	27,200	27,200	29,200
Accommodation	5,400	5,500	5,500	6,000	7,700	9,600	10,400	10,200	8,900	6,700	5,900	5,900	7,300
Food Svcs/Drinking	15,200	15,600	15,900	16,800	18,200	19,600	20,000	19,900	19,000	17,000	16,700	16,550	17,500
<b>Other Services</b>	11,600	11,800	12,000	12,100	12,300	12,300	12,700	12,800	12,700	12,600	12,300	12,400	12,300
<b>Government</b>	77,700	80,400	81,400	82,000	82,800	80,300	77,600	78,000	82,000	83,400	83,300	83,600	81,000
Federal	15,900	15,900	16,000	16,000	16,600	17,400	17,500	17,200	17,300	17,300	17,200	17,400	16,800
State	22,500	23,900	24,100	24,300	24,300	23,600	23,000	23,100	24,400	24,200	24,200	24,000	23,800
Local	39,300	40,700	41,200	41,600	41,900	39,300	37,100	37,600	40,400	41,900	41,900	42,100	40,400
Tribal	3,200	3,200	3,300	3,200	3,400	3,700	4,000	4,000	3,600	3,900	3,600	3,600	3,600

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

# January Economic Overview

Employment and unemployment steady, groundfishery looking good

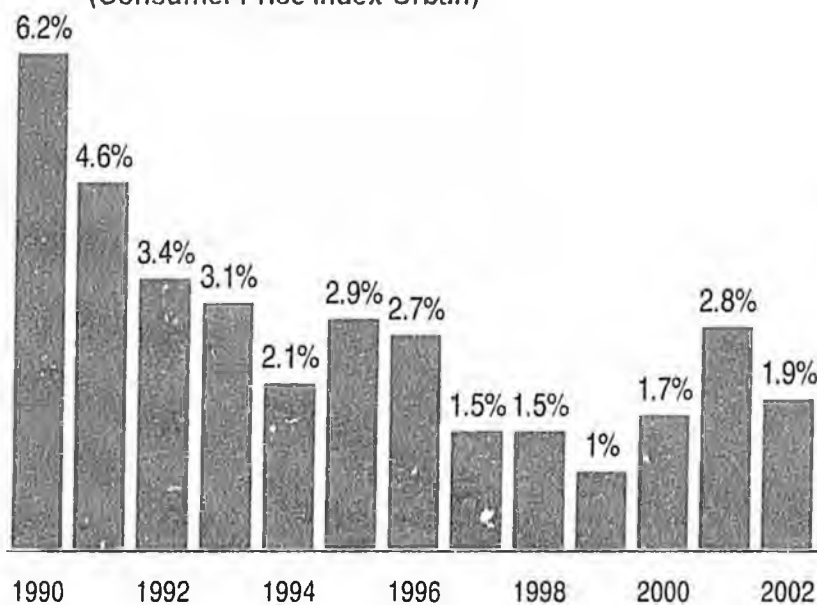
## Alaska Employment Scene

by  
Brigitta Windisch-Cole  
Labor Economist

**F**ollowing a year of employment growth that averaged 2.2 percent, January 2003 employment statistics showed an identical 2.2 percent increase over January 2002. The annual comparison implies that 6,000 jobs were created. (See Exhibit 2.) This level of over-the-year growth should, however, be viewed with a degree of caution.

January 2003 was the first month employment estimates were conducted using a new federally mandated estimation technique. The statewide estimates are now based on probability samples that have been tested on a national basis, but not in Alaska. Therefore, state analysts have no experience in assessing the quality of the techniques or the resulting estimates. The North American Industry Classification System (NAICS) conversion took effect at the beginning of 2003, which meant that many employers changed industry classification. As with any conversion, some problems surfaced. A few of the difficulties stemmed from code changes, but programming errors also occurred. While most of these problems were minor and were corrected in a timely manner, a small possibility of undetected errors remains.

### 1 Anchorage Consumer Prices Rise Change from previous year in CPI-U (Consumer Price Index-Urban)



Source: U.S. Bureau of Labor Statistics

### January's unemployment rate held steady

January's unemployment rate (civilian, not seasonally adjusted) remained unchanged at 8.6 percent from December and also registered the same as in January 2002. (See Exhibit 5.) Nearly 28,900 workers were unemployed this month. Anchorage's 5.8 percent unemployment rate was the lowest rate in the state. Its large year-round employment base and this year's high level of winter building activity helped the Anchorage job market to remain competitive. In many rural areas the unemployment rates climbed or re-

mained at high levels. This is typical in January due to scaled back off-seasonal employment.

### **KMart closes**

Not all national events bypass the state. The retail giant Kmart announced that it would close 300 stores in the nation as part of its bankruptcy reorganization plan. Nationwide, approximately 37,000 retail workers will lose their jobs. Among the casualties are all five Alaska stores. This will amount to a statewide loss of approximately 900 jobs in April. Retail markets in Anchorage, Kenai, Fairbanks and Juneau will become smaller, unless new entrants fill the void.

### **Seafood summary**

In the seafood industry, Wards Cove Packing Company has announced that it will no longer process salmon in the state. While buyers for two cold storage facilities, one in Ketchikan and the other in Seward, have stepped forward, it seems likely that several canneries will remain closed in 2003. This will mean fewer jobs in seafood processing. For seafood harvesters the Wards Cove closure will further constrict the already depressed markets for salmon in the Southeast, Gulf and Western salmon fishing regions. In some communities this closure will deprive the local market of its sole buyer. This event clouds this summer's economic performance and presents even more challenges for the salmon industry during the upcoming season.

Additional concerns pertain to the salmon industry. Court hearings began in January in a class-action lawsuit brought by a large Bristol Bay harvester group asking damages of \$1.4 billion from Bristol Bay processors and Japanese buyers. The suit alleges price fixing among fish processors and buyers between 1989 and 1995. Several companies have settled out of court for \$40 million. Although a settlement would infuse much needed cash into an economically distressed

fleet, the lawsuit could also involve long lasting market consequences for Alaska's salmon. Abundant farm-raised salmon is available to seafood buyers and it continues to gain market share.

### **Crab and groundfish have good seasons**

Not all news from the Alaska fishing grounds was bad. Due to good weather conditions, the crab fleet, consisting of 190 boats, took the 2003 January snow crab harvest in just eleven days. Although this year's harvest quota was more than twelve percent lower than last year's, it increased in value. Prices of \$1.85 per pound could produce earnings of \$45 to \$50 million, roughly 30 percent above last year's yield.

Over the past decade the groundfishery has developed into the most valuable harvest in the state. The 2003 season may produce the most valuable on record. The 2003 first pollock season started in January on an optimistic note in the Western region. A near record high quota, set at 1.485 million metric tons for pollock and 200,000 metric tons for pacific cod portends another year of good fishing in the Bering Sea. Global demand for both species has remained strong. Groundfish processing communities such as Unalaska and Akutan will benefit from the enhanced production and increased fishing efforts stimulated by the high quota. Other Bering Sea villages stand a good chance of reaping benefits from the Community Development Quota fishery that are likely to bring higher profits than last year to the six individually managed groups.

### **Prices in Anchorage remain stable**

The Bureau of Labor Statistics publishes a Consumer Price Index (CPI) for Anchorage twice a year. The second half-year index reveals that prices increased 1.9 percent between July and December 2002. Anchorage's annual increase also averaged 1.9 percent (see Exhibit 1), which was greater than the national rate of 1.6 percent.

*(continued on page 30)*

## 2 Nonfarm Wage and Salary Employment

### By place of work

Alaska	preliminary revised		Changes from:			Municipality of Anchorage	preliminary revised		Changes from:		
	1/03	12/02	1/02	12/02	1/02		1/03	12/02	1/02	12/02	1/02
Total Nonfarm Wage & Salary	277,200	287,400	271,200	-10,200	6,000	Total Nonfarm Wage & Salary	137,400	144,200	133,500	-6,800	3,900
Goods Producing	30,400	30,300	30,900	100	-500	Goods Producing	10,900	11,600	11,000	-700	-100
Service Providing	246,800	257,000	240,300	-10,200	6,500	Service Providing	126,500	132,600	122,500	-6,100	4,000
Natural Resources & Mining	9,900	9,900	10,500	0	-600	Natural Resources & Mining	2,500	2,600	2,800	-100	-300
Logging	300	300	200	0	100	Mining	2,500	2,600	2,700	-100	-200
Mining	9,800	9,900	10,300	-100	-500	Oil & Gas Extraction	2,400	2,500	2,600	-100	-200
Oil & Gas Extraction	8,400	8,400	8,900	0	-500	Construction	6,500	7,000	6,500	-500	0
Construction	12,300	14,100	12,200	-1,800	100	Manufacturing	1,900	1,900	1,800	0	100
Manufacturing	8,200	6,300	8,200	1,900	0	Trade, Transportation, Utilities	32,000	33,300	31,600	-1,300	400
Wood Products Manufacturing	300	300	300	0	0	Wholesale Trade	4,600	4,600	4,500	0	100
Seafood Processing	4,600	2,600	4,600	2,000	0	Retail Trade	17,100	18,200	16,500	-1,100	600
Trade, Transportation, Utilities	57,100	59,700	56,700	-2,600	400	Food & Beverage Stores	2,200	2,300	2,300	-100	-100
Wholesale Trade	5,900	6,000	5,700	-100	200	General Merchandise Stores	4,200	4,600	4,300	-400	-100
Retail Trade	32,300	34,000	32,000	-1,700	300	Trans/Warehousing/Utilities	10,400	10,500	10,500	-100	-100
Food & Beverage Stores	5,400	5,600	5,400	-200	0	Air Transportation	3,100	3,200	3,400	-100	-300
General Merchandise Stores	9,100	9,700	9,300	-600	-200	Information	4,500	4,700	4,500	-200	0
Trans/Warehousing/Utilities	19,000	19,700	19,000	-700	0	Telecommunications	2,600	2,700	2,700	-100	-100
Air Transportation	5,700	5,500	6,100	200	-400	Financial Activities	7,900	8,300	8,100	-400	-200
Truck Transportation	2,500	2,500	2,500	0	0	Professional & Business Svcs	16,000	17,400	15,300	-1,400	700
Information	7,000	7,200	6,900	-200	100	Educational & Health Services	16,500	16,600	15,500	-100	1,000
Telecommunications	4,100	4,200	4,100	-100	0	Health Care/Social Assistance	15,200	15,200	14,200	0	1,000
Financial Activities	13,400	13,500	13,200	-100	200	Ambulatory Health Care	6,400	6,500	5,800	-100	600
Professional & Business Svcs	21,800	22,700	21,200	-900	600	Hospitals	4,700	4,700	4,500	0	200
Educational & Health Services	30,700	30,800	29,000	-100	1,700	Leisure & Hospitality	13,700	14,600	13,100	-900	600
Health Care/Social Assistance	28,600	28,700	26,800	-100	1,800	Accommodation	2,500	2,900	2,600	-400	-100
Ambulatory Health Care	12,300	12,400	11,300	-100	1,000	Food Svcs & Drinking Places	9,400	10,000	8,900	-600	500
Hospitals	7,300	7,500	7,300	-200	0	Other Services	6,000	6,300	5,500	-300	500
Leisure & Hospitality	24,800	27,200	24,000	-2,400	800	Government	29,900	31,300	28,900	-1,400	1,000
Accommodation	5,600	5,900	5,400	-300	200	Federal Government	9,700	10,000	9,400	-300	300
Food Svcs & Drinking Places	15,700	16,600	15,200	-900	500	State Government	9,700	9,900	9,200	-200	500
Other Services	11,900	12,400	11,600	-500	300	Local Government	10,600	11,400	10,500	-800	300
Government	80,300	83,600	77,700	-3,300	2,600	Tribal Government	300	300	200	0	100
Federal Government	16,300	17,400	15,900	-1,100	400						
State Government	23,700	24,000	22,500	-300	1,200						
Local Government	40,300	42,100	39,300	-1,800	1,000						
Tribal Government	3,400	3,600	3,200	-200	200						

Notes to Exhibits 2, 3, 4, & 6—Non-farm excludes self-employed workers, fishermen, domestics, and unpaid family workers as well as agricultural workers. Government category includes employees of public school systems and the University of Alaska.  
Exhibits 2 & 3—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.  
Exhibits 4 & 6—Prepared in part with funding from the Employment Security Division.

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

## 3 Hours and Earnings

### For selected industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary 1/03	revised 12/02	revised 1/02	preliminary 1/03	revised 12/02	revised 1/02	preliminary 1/03	revised 12/02	revised 1/02
Mining	\$1,237.38	\$1,212.63	\$1,270.95	41.0	41.5	45.8	\$30.18	\$29.22	\$27.75
Construction	1,059.25	1,115.97	948.48	38.9	39.7	38.0	27.23	28.11	24.96
Manufacturing	321.71	459.04	508.40	22.8	30.2	32.8	14.11	15.20	15.50
Seafood Processing	211.37	351.89	310.80	18.3	29.3	29.6	11.55	12.01	10.50
Trade, Transportation, Utilities	512.74	526.51	506.68	32.7	33.6	32.5	15.68	15.67	15.59
Retail Trade	448.87	455.98	461.41	32.2	32.5	33.1	13.94	14.03	13.94
Financial Activities	646.40	714.42	721.14	35.4	37.9	34.0	18.26	18.85	21.21

Average hours and earnings estimates are based on data for full-time and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing). Averages are for gross earnings and hours paid, including overtime pay and hours.  
Benchmark: March 2002

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

# 4 Nonfarm Wage and Salary Employment

## By place of work

### Fairbanks North Star Borough

	preliminary		Changes from:		
	1/03	12/02	1/02	12/02	1/02
<b>Total Nonfarm Wage &amp; Salary</b>	<b>33,050</b>	<b>34,050</b>	<b>32,500</b>	<b>-1,000</b>	<b>550</b>
Goods Producing	2,850	3,150	2,800	-300	50
Services Providing	30,200	30,850	29,650	-650	550
Natural Resources & Mining	750	800	750	-50	0
Mining	750	800	750	-50	0
Construction	1,600	1,850	1,550	-250	50
Manufacturing	500	500	500	0	0
Trade, Transportation, Utilities	6,650	6,800	6,950	-150	-300
Retail Trade	4,000	4,150	3,950	-150	50
General Merchandise Stores	1,050	1,150	1,150	-100	-100
Trans/Warehousing/Utilities	2,150	2,150	2,500	0	-350
Air Transportation	850	850	850	0	0
Information	600	550	600	50	0
Financial Activities	1,250	1,300	1,250	-50	0
Professional & Business Svcs	1,650	1,700	1,650	-50	0
Educational & Health Services	3,550	3,550	3,450	0	100
Health Care/Social Assistance	3,300	3,300	3,200	0	100
Leisure & Hospitality	3,350	3,400	3,250	-50	100
Accommodation	700	750	700	-50	0
Food Svcs & Drinking Places	2,300	2,300	2,200	0	100
Other Services	1,950	1,950	1,900	0	50
Government	11,250	11,650	10,600	-400	650
Federal Government	3,250	3,400	3,150	-150	100
State Government	4,950	5,000	4,450	-50	500
Local Government	3,050	3,250	3,000	-200	50
Tribal Government	0	0	0	0	0

### Southeast Region

	preliminary		Changes from:		
	1/03	12/02	1/02	12/02	1/02
<b>Total Nonfarm Wage &amp; Salary</b>	<b>31,300</b>	<b>33,000</b>	<b>31,250</b>	<b>-1,700</b>	<b>50</b>
Goods Producing	2,100	2,700	2,300	-600	-200
Services Providing	29,200	30,300	28,950	-1,100	250
Natural Resources & Mining	450	500	350	-50	100
Logging	150	200	50	-50	100
Mining	300	300	300	0	0
Construction	1,150	1,350	1,150	-200	0
Manufacturing	500	850	750	-350	-250
Wood Products Mfg.	150	150	150	0	0
Seafood Processing	300	500	350	-200	-50
Trade, Transportation, Utilities	5,700	6,300	5,650	-600	50
Retail Trade	3,750	3,950	3,800	-200	-50
Trans/Warehousing/Utilities	1,550	1,900	1,500	-350	50
Information	500	500	500	0	0
Financial Activities	1,150	1,200	1,150	-50	0
Professional & Business Svcs	1,250	1,350	1,200	-100	50
Educational & Health Services	3,450	3,500	3,300	-50	150
Health Care/Social Assistance	3,250	3,250	3,050	0	200
Leisure & Hospitality	2,650	2,800	2,850	-150	-200
Accommodation	950	900	900	50	50
Food Svcs & Drinking Places	1,300	1,400	1,300	-100	0
Other Services	1,150	1,150	1,100	0	50
Government	13,300	13,600	13,200	-300	100
Federal Government	1,700	1,950	1,650	-250	50
State Government	5,600	5,450	5,500	150	100
Local Government	6,000	6,200	6,100	-200	-100
Tribal Government	550	550	550	0	0

### Interior Region

	preliminary		Changes from:		
	1/03	12/02	1/02	12/02	1/02
<b>Total Nonfarm Wage &amp; Salary</b>	<b>37,150</b>	<b>39,350</b>	<b>36,550</b>	<b>-2,200</b>	<b>600</b>
Goods Producing	3,100	3,400	3,000	-300	100
Services Providing	34,050	35,950	33,500	-1,900	550
Natural Resources & Mining	850	900	900	-50	-50
Mining	850	900	900	-50	-50
Construction	1,700	1,950	1,600	-250	100
Manufacturing	550	550	500	0	50
Trade, Transportation, Utilities	7,150	7,450	7,400	-300	-250
Information	750	750	800	0	-50
Financial Activities	1,350	1,350	1,300	0	50
Professional & Business Svcs	1,700	1,700	1,700	0	0
Educational & Health Services	3,700	3,700	3,600	0	100
Leisure & Hospitality	3,650	3,950	3,500	-300	150
Accommodation	850	900	800	-50	50
Food Svcs & Drinking Places	2,400	2,600	2,300	-200	100
Other Services	2,100	2,100	2,100	0	0
Government	13,650	14,900	13,050	-1,250	600
Federal Government	3,600	4,250	3,500	-650	100
State Government	5,150	5,400	4,650	-250	500
Local Government	4,900	5,300	4,850	-400	50
Tribal Government	200	200	250	0	-50

### Anchorage/Mat-Su Region

	preliminary		Changes from:		
	1/03	12/02	1/02	12/02	1/02
<b>Total Nonfarm Wage &amp; Salary</b>	<b>151,600</b>	<b>158,850</b>	<b>146,500</b>	<b>-7,250</b>	<b>5,100</b>
Goods Producing	12,250	13,000	12,350	-750	-100
Services Providing	139,350	145,850	134,150	-6,500	5,200
Natural Resources & Mining	2,600	2,700	2,800	-100	-200
Construction	7,600	8,200	7,550	-600	50
Manufacturing	2,050	2,100	2,000	-50	50
Trade, Transportation, Utilities	35,450	37,050	34,450	-1,600	1,000
Information	5,000	5,150	5,000	-150	0
Financial Activities	8,500	8,800	8,600	-300	-100
Professional & Business Svcs	16,550	18,100	15,950	-1,550	600
Educational & Health Services	18,450	18,600	17,300	-150	1,150
Leisure & Hospitality	15,200	16,250	14,350	-1,050	850
Other Services	6,500	6,750	6,000	-250	500
Government	33,750	35,100	32,500	-1,350	1,250
Federal Government	9,850	10,150	9,600	-300	250
State Government	10,600	10,800	10,050	-200	550
Local Government	13,350	14,150	12,850	-800	500
Tribal Government	350	350	250	0	100

### Gulf Coast Region

	preliminary		Changes from:		
	1/03	12/02	1/02	12/02	1/02
<b>Total Nonfarm Wage &amp; Salary</b>	<b>24,800</b>	<b>25,200</b>	<b>24,400</b>	<b>-400</b>	<b>400</b>
Goods Producing	4,550	4,300	4,600	250	-50
Services Providing	20,300	20,900	19,800	-600	500
Natural Resources & Mining	1,350	1,350	1,450	0	-100
Oil & Gas Extraction	1,250	1,250	1,350	0	-100
Construction	1,200	1,300	1,300	-100	-100
Manufacturing	2,000	1,600	1,800	400	200
Seafood Processing	1,350	950	1,150	400	200
Trade, Transportation, Utilities	4,800	5,050	4,700	-250	100
Retail Trade	3,000	3,150	2,950	-150	50
Trans/Warehousing/Utilities	1,600	1,650	1,550	-50	50
Information	400	450	400	-50	0
Financial Activities	850	850	800	0	50
Professional & Business Svcs	1,300	1,350	1,350	-50	-50
Educational & Health Services	1,850	1,900	1,800	-50	50
Health Care/Social Assistance	1,800	1,800	1,700	0	100
Leisure & Hospitality	2,400	2,600	2,300	-200	100
Accommodation	750	850	700	-100	50
Food Svcs & Drinking Places	1,400	1,500	1,350	-100	50
Other Services	1,400	1,400	1,400	0	0
Government	7,300	7,300	7,050	0	250
Federal Government	700	750	750	-50	0
State Government	1,600	1,600	1,500	0	50
Local Government	5,000	4,950	4,850	50	150
Tribal Government	300	350	300	-50	0

# 5 Unemployment Rates

## By region and census area

Not Seasonally Adjusted*	preliminary	revised	01/02
	01/03	12/02	
<b>Alaska Statewide</b>	8.6	8.6	8.6
<b>Anchorage/Mat-Su Region</b>	6.6	6.6	6.4
Municipality of Anchorage	5.8	5.8	5.5
Mat-Su Borough	10.4	10.1	10.1
<b>Gulf Coast Region</b>	13.6	14.9	14.2
Kenai Peninsula Borough	14.5	14.7	14.5
Kodiak Island Borough	9.1	15.1	13.3
Valdez-Cordova	15.3	15.4	14.3
<b>Interior Region</b>	9.2	8.8	9.2
Denali Borough	15.8	15.5	14.4
Fairbanks North Star Borough	8.0	7.7	8.1
Southeast Fairbanks	16.8	16.4	15.7
Yukon-Koyukuk	20.0	18.4	18.7
<b>Northern Region</b>	13.4	13.9	12.2
Nome	13.3	13.8	12.1
North Slope Borough	10.2	10.9	9.3
Northwest Arctic Borough	18.0	18.2	16.3
<b>Southeast Region</b>	10.4	9.4	11.5
Haines Borough	17.5	16.2	18.1
Juneau Borough	6.6	6.4	7.0
Ketchikan Gateway Borough	12.0	10.4	13.0
Prince of Wales-Outer Ketchikan	19.1	14.5	21.4
Sitka Borough	7.6	7.8	8.3
Skagway-Hoonah-Angoon	15.6	13.5	18.9
Wrangell-Petersburg	15.4	13.9	17.5
Yakutat Borough	17.7	15.3	17.9
<b>Southwest Region</b>	13.7	14.9	12.9
Aleutians East Borough	6.0	6.7	6.6
Aleutians West	12.9	12.7	13.1
Bethel	13.7	15.0	11.9
Bristol Bay Borough	10.3	12.6	16.7
Dillingham	13.2	14.5	11.3
Lake & Peninsula Borough	15.8	16.5	16.5
Wade Hampton	21.2	23.6	20.3
<b>Seasonally Adjusted</b>			
United States	5.7	6.0	5.6
Alaska Statewide	6.9	8.4	6.9

\* U.S. not seasonally adjusted figures for January are not available.

### 2002 Benchmark

Comparisons between different time periods are not as meaningful as other time series produced by Research and Analysis. The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaska, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. They are considered not in the labor force.

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

(continued from page 27)

Changes in the consumer price index for urban consumers are the most widely accepted measure of inflation, and are used to adjust wages, child support, and lease payments. Alaskans often consult the Anchorage CPI but many also rely on the national index. Social security payment adjustments are based on the U.S. measure.

Among the components used to establish the consumer price index, housing is the most important, representing 41.5 percent of a typical consumer's expenditures. In 2002, costs for housing rose by 3.2 percent. The costs of food and beverage showed a more moderate increase of 1 percent while costs for transportation and apparel dropped 1 percent and 3.4 percent respectively. These categories helped slow the overall rise of consumer costs in Anchorage.

# 6 Nonfarm Wage and Salary Employment

## By place of work

Northern Region	preliminary	revised	Changes from:		
	1/03	12/02	1/02	12/02	1/02
<b>Total Nonfarm Wage &amp; Salary</b>	15,850	15,900	15,750	-50	100
Goods Producing	5,400	5,300	5,500	100	-100
Services Providing	10,450	10,600	10,250	-150	200
Oil & Gas Extraction	4,400	4,350	4,600	50	-200
Government	5,100	5,200	4,800	-100	300
Federal Government	150	150	150	0	0
State Government	300	350	300	-50	0
Local Government	4,600	4,700	4,350	-100	250
Tribal Government	550	500	450	50	100

## Southwest Region

<b>Total Nonfarm Wage &amp; Salary</b>	16,900	15,400	16,600	1,500	300
Goods Producing	3,100	1,300	3,150	1,800	-50
Services Providing	13,750	14,100	13,450	-350	300
Seafood Processing	3,000	1,050	3,050	1,950	-50
Government	7,250	7,650	7,150	-400	100
Federal Government	300	350	300	-50	0
State Government	500	550	450	-50	50
Local Government	6,450	6,750	6,350	-300	100
Tribal Government	1,450	1,550	1,450	-100	0

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

# Employer Resources

Employers doing business in the State of Alaska are required by law to participate in the state unemployment insurance system. Employers must report specific information on the Alaska Quarterly Contribution Report for each employee who received wages during the quarter. The *Occupational Coding Manual* helps employers comply with occupational and geographic coding requirements. Go to [www.labor.state.ak.us/esd/home.htm](http://www.labor.state.ak.us/esd/home.htm), click on "Employers", then on *Occupational Coding Manual* for more information.

The top screenshot shows the homepage of the Alaska Labor State website. It features a navigation menu with links for Job Seekers, Workers, Employers, Researchers, and Department Shortcuts. A large arrow points to the 'Links for Employers' section, which includes a list of resources such as the Alaska Employer Handbook, Alaska Job Center Network, and the Occupational Coding Manual.

The middle screenshot shows a detailed view of the 'Links for Employers' page. It lists various resources including the Alaska Employer Handbook, Alaska Job Center Network, Alaska Job Centers, Alaska UI Tax Calculation Conkbook, Alaska's Job Bank, and the Occupational Coding Manual. A large arrow points to the 'Occupational Coding Manual' link.

The bottom screenshot shows the cover of the 'REVISED MANUAL 2002' for the Alaska Occupational Coding Manual. The cover text reads: 'A Supplemental Guide For Completing the Alaska Quarterly Contribution Report. ALASKA Occupational Coding Manual Including Geographic Codes. State of Alaska Department of Labor and Workforce Development. Ed. H. Markowski, Governor.'

ALASKA ECONOMIC  
**TRENDS**

**Department of Labor and Workforce Development**  
Employment Security Division  
P.O. Box 25509  
Juneau, AK 99802-5509

**FIRST CLASS POSTAGE  
AND FEES PAID**  
Department of Labor and  
Workforce Development  
Permit G-12  
Anchorage, AK

**OFFICIAL BUSINESS**  
Penalty for Private Use \$300



Alaska Economic Regions

SB

156



## SENATOR FRED DYSON

### ***SB 156***

#### ***Sponsor Statement***

#### **"An Act relating to Warnings about Drinking Alcohol While Pregnant"**

*Updated: April 7, 2003*

*Contact: Senator Fred Dyson's office at (907) 465-2199*

Prenatal Alcohol Poisoning of unborn children (FAS/FAE) is the leading cause of permanent mental deficits today and Alaska has the highest rate in North America.

In an attempt to slow down this poisoning of Alaskan children, former Senate President Drue Pearce sponsored our present law requiring bars to post warnings about the dangers of drinking alcohol while pregnant.

SB-156 takes our efforts the next step by facilitating and requiring a notification to accompany products used by sexually active people including pregnancy testing kits, contraceptive devices, and birth control prescriptions.

We have talked with organizations representing drug manufactures and retailers and it appears that they will actively support this effort or at least not resist this initiative.

Much more must be done to stop the scourge of Fetal Alcohol Poisoning of our children but this small step will help by raising awareness of the existence and the severity of the problem related to drinking alcohol while pregnant.

# FISCAL NOTE

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

Fiscal Note Number: 1  
Bill Version: SB 156  
(S) Publish Date: 4/16/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
Title "An Act relating to the posting and giving certain BRU Criminal Division  
warnings about drinking alcohol during pregnancy ..." Component All  
Sponsor Senator Dyson  
Requester Senate Labor & Commerce Committee Component No. \_\_\_\_\_

**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)

FUND SOURCE	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<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

Check 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)  
This bill requires persons selling or giving pregnancy related items to individuals, including pregnancy testing kits, birth control devices, and birth control prescriptions, to both post a warning and provide a written statement to the effect that drinking alcohol during pregnancy can cause permanent brain damage and birth defects for the unborn child. A person who knowingly violates these provisions by failing to post the warning, or instruct employees to give the written statement out, is guilty of a class B misdemeanor.  
  
The Department of Law does not anticipate many new cases will arise from this new law, and does not anticipate a fiscal impact.

Prepared by: Joan M. Kasson Phone (907) 465-5370  
Division: Attorney General's Office Date/Time 4/11/03 3:32 PM  
Approved by: Kathryn Daughhete for Gregg D. Renkes, Attorney General Date 4/11/2003  
Agency: Department of Law

# Characteristics and Symptoms of Fetal Alcohol Syndrome

By Teresa Kellerman



A diagnosis of Fetal Alcohol Syndrome (FAS) is based on certain criteria: facial features, small birth weight, central nervous system dysfunction, and history of prenatal exposure to alcohol. Babies who do not have all the physiological symptoms may be given a diagnosis of Fetal Alcohol Effects (FAE).

## Facial Features

Babies with FAS have many (but not always all) of the following characteristics:

- Epicanthal folds
- Small, widely spaced eyes
- Flat midface
- Short, upturned nose
- Smooth, wide philtrum
- Thin upper lip
- Underdeveloped jaw

One or two of these facial features can occur in a healthy child as a matter of genetics, features that are inherited from a birth parent. Only when several of these features are present along with central nervous system symptoms together with prenatal alcohol exposure can FAS be considered for diagnosis.

*Note: Facial characteristics may not be as apparent immediately after birth or during adolescence or adulthood as they are between the ages of two and ten.*

## Physiological Anomalies

Babies with FAS may have low birth weight, and may have trouble gaining weight. The head circumference may be smaller than normal. Some infants may have heart defects or suffer anomalies to the ears, eyes, liver, or joints.

## Developmental Delays

Most children with FAS have developmental delays and some have lower than normal IQ. The degree of physiological characteristics usually correspond with the degree of developmental delays. Most children with FAS have IQs that are legally considered in the "normal" range.

## Central Nervous System

Most infants with FAS are irritable, don't eat well, don't sleep well, are extra sensitive to sensory stimulation, and have a strong startle reflex. They may hyperextend their heads or limbs, and can exhibit hypertonia (too much muscle tone) or hypotonia (too little muscle tone) or both.

## Invisible but Serious

The most serious characteristics of FAS are the invisible symptoms of neurological damage that results from prenatal exposure to alcohol. These symptoms can occur in FAS or FAE:

- Attention deficits
- Memory deficits
- Hyperactivity
- Difficulty with abstract concepts (math, time, money)
- Poor problem solving skills
- Difficulty learning from consequences
- Poor judgment
- Immature behavior
- Poor impulse control

*Note: These symptoms are not "behavior problems" but are a result of permanent, unchanging damage to the brain (static encephalopathy) and are not always within the child's control.*

Adults with FAS have difficulty maintaining successful independence. They have trouble staying in school, keeping jobs, or sustaining healthy relationships. Children and adults with FAS are also quite vulnerable to physical, sexual, and emotional abuse.

*Without early intervention services, these individuals have a high risk of developing secondary conditions such as mental illness, trouble with the law, trouble with school, abusing alcohol and other drugs, and unwanted pregnancies.*

## Fetal Alcohol Syndrome

FAS is a set of mental and physical disorders that can include mental retardation, brain dysfunction, physical abnormalities, learning disabilities, and psychological disorders. FAS occurs as a result of prenatal exposure to alcohol.

Alcohol causes more damage to the developing fetus than any other substance, including marijuana, heroin, and cocaine. (Institute of Medicine, 1996)

The effects can be severe or mild, ranging from loss of IQ points, attention deficit disorder and learning disabilities to heart defects, cerebral palsy, brain dysfunction, and death. Many children experience serious behavior and social problems that last a lifetime.

More children are born with FAS than with Down Syndrome or Spina Bifida. (1991, Journal of American Medical Association)

Over 5,000 babies each year in the U.S. are born with FAS. Between 35,000 and 50,000 are born with related disorders. However, most cases go undiagnosed or misdiagnosed.

## FAS in a Nutshell



- ◆ FAS is the leading known cause of mental retardation.
- ◆ Most individuals with FAS have normal intelligence.
- ◆ FAS causes serious social and behavior problems.
- ◆ Each year in the US 5,000 babies are born with FAS.
- ◆ Ten times as many are born with alcohol related disorders.
- ◆ No amount of alcohol is known to be safe during pregnancy.
- ◆ Alcohol causes more damage to baby than any other drug.
- ◆ FAS and related conditions are 100% preventable.

For more information on Fetal Alcohol Syndrome or to order this brochure, call (520) 296-9172 or visit:

[www.fasstar.com](http://www.fasstar.com)

Fetal Alcohol Syndrome  
Fasstar Information Series Brochure 0701CS1

## Fetal Alcohol Syndrome



## Characteristics and Symptoms

Fasstar Enterprises  
Fetal Alcohol Syndrome: Support,  
Training, Advocacy, & Resources

(520) 296-9172

[www.fasstar.com](http://www.fasstar.com)

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FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
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## Educating the Public about the Dangers of Drinking Alcohol

# During Pregnancy: No Alcohol...Not even a drop!

by *L. Diane Castro*  
*Program Manager, DHSS Office of FAS*

On September 9, 2002, in conjunction with International FAS Awareness Day, the State of Alaska, DHSS Office of Fetal Alcohol Syndrome (FAS) premiered its much anticipated statewide educational media campaign focusing on drinking and pregnancy. Eight months ago, the Office of FAS began its efforts to develop a statewide multimedia campaign to better educate the Alaskan public about the serious impacts of drinking alcohol during pregnancy. Through a contract with Nerland Agency in Anchorage we began the creative design of a multi-strategy campaign to inform Alaskans that drinking alcohol during pregnancy may cause life-long brain damage to a developing baby.

Through a series of "brainstorming" sessions, community meetings and two focus groups (one in Anchorage and one in Dillingham) two campaign themes were developed:

**I Have the Power to Prevent FAS** is a message aimed at women who are social drinkers and do not know that alcohol may harm their developing baby; and

**Thankfully there are people who will help her...Are you one of them?** is a message developed to reach the partners, family and friends of women who have a problem with alcohol and are pregnant, helping them find the resources they need to stop drinking.

Research has shown that drinking during pregnancy can potentially cause damage to the developing baby, most specifically the brain. And, statistics tell us that women, especially of child bearing age, are drinking more. Research also

indicates that due to the many variables associated with alcohol consumption (amount of alcohol consumed, when alcohol was consumed, mother's genetics, baby's genetics, drinking patterns, etc.) **there is no safe level of drinking during pregnancy.** So, choosing to drink alcohol during pregnancy, any amount of alcohol, is like playing a game of chance. Our goal, in partnership with Alaska CHIARR and many other Alaskan partners, is to educate women, their partners, family members, friends and communities about the potential dangers of drinking alcohol during pregnancy and helping women make positive and healthy choices so their new babies will be strong, healthy and free from the effects of prenatal exposure to alcohol!

The campaign includes three (3) radio PSA messages, two (2) 30 second TV spots, two (2) posters/display ads, two (2) informational brochures and message pens. We encourage all establishments that sell and distribute alcoholic beverages to join with us in getting the word out that **responsible drinking means no drinking during pregnancy.** Display posters, distribute message pens, offer free non-alcoholic beverages to women who are pregnant, market "virgin" drinks for pregnant women and utilize the TAM training to help employees better understand the impact alcohol has on the developing baby. For copies of any of these materials or to find out more about the campaign call the office at (877) 393-2287. Together we can prevent birth defects associated with maternal drinking during pregnancy—disabilities that are 100% preventable!

# SENATE COMMITTEE REPORT

DATE: 4/16/03

FURTHER:

DATE TURNED  
IN TO OFFICE: 4.23.03

Health, Education and Social Services Committee considered

SENATE BILL NO. 156

## SB 156 PREGNANCY ALCOHOL WARNING

"An Act relating to the posting and giving of certain warnings about drinking alcohol during pregnancy when selling or dispensing pregnancy testing kits, birth control devices, or birth control prescriptions."

and recommends:

be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)

attached amendment(s)

adopt Letter of Intent by \_\_\_\_\_ Committee

further referral to \_\_\_\_\_ Committee

**Senate Bill:**

same title

new title

**House Bill:**

same title

technical title

new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#

**PREVIOUS FISCAL NOTE(S):**

Department	Date	Fiscal	Zero	FN#
LAW	4/11		X	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
Davis	<i>Beau Davis</i>			X	
Wilken	<i>Gary Wilken</i>				
Green	<i>Lepha Green</i>				
Guess	<i>Paul Guess</i>				
Dyson	CHAIR: <i>Paul Dyson</i>				

SB

157

# ALASKA STATE LEGISLATURE



*Interim:*  
600 East Railroad Avenue  
Wasilla, Alaska 99654  
(907) 376-3370  
(907) 376-3157 Fax

*Session:*  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-6600  
(907) 465-3805 Fax

SENATOR LYDA GREEN  
SENATE DISTRICT G

## Memo

**To:** Senator Fred Dyson – Jason Hooley  
**From:** Senator Lyda Green - Claudia Maetoku  
**Date:** 3/31/2003  
**Re:** Request for Hearing

---

I respectfully request that SB 157 be scheduled for a hearing in the Health, Education and Social Services Committee.

Attached is the following documentation:

- SB 157
- Sponsor statement
- Sectional Analysis

If you have any questions, feel free to contact me at #3610.

Thank you.

# ALASKA STATE LEGISLATURE



*Interim:*  
600 East Railroad Avenue  
Wasilla, Alaska 99654  
(907) 376-3370  
(907) 376-3157 Fax

*Session:*  
State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-6600  
(907) 465-3805 Fax

## **SENATOR LYDA GREEN** SENATE DISTRICT G

### SPONSOR STATEMENT SB 157

Senate bill 157 requires the Department of Health and Social Services to use in-state facilities, where available, for the psychiatric treatment of eligible persons. Currently, there are over three hundred and fifty Alaskan children in residential treatment centers out of state. Removal from home state care reduces the involvement of the child's family and the community providers in the child's treatment, thus preventing the improvement of the child's quality of life and care. Out of state treatment is also more expensive and extensive than in state treatment.

The need for in-state psychiatric facilities has been widely recognized for many years. Governor Murkowski has stated, "I find it unconscionable that over 300 of our children are currently receiving inpatient mental health care outside of Alaska because the State has failed to create local treatment options. How can one provide appropriate mental health services to a child who has been taken out of their community and forced to live thousands of miles away from loved ones?" Last session the legislature expressed concern for this problem by passing Senate Concurrent Resolution 21 that requested the Governor to direct the Department of Health and Social Services to work toward providing services and facilities for the treatment of severely emotionally disturbed children in-state. Senate Bill 157 will encourage the implementation of SCR 21 by removing the possibility for out-of state placement when adequate services, according to the child's diagnosis and need, are available in Alaska.

The key provisions are:

- The department will not grant assistance or pay for inpatient psychiatric services for persons under 21 years old in an out-of-state facility, unless adequate service is unavailable in the state.
- The department will evaluate the types of services available in the state and subsequently transfer persons under age 21 to the state when the service becomes available, unless the transfer would be detrimental to the person's health, therapeutic relationship, or clinical need.

# ALASKA STATE LEGISLATURE



*Interim:*

600 East Railroad Avenue  
Wasilla, Alaska 99654  
(907) 376-3370  
(907) 376-3157 Fax

*Session:*

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-6600  
(907) 465-3805 Fax

## SENATOR LYDA GREEN SENATE DISTRICT G

Passage of this legislation will give reassurance to those persons who want to build facilities to fill this need that the State of Alaska wants and needs these services provided in state. This will improve the quality of care and lead to long-term success of the child's treatment, while encouraging the construction of local residential treatment facilities and institutional jobs, without the consequence of diverting jobs out of Alaska

I request your support and passage of Senate Bill 157.

# LEGAL SERVICES

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

# COPY

(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

March 27, 2003

**SUBJECT:** Inpatient psychiatric services for certain persons under 21 years of age; SB 157 (Work Order No. 23-LS0179\D)

**TO:** Senator Lyda Green  
Attn: Claudia Maetoku

**FROM:** Terri Lauterbach  
Legislative Counsel



You have requested a sectional summary of the above-described bill.

As a preliminary matter, please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. Since you have expressed no particular questions about the bill, this memo is brief. If you have specific questions, just let me know.

**Section 1.** Describes the circumstances under which the Department of Health and Social Services may pay for out-of-state inpatient psychiatric services for a person under age 21 who is covered by the Medicaid program.

**Section 2.** Makes a technical change to subsection references because of the addition of a new subsection (f) in sec. 3.

**Section 3.** Describes the circumstances under which the Department of Health and Social Services may pay for out-of-state inpatient psychiatric services for a person under age 21 who is in the custody of the DHSS, such as children who have been determined to be children-in-need-of-aid (CINA).

TML:lmb  
03-110.lmb

THE  
FOLLOWING  
DOCUMENT(S)  
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Action:

**MATANUSKA-SUSITNA BOROUGH  
RESOLUTION SERIAL NO. 03- 031**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY IN SUPPORT OF SENATE BILL NO. 157 AN ACT THAT WOULD REQUIRE THE USE OF IN-STATE RESIDENTIAL CARE FACILITIES, WHERE AVAILABLE, FOR THE PSYCHIATRIC TREATMENT OF YOUNG ADULTS.

WHEREAS, there is a critical need for in-state psychiatric treatment facilities within the state of Alaska, especially for the treatment of young adults; and

WHEREAS, over three hundred and fifty Alaskan children are presently sent to out-of-state residential treatment centers; and

WHEREAS, out-of-state treatment is more expensive than comparable in-state treatment; and

WHEREAS, out-of-state treatment is more expensive per child than comparable in-state treatment; and

WHEREAS, out-of-state treatment removes Alaskan children from their families and support network thereby reducing the chances of successful treatment; and

WHEREAS, out-of-state treatment results in a loss of employment opportunities for Alaska and removes scarce financial resources from the Alaska economy.

WHEREAS, Senate Bill 157 would require the use of in-state residential treatment centers where available and thereby improve treatment, encourage family members to be closer to their children and improve the state's economy.

NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly supports Senate Bill 157 and the concept of

requiring the use of in-state residential treatment centers where available, for the treatment of young adults.

ADOPTED by the Matanuska-Susitna Borough Assembly this - day of -, 2003.

TIMOTHY L. ANDERSON, Borough Mayor

ATTEST:

SANDRA A. DILLON, Borough Clerk

(SEAL)

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR GREEN

TO: SB 157

1 Page 2, following line 12:

2 Insert a new subsection to read:

3 "(c) When determining whether to authorize admission of a person under 21  
4 years of age to a psychiatric hospital facility or residential psychiatric treatment center,  
5 either located within the state or outside the state, the department shall include in its  
6 consideration the recommendations of a person selected by the Alaska Mental Health  
7 Board established by AS 47.30.661 who is selected for this duty by the board on the  
8 basis of being knowledgeable about the availability of beds in the state for inpatient  
9 psychiatric services for persons under 21 years of age. The board may not select an  
10 employee of the department for this duty."  
11

12 Page 3, following line 10:

13 Insert a new subsection to read:

14 "(m) When determining whether to authorize admission of a person under 21  
15 years of age to a psychiatric hospital facility or residential psychiatric treatment center,  
16 either located within the state or outside the state, the department shall include in its  
17 consideration the recommendations of a person selected by the Alaska Mental Health  
18 Board established by AS 47.30.661 who is selected for this duty by the board on the  
19 basis of being knowledgeable about the availability of beds in the state for inpatient  
20 psychiatric services for persons under 21 years of age. The board may not select an  
21 employee of the department for this duty."

SB

160

# Alaska State Legislature

Out of Session:  
PO Box 531  
Golovin, Alaska 99762  
(907) 443-5599

In Session:  
State Capitol, Suite 510  
Juneau, Alaska 99801-1182  
(800) 597-3707  
(907) 465-3707  
(907) 465-4821 Fax

## SENATOR DONALD C. OLSON

### DISTRICT T

Alakanuk  
Ambler  
Anaktuvuk Pass  
Atkasuk  
Barrow  
Brevig Mission  
Browerville  
Buckland  
Chevak  
Deering  
Diomedea  
Elim  
Emmonak  
Gambell  
Golovin  
Hooper Bay  
Kaktovik  
Kiana  
Kivalina  
Kobuk  
Kotlik  
Kotzebue  
Koyuk  
Mountain Village  
Noatak  
Nome  
Noorvik  
Nuiqsut  
Nunam Iqua  
Pilot Station  
Pitka's Point  
Point Hope  
Point Lay  
Savoonga  
Scammon Bay  
Selawik  
Shaktolik  
Shishmaref  
Shungnak  
St. Mary's  
St. Michael  
Stebbins  
Teller  
Unalakleet  
Wainwright  
Wales  
White Mountain

March 31, 2003

### MEMORANDUM

To: Senator Fred Dyson  
Senate HESS Committee

From: Senator Donald Olson 

Re: Schedule hearing for SB 160, Civil Liability for Defibrillator Use

I respectfully request a Senate HESS Committee hearing of SB 160 at your earliest convenience. I have attached my sponsor statement and support documentation is forthcoming. Please contact me if you need additional information.

Thank you for your attention to this request.

# Alaska State Legislature

Out of Session:  
PO Box 531  
Golovin, Alaska 99762  
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In Session:  
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Juneau, Alaska 99801-1182  
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## SENATOR DONALD C. OLSON

### DISTRICT T

### SPONSOR STATEMENT SB 160, Civil Liability for Defibrillator Use

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Browerville  
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Pitka's Point  
Point Hope  
Point Lay  
Savoonga  
Scanmon Bay  
Selawik  
Shaktolik  
Shishmaref  
Shungnak  
St. Mary's  
St. Michael  
Stebbins  
Teller  
Unalakleet  
Wainwright  
Wales  
White Mountain

I introduced Senate Bill 160 to save Alaskan lives. This legislation would provide faster treatment to Alaskans who suffer a cardiac arrest by increasing the availability of automated external defibrillators (AEDs).

Each year, 250,000 people die in the United States as a result of sudden cardiac arrest. The most important treatment for more than half of these patients is immediate defibrillation; an electrical shock intended to restore a more normal cardiac rhythm. For each minute a person remains in cardiac arrest, their chances of survival decrease by approximately 7% to 10%.

AEDs have evolved significantly over the past years and the current generation of devices is much safer and easier to use. These new devices have the ability to discern between shockable and nonshockable rhythm; for that reason, it is literally impossible to shock a person who does not require it.

Businesses and municipalities are interested in making AEDs more accessible in the workplace and in locations where large groups gather for the life safety of their employees and the public.

Currently, the Good Samaritan provision in Alaska law (AS 09.65.090) gives immunity from civil liability for any trained individual who uses an AED. However, this immunity does not apply to those individuals and organizations that make the devices accessible in the workplace. As a result, these devices have not been made readily available for emergency use. SB 160 removes this impediment by extending the Good Samaritan immunity to owners and operators of public and private facilities.

With Senate Bill 160, I am encouraging the proliferation of this life saving technology in Alaska.

Every year more than three million volunteers contribute their time and talents to help our organization defeat heart and blood vessel disease- and save lives.



Fighting Heart Disease and Stroke

Northwest Affiliate  
1057 West Fireweed Lane, Suite 100  
Anchorage, AK 99503  
907.263.2044 888.276.0858  
Fax 907.263.2045  
[www.americanheart.org](http://www.americanheart.org)

## Your American Heart Association Supports Senate Bill 160

The American Heart Association supports Senator Olson and Senator Therriault's Senate Bill 160, a bill that would amend Alaska's Good Samaritan Law to reduce the liability risk associated with both using and providing automated external defibrillators (known as "AEDs").

Each year, 250,000 people die in this country from sudden cardiac arrest. Cardiac arrest is the stopping of the regular heart rhythms, usually because of interference with the electrical signal that regulates the heartbeat. When cardiac arrest occurs, the heart starts to beat chaotically and cannot pump blood. Brain death and permanent death start to occur in just four to six minutes after someone experiences cardiac arrest. This means that when a person goes into cardiac arrest, every second counts. To increase the odds of a victim's survival, the American Heart Association has outlined a four-step plan called the "chain of survival."

Defibrillators play a critical part in this chain of survival. The four links in the chain are (1) early access, which means recognizing that a cardiovascular emergency exists and immediately calling Emergency Medical Services; (2) early CPR, which means giving CPR promptly and properly when necessary; (3) early defibrillation, which means having immediate access to a properly working AED, and; (4) early advanced care, which means having qualified paramedics with up-to-date Advanced Cardiac Life Support Training.

While all four links in the chain are important, early defibrillation is often called the critical link in the chain of survival because it is the only way to successfully treat most cardiac arrests. In fact, for every minute without defibrillation, the odds of survival drop seven to ten percent. A cardiac arrest victim who is not defibrillated within eight to ten minutes has virtually no chance of survival.

Senate Bill 160 will improve the chain of survival in Alaska in several ways. First, by eliminating the threat of civil liability for people and businesses that acquire or provide an AED, the bill will help increase strategic AED placement around Alaska. Because every second counts after a victim suffers cardiac arrest, the more AEDs that are placed in strategic areas in the community, the stronger the chain of survival.

Additionally, by requiring that a person who acquires or provides the AED follow some common sense safety requirements, the bill ensures the responsible placement of AEDs. These requirements include (1) the acquirer or provider of the AED notify the local emergency response agency of the location of the device; (2) that the device



be properly maintained and tested – just as one would test, for example, a smoke or carbon monoxide detector; (3) that there is a way to notify local EMS within a reasonable proximity to the AED – for example, making sure that there is a phone reasonably close to the device, and; (4) that the acquirer or provider of the AED provide appropriate training for its employees, because trained rescuers can deliver the treatment more quickly than those who are totally unfamiliar with the device.

The bill also eliminates the threat of civil liability for individuals who use or attempt to use the AED on a victim in an emergency. The bill recognizes that while AED training is important, AEDs are easy to use, and the machine discerns between shockable and nonshockable heart rhythms. Because it is virtually impossible to shock a person that does not need it, the bill omits the current requirement that all users of the device be properly trained before they use or attempt to use the device in an emergency situation.

This proposed bill strengthens the American Heart Association's chain of survival by removing liability barriers to AED placement and use, and by ensuring that those persons who provide AEDs have followed basic, common sense protections. The American Heart Association commends these laudable goals, and fully supports Senate Bill 160.

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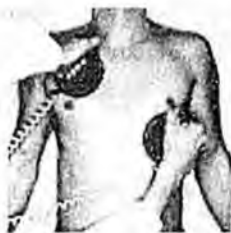
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### Virginia Out To Widen Use Of Life-Saving Devices

By Shirley Adams, Special to Stateline.org

March 31, 2003



About 1,000 Americans die every day from sudden cardiac arrest; they could survive if they immediately received a jolt of electricity from a machine called a defibrillator, to reset their heart.

Special automated defibrillators, designed for use by laypeople with minimal training, have been available since the early 1980s. Over the years, the units have improved to the point where good Samaritans with minimal training at all, have used them successfully to save lives.

Virginia is at the forefront of states that are accelerating efforts to take advantage of technological advances. The national movement envisions that widespread availability of automated external defibrillators, or AEDs, can do for sudden cardiac arrests what fire extinguishers do for fires.

Delegate John M. O'Bannon, R-Henrico, sponsored legislation this year to remove barriers to widespread access to AEDs. His bill will give legal protection to untrained people who use AEDs in good faith.

The legislation earned the unanimous support of the General Assembly and Gov. Warner has signed it. Warner asked lawmakers to make it effective immediately and the Assembly will consider his request when it reconvenes in Richmond on Wednesday for a one-day "veto session."

Without an emergency clause, the legislation would take effect July 1.

"Widespread access to AEDs will be a step in the right direction," said O'Bannon. "Thousands of deaths a day from ventricular fibrillation are way too many. I think we'll go down."

Unlike heart "attacks," which occur when something blocks adequate blood flow to the heart muscle, sudden cardiac arrests are almost always an electrical problem.

Normal pumping is regulated by electrical signals that stimulate each part of the heart at the right time. When those signals suddenly become chaotic (a condition called ventricular fibrillation), the heart quivers unproductively, and no blood is pumped. With little or no blood flow, a person loses consciousness and stops breathing; death follows in minutes.

In the October 2002 issue of The New England Journal of Medicine, a team of researchers underscored the scope of the challenge: "Though highly reversible with the rapid use of a defibrillator, ventricular fibrillation is otherwise fatal within minutes, even when cardiopulmonary resuscitation (CPR) is provided immediately."

AEDs are different in many ways from traditional full-function defibrillators -- the kind used in medical dramas on television and used in real life by highly trained emergency

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full-function defibrillators are complicated and can kill if administered improperly.

Currently, state law tightly restricts access to both full-function defibrillators and a bill will lift the restrictions on AEDs, which are specifically designed for public-access

---

*"Widespread access to AEDs will be a step in the right direction  
Virginia Del John M. O'Bannon (R)*

---

Anyone who can find the big green "ON" button, and follow a few simple instructions can use a public-access AED. A recording in the machines begins providing clear verbal instructions as the power is turned on. They actually sound quite bossy, but the authoritative tone helps rescuers stay focused.

Instead of using bulky paddles, AEDs have self-adhesive, palm-size pads that attach to the patient by an electrical cord. The person attempting the rescue places the pads on the patient's chest. After the pads are on, the operator does not need to touch the patient unless the machine tells them to do so.

Several scientific studies have tested the safety and effectiveness of AEDs.

A 1999 research project, for example, timed and evaluated two groups -- sixth-graders with no prior training, and emergency medical professionals -- as they used AEDs in simulated emergencies. All of the children understood and followed the instructions successfully.

When the study was published in *Circulation*, a medical journal for heart specialists, researchers made the following conclusion: "During mock cardiac arrest, the speed of defibrillation in untrained children is only modestly slower than that of professionals."

Many people compare modern public-access AEDs to fire extinguishers, which are used to save lives that they are found in almost every public place. In some ways, AEDs are more dangerous than fire extinguishers.

Fire extinguishers are not idiot-proof. If operators point the nozzle at themselves instead of at the fire, they will be hurt by the blast of chemicals. Fire extinguishers can also be used to cause malicious harm -- by bludgeoning someone, for instance.

AEDs are not idiot-proof, either. Before the unit delivers a shock, it sounds a caution alarm and issues emphatic orders. "Do NOT touch the patient!"

If operators disobey the defibrillator's orders, they can be hurt.

Unlike fire extinguishers, AEDs would be extremely difficult to use to cause malicious harm. The units refuse to even charge up unless their sensors indicate that they are being used on a person who is not breathing and whose heart is in fibrillation.

In 1997, Florida became the first state to enact a law encouraging broad public access to AEDs by trained non-medical personnel such as police officers and firefighters. Currently, many states have taken similar steps.

What makes Virginia unusual is that its law will expand legal protection for purchase and use of AEDs to untrained AED users acting in good faith. Only a handful of states, such as Pennsylvania and Rhode Island, provide such protection from liability.

This protection will be important as AEDs become more prevalent in public places. In Virginia, defibrillators were recently installed at all service plazas along the Pennsylvania Turnpike. The Illinois Legislature just passed a law requiring golf courses, school gymnasiums and government-owned physical fitness facilities to have access to at least one AED in operation.

Under current Virginia laws, public-access AEDs (which do not need trained operators)

much the same as full-function defibrillators (which definitely do need trained op

O'Bannon's bill will update these laws so that:

AED units can be placed in locations where untrained good Samaritans might us

Purchasers will not be required to complete registration paperwork and pay a sta


Purchasers will not be responsible for preventing use of the AEDs by untrained c

Anyone who makes a good-faith effort to use an AED in a life-threatening situati  
from liability.

O'Bannon said he would be thrilled with even a small increase in the number of c  
who receive emergency treatment in time to prevent irreversible brain damage.

He noted that his bill not only promotes the availability of AEDs but also urges pe  
life support training.

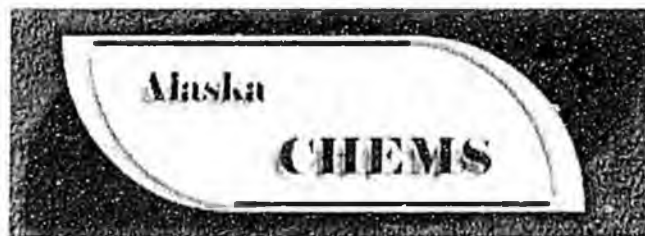
"The AEDs are great -- no doubt about it," O'Bannon said. "But realistically, there  
times when CPR and other skills that are taught in basic life support classes will  
patient is to have the best possible chance for a full recovery."

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## EMS AED Emergency Medical Services Programs

### Automated External Defibrillators in Alaska

Revised 02/25/2003

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Automated external defibrillators (AEDs) are an essential tool in the treatment of out-of-hospital cardiac arrest. Over the years, the devices have become safer, more reliable and more maintenance free. The new technologies used in these devices make them suitable for use by anyone who has had basic training in their use.

AEDs are most effective when implemented as part of an overall strategy which considers each link in the "Chain of Survival:"

- Early access to the emergency medical system (EMS and 9-1-1 system)
- Early cardiopulmonary resuscitation (CPR)
- Early defibrillation when indicated
- Early advanced emergency treatment

In 1998 legislation was passed that redefined the use of an automated external defibrillator as a basic life support skill and provided, through the Good Samaritan Law, some immunity from civil liability to properly trained personnel who use AEDs in a resuscitation attempt and who activate the EMS system. The text of the statute is available below.

#### Files of interest (click to download):

- [Civil Liability for Emergency Aid \(AS 09.65.090\)](#)
- [Regulations for Approving AED Training Programs \(7 AAC 26.585\)](#)
- [Federal Register - AED Requirements for Federal Buildings](#)
- [Answers to Frequently Asked Questions about the AEDs in Alaska](#)

#### Approved Training Programs

In Alaska's Good Samaritan Law (AS 09.65.090) "properly trained" to use an AED means " that the individual has completed an automated external defibrillator training course from the American Heart Association, the American Red Cross, or another automated external defibrillator training course approved by the Department

of Health and Social Services."

The following programs have been approved by the Department of Health and Social Services in accordance with 7 AAC 26.588

- BLS for Health Care Providers-American Heart Association
- CPR for the Professional Rescuer-American Red Cross
- The CPR component of **Medic First Aid-Advanced**
- Basic Life Support for Professionals (BLSPRO)-EMP America
- CPR for the Professional Rescuer-American Safety & Health Institute
- Respond Systems AED/CPR

#### **AED Placement**

It is important for emergency medical dispatchers to know the locations of AEDs so they can direct rescuers to the device when emergency medical services personnel are en route. The Section of Community Health and EMS has developed a simple form that can be completed and faxed to the Section at 465-4101. The Section will fax copies of the form to the appropriate Regional EMS Office, Emergency Medical Dispatch center, and the nearest emergency medical services agency.

[Model AED Placement Notification. pdf](#)

#### **Rural AED Act Grant Program**

On July 15<sup>th</sup>, the Section of Community Health and EMS submitted an application to the Health Resources and Services Administration for over \$2,100,000 in automated external defibrillators and related training. The grant was written and submitted in response to the announcement in the May 23<sup>rd</sup> Federal Register that 12.5 million dollars were available nationwide in federal fiscal year 2002 under the Rural Access to Emergency Devices Grant Program.

Following the program's announcement, the Section of Community Health and EMS notified all emergency medical services agencies and other agencies known to be interested, including the Alaska Department of Public Safety and the Alaska Department of Transportation and Public Facilities, that it would be submitting a statewide application on behalf of eligible agencies statewide. Twenty-one "Community Partnerships" encompassing 77 communities and over 175 agencies responded with information about AED needs and provided letters of commitment. The total number of AEDs requested was 637.

In October, the Section of Community Health and EMS received word from the Health Resources and Services Administration (HRSA) that Alaska had been awarded \$237,703 to implement the Rural Automated External Defibrillator (AED) Grant program.

The Section will solicit updated applications for funding from community partnerships included within the funded grant application and will distribute the available funds based on expert reviews of the applications.




### Rural AED List Server

The Section of Community Health and Emergency Medical Services has developed an internet list server to facilitate communications regarding this important issue

[Join Alaska Rural AED List Server](#)

TOP

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**National Center for  
Early Defibrillation**  
Community Resources to Help Save Lives



*Because so many  
more can survive...*

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## New Virginia law strengthens immunity for AED users and purchasers

April 3, 2003

Virginia has joined a handful of states that specifically provide legal liability protection to purchasers of automated external defibrillators (AEDs) and untrained persons who use AEDs in good faith. The bill also encourages laypersons to seek formal training in cardiopulmonary resuscitation (CPR) and AED use. HB 1860, introduced by John M. O'Bannon, R-Henrico, received unanimous support from the Virginia General Assembly and was signed by Governor Mark Warner. On April 2, the Assembly supported the Governor's recommendation to confirm the law. It will take effect on July 1.

<?xml:namespace prefix = o ns = "urn:schemas-microsoft-com:office:office" />

All states now have Good Samaritan legislation designed to encourage use of AEDs by the public, and the federal Cardiac Arrest Survival Act provides additional protection, but Virginia's legislation provides an added measure of encouragement by specifically addressing immunity for those who have not received training. Other states with similar legislation include Pennsylvania and Rhode Island.

The Virginia law is designed to reduce barriers to bystander intervention in sudden cardiac emergencies. Sudden cardiac arrest is the leading cause of death among adults in the U.S. Of the 1,000 people who suffer SCA each day, fewer than 10% survive. With more rapid intervention, including the use of AEDs by untrained bystanders, many more lives could be saved.

For more information, click [here](#).

For a copy of the legislation, click [here](#).

For information on liability issues related to AED programs, click [here](#) and [here](#).



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## Middle school staff member saved by school's AED

March 15, 2003

When Dexter Grady, a janitor at East Hampton (Long Island) Middle School, volunteered to get trained to use the school's new Automated External Defibrillator (AED), he never imagined that he would be the recipient of the machine's life-saving capabilities.

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On his dinner break yesterday, Dexter, 37, joined some local men who regularly gather in the school gym for pick-up basketball games. Shortly after playing, Grady collapsed in sudden cardiac arrest. Thanks to the quick action of bystanders who called for help and used the AED to defibrillate his heart, Grady is expected to be released from the hospital sometime next week.

The legislation that prompted the middle school to have an AED on site was inspired by the efforts of Karen and John A. Acompora, of nearby Northport, parents of Louis Acompora, who died from sudden cardiac arrest three years ago, almost to the day. Louis, then 15, had been hit in the chest by a ball during a lacrosse game and an AED was not immediately available. To prevent other such tragedies, Governor George Pataki signed "Louis's Law" last year, which mandates the placement of AEDs in New York schools.

Judging from Grady's experience, the law seems to be working.

For more information, click [here](#).

A M E N D M E N T

OFFERED IN THE SENATE

TO: SB 160

1 Page 2, lines 10 - 26:

2 Delete all material and insert:

3 "(4) provide appropriate training in the use of the device to an  
4 employee or agent of the person who acquires or provides the device; however, this  
5 paragraph does not apply and immunity is provided under this subsection if the period  
6 of time elapsing between hiring the person as an employee or agent and the occurrence  
7 of the harm, or between the acquisition of the device and the occurrence of the harm in  
8 any case in which the device was acquired after hiring the employee or agent, was not  
9 in excess of six months.

10 (c) The immunity provided by (b) of this section does not apply to a  
11 manufacturer of an automated external defibrillator."

12

13 Reletter the following subsection accordingly.

# Alaska State Legislature

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In Session:  
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Juneau, Alaska 99801-1182  
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## SENATOR DONALD C. OLSON

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Shishmaref  
Shungnak  
St. Mary's  
St. Michael  
Stebbins  
Teller  
Unalakleet  
Wainwright  
Wales  
White Mountain

### Sectional Analysis SB 160, Civil Liability for Defibrillator Use

#### Section 1

Generally, Section 1 established a new section in regard to civil liability. This section replaces the current civil liability immunity deleted in Section 2.

#### AS 09.65.087(a)

This subsection broadens the civil liability immunity for those who use or attempt to use an automated external defibrillator (AED) device in a perceived medical emergency. However, this immunity requires that an appropriate emergency medical services agency is immediately notified.

#### AS 09.65.087(b)

This subsection also extends immunity to those who acquire or provide the AED under certain conditions.

These conditions are as follows:

- (1) Notification of the local emergency medical response authority within 30 days following placement of the device.
- (2) Proper maintenance and testing of the device.
- (3) Provision of a means of notifying the local emergency medical response authority that an emergency exists.
- (4) Provision of appropriate training to the employee or agent who used the device in a perceived medical emergency.

Further conditions A,B,C, and D in subsection 4 address other situations where the immunity is maintained.

**AS 09.65.087(c)**

This subsection maintains the current definition of "appropriate training" as having completed an AED training course from the American Heart Association, the American Red Cross, or another AED training course approved by the Department of Health and Social Services.

**Section 2**

Deletes AS 09.65.090(e) and (f)

**SENATE COMMITTEE REPORT  
First Committee of Referral**

DATE: 3/28/03

FURTHER: Judiciary

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 4.11.03

Health, Education and Social Services Committee considered SENATE BILL NO. 160

**SB 160 CIVIL LIABILITY FOR DEFIBRILLATOR USE**

"An Act relating to civil liability for use or attempted use of an automated external defibrillator; and providing for an effective date."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 160 (HES)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title
- new title

**House Bill:**

- same title
- technical title
- new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

| Department | Date | Fiscal | Zero | FN# |
|------------|------|--------|------|-----|
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APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: |                          | DO PASS | DO NOT PASS | NO REC | AMEND |
|---------------------------------|--------------------------|---------|-------------|--------|-------|
| Green                           | <i>Lyle Green</i>        | ✓       |             |        |       |
| Wilken                          | <i>Ann Wilken</i>        | ✓       |             |        |       |
| Davis                           | <i>Betty Davis</i>       | ✓       |             |        |       |
|                                 |                          |         |             |        |       |
| Dyson                           | CHAIR: <i>John Dyson</i> | /       |             |        |       |

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- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**

- same title  
 new title

**House Bill:**

- same title  
 technical title  
 new: SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

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**PREVIOUS FISCAL NOTE(S):**

| Department | Date | Fiscal | Zero | FN# |
|------------|------|--------|------|-----|
|            |      |        |      |     |
|            |      |        |      |     |
|            |      |        |      |     |
|            |      |        |      |     |
|            |      |        |      |     |

APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: |                          | Do PASS | Do NOT PASS | NO REC | AMEND |
|---------------------------------|--------------------------|---------|-------------|--------|-------|
| Green                           | <i>Lyle Green</i>        | ✓       |             |        |       |
| Wilken                          | <i>Gary Wilken</i>       | ✓       |             |        |       |
| Davis                           | <i>Betty Davis</i>       | ✓       |             |        |       |
|                                 |                          |         |             |        |       |
| Dyson                           | CHAIR: <i>John Dyson</i> | /       |             |        |       |

# FISCAL NOTE

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

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB 160  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
 Title "An Act relating to civil liability for use or attempted use of an automated external defibrillator; . . ." BRU Civil Division  
 Sponsor Senator Olson Component Special Litigation  
 Requester Senate HESS Committee Component No. 2213

**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 (Specify Type--Do not abbreviate) |            |            |            |            |            |            |
| <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  
 Check 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)  
 This bill would protect from civil liability persons who use automated external defibrillators (AED), and persons who provide the AED for use, so long as certain specified responsibilities are fulfilled.

Passage of this legislation is not anticipated to have a fiscal impact on the Department of Law.

Prepared by: Joan M. Kasson Phone: (907) 465-5370  
 Division: Attorney General's Office Date/Time: 4/9/03 1:13 PM  
 Approved by: Kathryn Daughhettee for Gregg D. Renkes, Attorney General Date: 4/9/2003  
 Agency: Department of Law

# FISCAL NOTE

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

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: Senate Bill 179  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: EED  
 Title An Act allowing teacher certification BRU Teaching & Learning Support  
based on a criminal history check Component Teacher Certification  
 Sponsor Senator Therriault  
 Requester \_\_\_\_\_ Component No. 1240

**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 (Specify Type--Do not abbreviate) |            |            |            |            |            |            |
| <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)

This is a zero fiscal note.

Prepared by: Barbara Thompson Phone 907-465-8727  
 Division Teaching & Learning Support Date/Time 4/14/03 4:30 PM  
 Approved by: Karen Rehfeld, Acting Commissioner Date 4/14/2003  
 Agency Department of Education