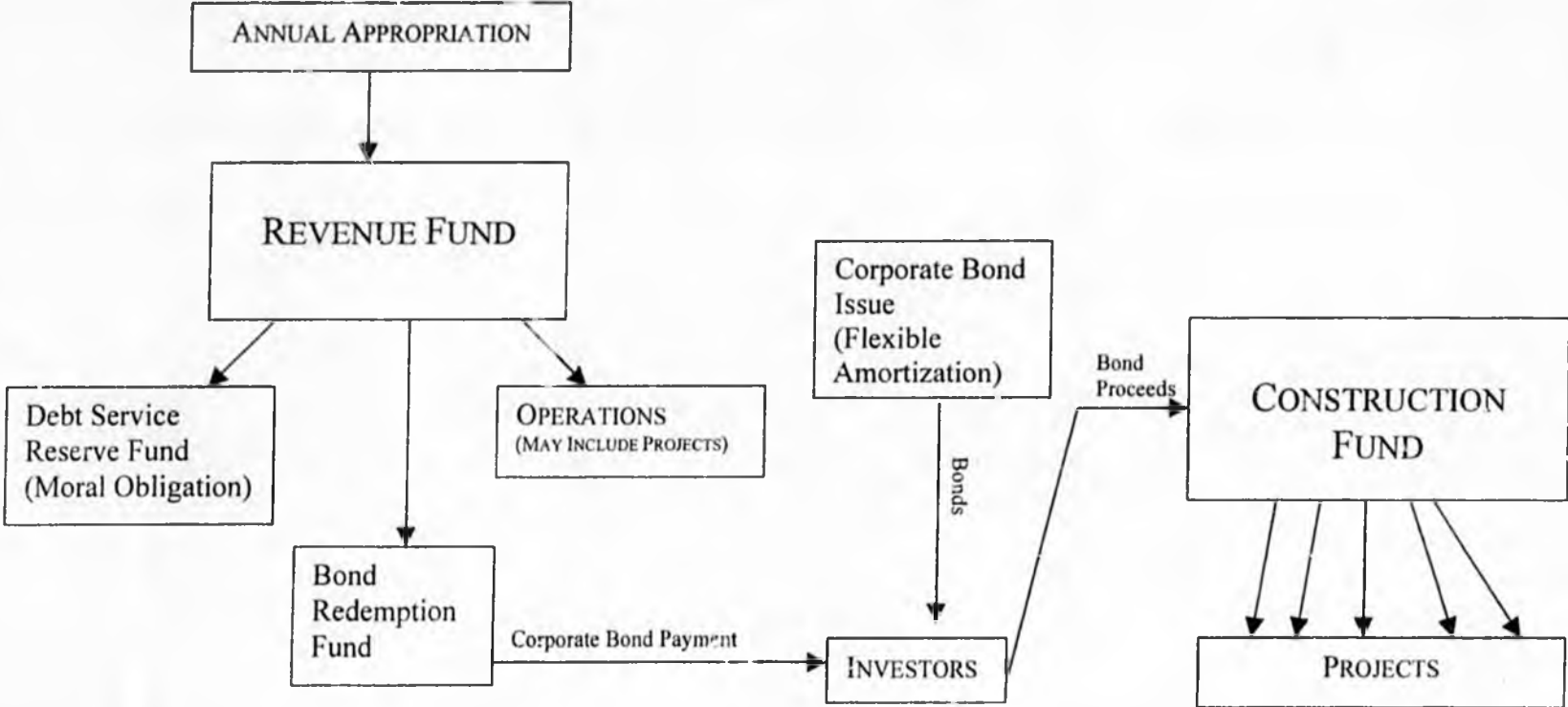




STATE OF ALASKA CAPITAL CORPORATION



Alaska Capital Income Account

Am Hess Principal			424,399,000						
Am Hess Transfer Rate									
Blended Rate									
	Earnings Rate	Beginning Balance	Amerada Hess Earnings	Earnings	Transfer to SOA CC	Ending Balance			
2005	7.61%	-	32,296,764	1,228,891.87	33,525,656	-			
2006	7.61%	-	32,296,764	1,228,891.87	33,525,656	-			
2007	7.61%	-	32,296,764	1,228,391.87	33,525,656	-			
2008	7.61%	-	32,296,764	1,228,891.87	33,525,656	-			
2009	7.61%	-	32,296,764	1,228,891.87	33,525,656	-			
2010	7.61%	-	32,296,764	1,228,891.87	33,525,656	-			
2011	7.61%	-	32,296,764	1,228,891.87	33,525,656	-			
2012	7.61%	-	32,296,764	1,228,891.87	33,525,656	-			
2013	7.61%	-	32,296,764	1,228,891.87	33,525,656	-			
2014	7.61%	-	32,296,764	1,228,891.87	33,525,656	-			
2015	7.61%	-	32,296,764	1,228,891.87	33,525,656	-			
2016	7.61%	-	32,296,764	1,228,891.87	33,525,656	-			
2017	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2018	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2019	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2020	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2021	7.00%	-	29,707,930	1,039,777.55	30,747,708	-		average annualized earnings rate	
2022	7.00%	-	29,707,930	1,039,777.55	30,747,708	-		7.43%	
2023	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2024	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2025	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2026	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2027	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2028	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2029	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2030	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2031	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2032	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2033	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2034	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2035	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2036	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2037	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			
2038	7.00%	-	29,707,930	1,039,777.55	30,747,708	-			

State of Alaska Capital Corporation

Revenue Fund

	Borrowing Rate	Earnings Rate	Beginning Balance	Lease Appropriation Received	Outstanding Bonds	Nominal Interest Payments	Flexible Principal Payments	Earnings on Fund Balance	Transfers In	DSRF or CF Transfers out / Operations Expense	Ending Balance
2005	6.00%	2.00%	-	33,525,656	-	-	-	-	-	-	33,525,656
2006	6.00%	2.00%	33,525,656	33,525,656	326,096,837	9,782,905	-	1,245,492	-	32,709,684	25,804,215
2007	6.00%	2.00%	25,804,215	33,525,656	326,096,837	19,565,810	20,198,250	1,852,830	-	100,000	21,318,641
2008	6.00%	2.00%	21,318,641	33,525,656	305,898,587	18,353,915	18,136,466	1,840,589	-	100,000	20,094,504
2009	6.00%	2.00%	20,094,504	33,525,656	287,762,121	17,265,727	19,088,705	1,829,597	-	100,000	18,995,324
2010	6.00%	2.00%	18,995,324	33,525,656	268,673,415	16,120,405	20,280,170	1,818,028	-	100,000	17,838,433
2011	6.00%	2.00%	17,838,433	33,525,656	248,393,245	14,903,595	21,556,900	1,805,737	-	100,000	16,609,332
2012	6.00%	2.00%	16,609,332	33,525,656	226,836,346	13,610,181	22,914,626	1,792,672	-	100,000	15,302,853
2013	6.00%	2.00%	15,302,853	33,525,656	203,921,719	12,235,303	24,357,903	1,778,785	-	100,000	13,914,088
2014	6.00%	2.00%	13,914,088	33,525,656	179,563,817	10,773,829	25,892,086	1,764,022	-	100,000	12,437,851
2015	6.00%	2.00%	12,437,851	33,525,656	153,671,731	9,220,304	27,522,899	1,748,330	-	100,000	10,868,634
2016	6.00%	2.00%	10,868,634	33,525,656	126,148,831	7,568,930	29,256,430	1,731,650	-	100,000	9,200,580
2017	6.00%	2.00%	9,200,580	30,747,708	96,892,401	5,813,544	26,321,199	1,685,858	-	100,000	7,399,403
2018	6.00%	2.00%	7,399,403	30,747,708	68,571,202	4,114,272	29,918,566	1,668,694	-	100,000	5,682,966
2019	6.00%	2.00%	5,682,966	30,747,708	38,652,637	2,319,158	31,792,357	1,979,952	32,609,684	100,000	36,808,794
2020	6.00%	2.00%	36,808,794	30,747,708	6,860,279	411,617	6,860,279	1,577,290	-	100,000	61,761,896
2021	6.00%	2.00%	61,761,896	30,747,708	-	-	-	1,244,013	-	100,000	93,653,616
2022	6.00%	2.00%	93,653,616	30,747,708	-	-	-	1,566,152	-	100,000	125,867,476
2023	6.00%	2.00%	125,867,476	30,747,708	-	-	-	1,891,544	-	100,000	158,406,728
2024	6.00%	2.00%	158,406,728	30,747,708	-	-	-	2,220,224	-	100,000	191,274,659
2025	6.00%	2.00%	191,274,659	30,747,708	-	-	-	2,552,223	-	100,000	224,474,589
2026	6.00%	2.00%	224,474,589	30,747,708	-	-	-	2,887,576	-	100,000	258,009,873
2027	6.00%	2.00%	258,009,873	30,747,708	-	-	-	3,226,316	-	100,000	291,883,896
2028	6.00%	2.00%	291,883,896	30,747,708	-	-	-	3,568,478	-	100,000	326,100,082
2029	6.00%	2.00%	326,100,082	30,747,708	-	-	-	3,914,096	-	100,000	360,661,885
2030	6.00%	2.00%	360,661,885	30,747,708	-	-	-	4,263,205	-	100,000	395,572,798
2031	6.00%	2.00%	395,572,798	30,747,708	-	-	-	4,615,841	-	100,000	430,836,346
2032	6.00%	2.00%	430,836,346	30,747,708	-	-	-	4,972,038	-	100,000	466,456,091
2033	6.00%	2.00%	466,456,091	30,747,708	-	-	-	5,331,833	-	100,000	502,435,632
2034	6.00%	2.00%	502,435,632	30,747,708	-	-	-	5,695,263	-	100,000	538,778,603
2035	6.00%	2.00%	538,778,603	30,747,708	-	-	-	6,062,364	-	100,000	575,488,674
2036	6.00%	2.00%	575,488,674	30,747,708	-	-	-	6,433,173	-	100,000	612,569,555
2037	6.00%	2.00%	612,569,555	30,747,708	-	-	-	6,807,727	-	100,000	650,024,989
2038	6.00%	2.00%	650,024,989	30,747,708	-	-	-	7,186,065	-	100,000	687,858,761

State of Alaska Capital Corporation							
Reserve Fund							
	Earnings Rate	Beginning Balance	Additional Contributions	Earnings on Fund Balance	Earnings Transfer Out	Termination of Reserve	Ending Balance
2005	4.00%	-				-	-
2006	4.00%	-	32,609,684	652,194	652,194	-	32,609,684
2007	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2008	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2009	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2010	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2011	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2012	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2013	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2014	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2015	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2016	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2017	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2018	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2019	4.00%	32,609,684		1,304,387	1,304,387	-	32,609,684
2020	4.00%	32,609,684		652,194	652,194	32,609,684	-
2021	4.00%	-		-	-	-	-
2022	4.00%	-		-	-	-	-
2023	4.00%	-		-	-	-	-
2024	4.00%	-		-	-	-	-
2025	4.00%	-		-	-	-	-
2026	4.00%	-		-	-	-	-
2027	4.00%	-		-	-	-	-
2028	4.00%	-		-	-	-	-
2029	4.00%	-		-	-	-	-
2030	4.00%	-		-	-	-	-
2031	4.00%	-		-	-	-	-
2032	4.00%	-		-	-	-	-
2033	4.00%	-		-	-	-	-
2034	4.00%	-		-	-	-	-
2035	4.00%	-		-	-	-	-
2036	4.00%	-		-	-	-	-
2037	4.00%	-		-	-	-	-
2038	4.00%	-		-	-	-	-

Cheryl Frasca
Re: Repeal of *Amerada Hess* earning sequestration
requirement in AS 37.13.145(d)

January 28, 2005

MEMORANDUM

State of Alaska
Department of Law

To: Cheryl Frasca
Office of the Governor

Date: January 28, 2005

From: Wilson L. Condon
Assistant Attorney General
Oil, Gas & Mining-Anchorage

Tel. No.: 269-5255

File No.: N/A

Re: Repeal of *Amerada Hess*
earning sequestration
requirement in AS 37.13.145(d)

I. INTRODUCTION

In 1991 the legislature enacted the current version of AS 37.13.145(d) as part of provisions governing management of the Alaska Permanent Fund Corporation ("APFC"). The statute imposes a financial sequestration requirement on earnings from settlement proceeds received by the State in ANS Royalty Litigation, commonly known as the *Amerada Hess* ("*AmHess*") litigation. In relevant part, AS 37.13.145(d) requires that:

[I]ncome earned on money awarded in or received as a result of State v. *Amerada Hess*, et al., IJU-77-847 Civ. (Superior Court, First Judicial District), including settlement, summary judgment, or adjustment to a royalty-in-kind contract that is tied to the outcome of this case, or interest earned on the money, or on the earnings of the money . . . is not available for distribution to the dividend fund, and shall be annually deposited into the principal of the Alaska permanent fund.

The legislature adopted the statute in order to negate an argument advanced by producers during the *AmHess* litigation that no Alaska judge or juror could be impartial in the adjudication of the matter because they had a financial stake in the outcome. According to the producers, any judgment returned would ultimately be deposited into the Alaska Permanent Fund, affecting the size of the annual Permanent Fund Dividend ("PFD").

Cheryl Frasca

January 28, 2005

Re: Repeal of *Amerada Hess* earning sequestration
requirement in AS 37.13.145(d)

All issues in the *AmHess* litigation were concluded and the case dismissed in 1995. Since the statute was adopted, the APFC has always used a separate sub-account to isolate any *AmHess* proceeds and the income earned on those proceeds. This sub-account is part of the principal account of the permanent fund. The purpose of the sub-account is: (1) to ensure that *AmHess* earnings are not included in the amount from which the PFD is annually paid; and (2) to track the amount to be transferred annually from the Fund's realized earnings account to Fund principal, and thereafter be allocated to the *AmHess* sub-account. Presently, no additional *AmHess* litigation proceeds are due from the producers, but annual earnings allocations and adjustments continue to be handled in conformity with AS 37.13.145(d).

II. QUESTIONS PRESENTED

1. Can the legislature repeal AS 37.13.145 at this time?

III. SHORT ANSWER

1. Yes, the legislature has authority to repeal the provisions of AS 37.13.145. However, the bias challenge raised by the producers in *AmHess* is one that is capable of repetition in future litigation. Most likely, it would be raised again.¹ Therefore, repeal of AS 37.13.145 may undermine the State's position in future litigation that Alaska judges and jurors are not financially impacted by litigation proceeds. The producers will argue that an agreement by the State to segregate future litigation proceeds is illusory. They will contend that any segregation requirement will eventually be repealed, and the money thereafter commingled with PFD funds. Thus, under their argument, judges and jurors will retain an expectation of recovery from the proceeds in the matter before them, thereby requiring their disqualification.

IV. DISCUSSION

As long as there are no contractual promises enforceable under the federal Contract Clause,² a valid general act may effectively repeal or supersede the provisions of a prior

¹ This is so because the disqualification issue was never fully litigated on the merits through appeal in either the state or federal litigation arising out of *Hess*.

² U.S. Const. art. 1, § 10, cl. 2 ("[n]o State shall . . . pass any . . . Law impairing the Obligation of Contracts.").

Cheryl Frasca
Re: Repeal of *Amerada Hess* earning sequestration
requirement in AS 37.13.145(d)

January 28, 2005

act.³ Here, there is no contractual promise with the *AmHess* parties to maintain a sequestration requirement for any fixed period of time, or indefinitely. No judicial order mandates the treatment. The reasons prompting enactment of the provision became moot when all issues in the case were settled in 1995. Thus, as a legal matter, the legislature is presently free to repeal the sequestration requirements of AS 37.13.145(d).

In practical terms, repeal of AS 37.13.145(d) would mean that the annual realized income of the Fund would be increased by the amount earned from approximately \$400 million of assets. Under the current distribution formula, this means that the amount of the annual PFD would be increased as a result of inclusion of *AmHess* proceeds in "the amount available for distribution to the dividend fund."⁴ The *AmHess* judges and potential jurors will now belatedly realize larger PFDs from repeal of the provision.

Although no legal obstacle impedes repeal of AS 37.13.145(d), the legislature may care to balance the benefits of such repeal versus the potential negative consequences. In the benefit column, there will be fairly insubstantial savings of APFD accounting time and bookkeeping entries isolating the funds and the earnings on those funds. Also in the benefit column, there will be an increased annual PFD available for all Alaskans. In the negative column, the legislature may have furnished the producers an evidentiary basis to argue in future litigation that "we all know that proceeds of this lawsuit will eventually find their way into the PFD, and therefore, no Alaskan judge or juror can be impartial."

I cannot say that a future state or federal court would entertain such an argument based on a one-time incidence of repeal. It is even more tenuous to suggest, as the producers would, that Alaskan judges and jurors follow the requirements of PFD accounting so closely to know of the repeal of AS 37.13.145(d). However, it may unnecessarily complicate future litigation. Therefore, in the absence of a more compelling justification for repeal than I currently see, I would counsel leaving the statute on the books.

WLC:AMP:cb

³ *State v. Lewis*, 559 P.2d 630 (Alaska 1977), cert. denied, 432 U.S. 901.

⁴ AS 37.13.145(d).

The following Capital Projects are proposed for
FY 06 funding by the Alaska Capital Fund

**Project Review Listing
FY06 Governor's Capital Budget**

Multiple User Selected Fund Codes

Department of Administration

<u>APIAL Project Title</u>	<u>Fund Source Total</u>
AP Public Building Facilities Projects	
	2000 Bond Funds \$6,902,000
AP Maintenance Projects for Facilities Outside the Public Building Fund	
	2000 Bond Funds \$3,098,000
	General Fund Total: 0
	Federal Total: 0
	Other Total: \$10,000,000
	Department Total: \$10,000,000

Department of Commerce, Community, and Economic Development

<u>APIAL Project Title</u>	<u>Fund Source Total</u>
AP Energy Projects	
	2000 Bond Funds \$250,000
AP City of Unalaska - Boat Harbor	
	2000 Bond Funds \$2,000,000
AP Tongass Coast Aquarium, Inc.	
	2000 Bond Funds \$100,000
	General Fund Total: 0
	Federal Total: 0
	Other Total: \$2,350,000
	Department Total: \$2,350,000

Department of Corrections

<u>APIAL Project Title</u>	<u>Fund Source Total</u>
AP Institution Closed Circuit TV System Recording	
	2000 Bond Funds \$2,500,000
AP Deferred Maintenance, Repair, and Renovations	
	2000 Bond Funds \$8,000,000
AP Statewide Equipment Replacement	
	2000 Bond Funds \$450,000
AP Community Jails Life, Safety and Security Renovations and Miscellaneous Equipment	
	2000 Bond Funds \$100,000
	General Fund Total: 0
	Federal Total: 0
	Other Total: \$11,050,000
	Department Total: \$11,050,000

* Indicates an appropriation with allocations (amounts not included in totals)

Project Review Listing
FY06 Governor's Capital Budget

Multiple User Selected Fund Codes

Department of Fish and Game

<u>APIAL Project Title</u>		<u>Fund Source Total</u>
AP Deferred Maintenance Facilities	2000 Bond Funds	\$400,000
AP Fairbanks Infrastructure Renewal and Replacement Upgrades	2000 Bond Funds	\$200,000
AP Vessel and Aircraft Repair and Maintenance	2000 Bond Funds	\$778,500
AP DIDSON Sonar Equipment Purchase	2000 Bond Funds	\$500,000
AP Westward Region Chignik Weir Improvements and Repairs	2000 Bond Funds	\$121,500
	General Fund Total:	0
	Federal Total:	0
	Other Total:	\$1,500,000
	Department Total:	\$1,500,000

Office of the Governor

<u>APIAL Project Title</u>		<u>Fund Source Total</u>
AP Governor's House Maintenance	2000 Bond Funds	\$100,000
	General Fund Total:	0
	Federal Total:	0
	Other Total:	\$100,000
	Department Total:	\$100,000

Department of Health and Social Services

<u>APIAL Project Title</u>		<u>Fund Source Total</u>
AP MH: Crisis Treatment Facility - Phase 2	2001 Bonds MH	\$2,500,000
AP Bethel Youth Facility Security Improvements	2000 Bond Funds	\$233,900
AP Anchorage Pioneer Home Emergency Generator Replacement	2000 Bond Funds	\$600,000
AP Juneau Pioneer Home Roof Replacement	2000 Bond Funds	\$1,000,000
AP Deferred Maintenance, Renovation, Repair and Equipment	2000 Bond Funds	\$1,500,000
AP Pioneers' Homes Deferred Maintenance, Renovation, Repair and Equipment	2000 Bond Funds	\$2,500,000
AP Emergency Medical Services Ambulances and Equipment Statewide - Match for Code Blue Project	2000 Bond Funds	\$425,000

* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing
FY06 Governor's Capital Budget**

Multiple User Selected Fund Codes

Department of Health and Social Services

<u>AP/AL Project Title</u>		<u>Fund Source Total</u>
AP Juvenile Offender Management Information System Software Upgrade	2000 Bond Funds	\$325,000
AP MH: Alaska Psychiatric Institute Automation Project	2001 Bonds MH	\$674,200
AP Senior Centers Deferred Maintenance, Construction, Renovation, Expansion and Equipment	2000 Bond Funds	\$1,000,000
AP MH: Deferred Maintenance and Accessibility Improvements	2001 Bonds MH	\$150,000
	General Fund Total:	0
	Federal Total:	0
	Other Total:	\$10,908,100
	Department Total:	\$10,908,100

Department of Labor and Workforce Development

<u>AP/AL Project Title</u>		<u>Fund Source Total</u>
AP Alaska Vocational Technical Center Deferred Maintenance	2000 Bond Funds	\$2,500,000
	General Fund Total:	0
	Federal Total:	0
	Other Total:	\$2,500,000
	Department Total:	\$2,500,000

Department of Law

<u>AP/AL Project Title</u>		<u>Fund Source Total</u>
AP Management Information System	2000 Bond Funds	\$1,000,000
	General Fund Total:	0
	Federal Total:	0
	Other Total:	\$1,000,000
	Department Total:	\$1,000,000

Department of Military and Veterans Affairs

<u>AP/AL Project Title</u>		<u>Fund Source Total</u>
AP Anchorage Armory Expansion	2000 Bond Funds	\$500,000
AP Military Youth Academy Dining Facility Renovation and Repair	2000 Bond Funds	\$276,900

* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing
FY06 Governor's Capital Budget**

Multiple User Selected Fund Codes

Department of Military and Veterans Affairs

<u>AP/AL Project Title</u>		<u>Fund Source Total</u>
AP Army Guard Deferred Maintenance, Renewal, and Replacement	2000 Bond Funds	\$500,000
	General Fund Total:	0
	Federal Total:	0
	Other Total:	\$1,276,900
	Department Total:	\$1,276,900

Department of Natural Resources

<u>AP/AL Project Title</u>		<u>Fund Source Total</u>
AP State Park Emergency Repairs	2000 Bond Funds	\$400,000
AP Forestry Buildings Repairs to Correct Fire and Life Safety Deficiencies Phase 2	2000 Bond Funds	\$276,400
AP Forestry Area Offices Hazmat Storage Facilities	2000 Bond Funds	\$90,000
AP State Park Deferred Maintenance	2000 Bond Funds	\$300,000
AP Fire Suppression Engine and Truck Replacements	2000 Bond Funds	\$400,000
AP Replace Forestry Trailers at Copper River and Delta	2000 Bond Funds	\$233,600
AP Rehabilitation of Anchor Point Campgrounds for Private Operations	2000 Bond Funds	\$150,000
AP Byers Lake Campground Rehabilitation	2000 Bond Funds	\$100,000
AP Nancy Lake Campground Rehabilitation	2000 Bond Funds	\$300,000
AP Harding Lake Campground Rehabilitation	2000 Bond Funds	\$200,000
	General Fund Total:	0
	Federal Total:	0
	Other Total:	\$2,450,000
	Department Total:	\$2,450,000

Department of Public Safety

<u>AP/AL Project Title</u>		<u>Fund Source Total</u>
AP Firefighting Engines and Equipment	2000 Bond Funds	\$500,000
AP Statewide Facilities Maintenance	2000 Bond Funds	\$718,800

* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing
FY06 Governor's Capital Budget**

Multiple User Selected Fund Codes

Department of Public Safety

<u>APIAL Project Title</u>			<u>Fund Source Total</u>
AP Electronic Fingerprint Services-Live Scan	2000	Bond Funds	\$465,000
AP Aircraft and Vessel Repair and Maintenance	2000	Bond Funds	\$2,314,300
AP Law Enforcement Equipment Replacement	2000	Bond Funds	\$1,177,100
AP Live Burn Building at Fairbanks Fire Training Center	2000	Bond Funds	\$150,000
AP Burn Panel Installation at Juneau Fire Training Center	2000	Bond Funds	\$150,000
General Fund Total:			0
Federal Total:			0
Other Total:			\$5,475,200
Department Total:			\$5,475,200

Department of Transportation and Public Facilities

<u>APIAL Project Title</u>			<u>Fund Source Total</u>
* AP Governor's Transportation Initiative	2000	Bond Funds	\$108,000,000
AL Anchorage: Mid-Town Congestion and Truck Route Improvements	2000	Bond Funds	\$26,000,000
AL Glenn Highway Corridor	2000	Bond Funds	\$30,500,000
AL Kenai Peninsula: Kalifornsky Beach Road Rehabilitation	2000	Bond Funds	\$11,000,000
AL Mat-Su: Congestion Improvements	2000	Bond Funds	\$21,000,000
AL Richardson Highway: Passing Lanes Segments	2000	Bond Funds	\$5,000,000
AL Fairbanks: University Avenue-Geist-Johansen Intersection Improvements	2000	Bond Funds	\$3,500,000
AL Cordova: Copper River Highway Rehabilitation	2000	Bond Funds	\$4,000,000
AL McCarthy Road: Major Maintenance	2000	Bond Funds	\$2,000,000
AL Stampede Road: Improvements MP 0 to 8	2000	Bond Funds	\$5,000,000
* AP Governor's Transportation Access to Resources Initiative	2000	Bond Funds	\$37,000,000
AL Richardson Highway: Shaw Creek Bridge	2000	Bond Funds	\$2,500,000
AL Elliott Highway: Washington Creek Bridge Replacement for Gas Pipeline	2000	Bond Funds	\$3,500,000

* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing
FY06 Governor's Capital Budget**

Multiple User Selected Fund Codes

Department of Transportation and Public Facilities

<u>APIAL Project Title</u>			<u>Fund Source Total</u>
AL Fairbanks: Richardson Highway - Northbound Chena Overflow Bndge for Gas Pipeline	2000	Bond Funds	\$11,000,000
AL DeLong Mountain: Port Expansion: EIS Completion	2000	Bond Funds	\$2,000,000
AL North Slope: Foothills West Road EIS	2000	Bond Funds	\$4,000,000
AL North Slope: Bulen Point EIS	2000	Bond Funds	\$5,000,000
AL Dalton Highway: Surfacing Upgrades	2000	Bond Funds	\$9,000,000
AP Industrial Road Program	2000	Bond Funds	\$10,000,000
AP Airport Deferred Maintenance	2000	Bond Funds	\$1,500,000
AP Highway Deferred Maintenance	2000	Bond Funds	\$3,000,000
AP Facilities Deferred Maintenance and Critical Repairs	2000	Bond Funds	\$8,000,000
AP Emergency and Non-Routine Repairs	2000	Bond Funds	\$500,000
AP Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation	2000	Bond Funds	\$6,500,000
AP Material Stockpiles - Dalton Highway, Glenn Highway, Richardson Highway and Tok Cutoff	2000	Bond Funds	\$600,000
AP Harbor Deferred Maintenance	2000	Bond Funds	\$3,000,000
AP Hoonah Harbor Deferred Maintenance and Transfer	2000	Bond Funds	\$3,500,000
AP Petersburg: North Harbor Deferred Maintenance and Transfer	2000	Bond Funds	\$2,500,000
AP Statewide: Airport Lease Lots Development	2000	Bond Funds	\$4,000,000
AP Willow Maintenance Station Replacement	2000	Bond Funds	\$350,000
AP WAN Infrastructure Upgrade	2000	Bond Funds	\$185,000
AP Statewide Federal Programs	2000	Bond Funds	\$56,500,000
AL Federal-Aid Aviation State Match	2000	Bond Funds	\$14,500,000
AL Federal-Aid Highway State Match	2000	Bond Funds	\$42,000,000

* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing
FY06 Governor's Capital Budget**

Multiple User Selected Fund Codes

Department of Transportation and Public Facilities

<u>AP/AL Project Title</u>	<u>Fund Source Total</u>
AP Congressional Earmarks	
	2000 Bond Funds \$15,000,000
	General Fund Total: 0
	Federal Total: 0
	Other Total: \$260,135,000
	Department Total: \$260,135,000

University of Alaska

<u>AP/AL Project Title</u>	<u>Fund Source Total</u>
AP Strategic Land and Property Acquisitions	
	2000 Bond Funds \$2,150,000
AP Systemwide Minor Renewal and Renovation	
	2000 Bond Funds \$6,886,500
AP Integrated Science Complex	
	2000 Bond Funds \$21,600,000
	General Fund Total: 0
	Federal Total: 0
	Other Total: \$30,636,500
	Department Total: \$30,636,500

Alaska Court System

<u>AP/AL Project Title</u>	<u>Fund Source Total</u>
AP Bethel Courthouse	
	2000 Bond Funds \$825,000

* Indicates an appropriation with allocations (amounts not included in totals)

Project Review Listing
FY06 Governor's Capital Budget

Multiple User Selected Fund Codes

Alaska Court System

AP/AL Project Title

Fund Source Total

AP Deferred Maintenance Projects

2000 Bond Funds \$300,000

General Fund Total: 0

Federal Total: 0

Other Total: \$1,125,000

Department Total: \$1,125,000

General Fund Grand Total: 0

Federal Grand Total: 0

Other Grand Total: \$340,506,700

Grand Total: \$340,506,700

* Indicates an appropriation with allocations (amounts not included in totals)

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 187
 (H) Publish Date: 2/28/05

Revision Date/Time (Note if correction):
 Title Alaska Capital Income Account

Dept. Affected: Revenue
 RDU AK Permanent Fund Corporation
 Component: AK Permanent Fund Corporation

Sponsor Governor
 Requester _____

Component No. 109

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would create a new account, the Alaska Capital Income Account, in the Permanent Fund's earnings reserve account. In addition, the bill would change existing statutes to place the realized earnings from the settlement of State v. Amerada Hess into this new account where they would be available for Legislative appropriation.

The additional staff time required to administer this account will fall under the APFC Finance Department's normal scope of duties. Therefore we do not expect additional costs as a result of this bill.

Prepared by: Michael Burns, Executive Director/CEO
 Division: Alaska Permanent Fund Corporation
 Approved by: _____
 Agency: _____

Phone 465-2047
 Date/Time 2/24/2005
 Date 2/24/2005

HB

188

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 28, 2005

FURTHER REFERRALS: Finance

Date of Committee Action: March 23, 2005

The JUDICIARY Committee considered:

HB 188

HOUSE BILL NO. 188

STATE OF AK CAPITAL CORP.; BONDS

"An Act establishing the State of Alaska Capital Corporation; authorizing the issuance of bonds by the State of Alaska Capital Corporation to finance capital improvements in the state; and providing for an effective date."

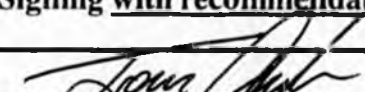
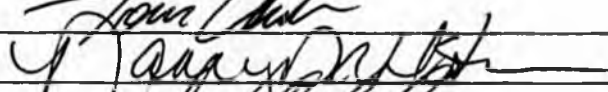
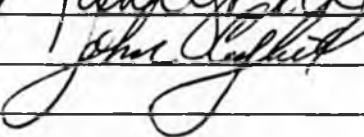
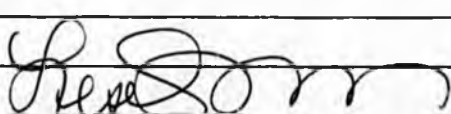
Recommends it be replaced with HCS or CS for _____ (_____)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

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

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

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
REV	1	✓		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	ANDERSON	X			
	Dalstrom			X	
	Coghill			←	
Chair: 	McGuire	X			
Chair:					

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 188
 (H) Publish Date: 2/28/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title State of Alaska Capital Corporation RDU State of Alaska Capital Corporation
 Component _____
 Sponsor Rules Committee
 Requester Request of the Governor Component No. 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel	10.0					
Contractual	6,700.0	100.0	100.0	100.0	100.0	100.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service	9,782.9	39,764.0	36,490.4	36,354.4	36,400.6	36,460.5
TOTAL OPERATING	16,492.9	39,864.0	36,590.4	36,454.4	36,500.6	36,560.5

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Bond Proceeds	6,700.0					
Alaska Capital Income Account and Earnings on Fund Balance	9,792.9	39,864.0	36,590.4	36,454.4	36,500.6	36,560.5
TOTAL	16,492.9	39,864.0	36,590.4	36,454.4	36,500.6	36,560.5

Estimate of any current year (FY2005) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill creates the State of Alaska Capital Corporation which will enter into operating agreements that will provide annual appropriations equal to the annual available fund balance in the Alaska Capital Income Account. This stream of payments will be leveraged into up to \$350 million in bond proceeds that will be placed into a construction fund to pay for capital improvements and costs of issuing bonds.

The Corporation will enter into flexible payment operating agreements that will provide the ability to appropriate fund balance in the Alaska Capital Income Account to the Corporation. As fund balance fluctuates with volatility, appropriated operating agreement payments will also fluctuate.

Prepared by: Deven Mitchell, Debt Manager Phone _____
 Division: Treasury Date/Time 2/11/05 8:39 AM
 Approved by: Jerry Burnett, Special Assistant to the Commissioner Date 2/11/2005
 Agency: Department of Revenue

FISCAL NOTE #1

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. HB 188

ANALYSIS CONTINUATION

The corporation will leverage the flexible payment operating agreements through the issuance of flexible amortization bonds. The flexible amortization bonds will provide the ability to manage possible volatility in available fund balance in the Alaska Capital Account. A minimum annual payment amount will be established through a 40 year interest only payment schedule with a 40 year balloon principal payment. The actual annual payment will be based on available appropriations to the corporation, and as excess funds are received principal will be retired.

Annual amount available for appropriation in this fiscal note are based on the projected realized return rate of 7.61% on funds from fiscal year 2005 through fiscal year 2016. At this level of realized earnings the annual appropriation to the corporation will be \$33,525,656. All available fund balance in the Alaska Capital Income Account will be requested for appropriation by the corporation on an annual basis. The actual account balance is expected to vary from year to year, but the assumption of an average annual realized return rate of 7.61% is below the last 20 year average of 8.94%.

Although only \$9.8 million in expenditures funded from the Alaska Capital Income Account in fiscal year 2005 and 2006 the corporation will receive an appropriation for the available fund balance in the account in both 2005 and 2006. The balance of the appropriation will be used to fund structural enhancements including a debt service reserve fund equal to ten percent of par on outstanding bonds, and revenue fund balance equal to the upcoming year's nominal interest payment.

The \$6.6 million in contractual costs in fiscal year 2006 will fund costs associated with creating the structure for and issuing the bonds of the corporation. These costs will include underwriters, financial advisor, bond counsel, rating agencies, publishing, advertising, and other associated expenses of the corporation. The annual \$100,000 increment will fund annual operation and accounting costs of the corporation.

Amerada Hess Chronology re: bias issue

1. September 2, 1977. State of Alaska files lawsuit against 19 oil producers related to underpayment of royalties. *State of Alaska v. Amerada Hess Corp., et al.*, No. 1JU-77-847 Civ. (Super. Ct. Alaska).
2. November 2, 1987. Producers file suit in federal district court, *Standard Alaska Prod. Co. v. Schaible*, No. 87-621 (D. Alaska), claiming PFDs create impermissible bias for judges and jurors in *Am Hess* case.
3. 1988. Judge Kleinfeld issues unpublished decision recusing himself from the federal case because of receipt of PFDs. Case assigned to Judge Belloni in Oregon.
4. June 20, 1988. Judge Belloni issues unpublished decision finding bias issue unripe and challenges Alaska to provide a fair forum for case.
5. April 29, 1989. Ninth Circuit dismisses federal bias case as unripe. *Standard Alaska Prod. Co. v. Schaible*, 874 F.2d 624 (9th Cir. 1989), *cert. denied*, 495 U.S. 904 (1990).
6. May 13, 1989. First Am Hess segregation enacted. CSHB 276(Fin) am, ch. 38, SLA 1989 amending AS 43.23.045(b) to segregate income from "money awarded after trial" from PFD fund).
7. October 12, 1989. Alaska Supreme Court amends civil and criminal rules to provide that receipt of PFD does not provide basis for challenging a juror for cause. Alaska S.Ct. Order 1013 (amending Civil Rule 47(c) and Criminal Rule 24(c)).
8. March 14, 1991. Judge Carpeneti issues "Notice of Intention to Grant Motion for Disqualification," and indicating that 1989 segregation legislation did not go far enough to remove bias issues. *State of Alaska v. Amerada Hess Corp., et al.*, No. 1JU-77-847 Civ., Order 91-9 (Super. Ct. Alaska).
9. June 6, 1991. Second Am Hess segregation enacted. HCS CSSB 213(JUD), ch. 18, SLA 1991 (adding new subsection to AS 43.23.045 to segregate income from "money awarded in or received as a result" of the Am Hess case from PFD fund).
10. August 23, 1991. Judge Carpeneti rules that the new legislation cured the bias problem and the Alaska Supreme Court denies petition for review. *BP Exploration v. State of Alaska*, No. S-4654, S-4662, S-4689 (Alaska 1991).
11. 1991. Oil producers re-file federal bias suit. *Exxon Corp. v. Heinze*, Civ. A91-0543.
12. February 24, 1992. Judge Singleton issues order declining to recuse himself from case on account of receipt of PFD. *Exxon Corp. v. Heinze*, 792 F.Supp. 72 (D. Alaska 1992).
13. March 3, 1992. Judge Holland affirms Judge Singleton's decision and declines to remove reuse himself as well. *Exxon Corp. v. Heinze*, 792 F.Supp. 77 (D. Alaska 1992).
14. July 1, 1992. Current Am Hess segregation enacted. HCS CSSB 39 (FIN), sec. 19, ch. 134, SLA 1992 (same language as in second Am Hess segregation, but enacted at AS 37.13.145(d)).
15. April 1992. Oil phase of Am Hess litigation settles.
16. April 17, 1994. Ninth Circuit determines that appeal of refusal to recuse by Judges Singleton and Holland are not ripe. *Exxon Corp. v. Heinze*, 32 F.3d 1399 (9th Cir. 1994).
17. March 1995. Gas phase of Am Hess litigation settles.

HB

1900

HOUSE COMMITTEE REPORT

(7)

Date Referred to Committee: April 22, 2005

FURTHER REFERRALS: Finance

Date of Committee Action: 02/10/06

The JUDICIARY Committee considered:

HB 190

HOUSE BILL NO. 190

REQUIRED ID FOR PURCHASING ALCOHOL

"An Act relating to the purchase of alcoholic beverages and to requiring identification to buy alcoholic beverages; requiring driver's licenses and identification cards to be marked if a person is restricted from consuming alcoholic beverages as a result of a conviction or condition of probation or parole."

Recommends it be replaced with [] HCS or [X] CS for HB 190 (JUD)
 For Senate Bills with new title: [] Technical Title [] New Title: HCR _____ [X] Same Title [] New Title

- [] attach amendments
- [] add new referral to _____ Committee
- [] Letter of Intent _____ Committee

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

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

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

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Garc	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	WILSON	<input checked="" type="checkbox"/>			
	Kott			<input checked="" type="checkbox"/>	
	Greenberg			<input checked="" type="checkbox"/>	
Chair:				<input checked="" type="checkbox"/>	
Chair:					

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB 190 (L&C)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: "An Act relating to the purchase of alcoholic beverages..." RDU Division of Motor Vehicles
 Sponsor: Rep. Crawford Component Motor Vehicles
 Requester: (H) Jud Component No. 2348

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	**	**	**	**	**	**

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	**	**	**	**	**	**

Estimate of any current year (FY2006) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill requires the Division of Motor Vehicles (DMV) to physically 'mark' a driver's license or a State issued Identification Card if the holder's privilege to purchase alcohol has been restricted. The DMV today has no direct knowledge of a persons conditions of probation or parole.

Until the number of customers and method of information transmission is ascertained in conjunction with the Alaska Court System, the DMV has no ability to measure the impact this will have on our planned operation. As a result we respectfully submit an 'indeterminate' fiscal note.

Once this information has been established, the DMV will provide a firm estimate of costs incurred and revenue generated as a result.

Prepared by: Duane Bannock, Director Phone 269 5008
 Division: Motor Vehicles Date/Time 2/9/06 9:00 AM
 Approved by: Mike Tibbles, Deputy Commissioner Date 2/9/2006
 Agency: Department of Administration

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CS HB 190 (L&C)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title An act relating to the purchase of alcoholic FNU Legal and Advocacy Services
beverages and to access to licensed premises... Component Office of Public Advocacy
Sponsor Rep. Crawford
Requester (H) Judiciary Component No. 43

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would deny a person the privilege to purchase alcoholic beverages (AS 4.16.160) or enter premises (AS 4.16.047) that serve alcoholic beverages if the person has been ordered to refrain from consuming alcoholic beverages as part of a sentence for a crime under AS 28.35.030 or as a condition of probation or parole. This legislation would also provide a private right of civil action for a licensee against a person who enters a licensed premises in violation of the aforementioned. Finally, this legislation would require that driver's licenses be designed to allow the electronic reading and display of the person's identifying information and whether the person's privilege to purchase alcohol has been restricted under AS 4.16.160.

This legislation should have no fiscal impact on OPA.

Prepared by: Joshua P. Fink, Director Phone 907.269-3500
Division Office of Public Advocacy Date/Time 2/8/06 at 7:50 p.m.
Approved by: Mike Tibbles, Deputy Commissioner Date 2/8/2006
Agency Administration

Alaska State Legislature
House of Representatives

Alaska State Capitol
Juneau, Alaska 99801-1182
1-907-465-3438 (phone)
1-888-478-3438 (toll free)
1-907-465-4565 (fax)



Interim Address
716 West Fourth Avenue
Anchorage, Alaska 99501-2133
(phone) 1-907-269-0100
(fax) 1-907-269-0105

Representative Harry Crawford
District 21

SPONSOR STATEMENT FOR CS FOR HB 190

Alaska has some of the strictest drunken driving laws in the country, and yet our rates of alcoholism and alcohol related crimes are among the highest in the nation.

HB 190 proposes a different approach. In an attempt to keep alcohol out of the hands of repeat drunk driving offenders, HB 190 provides for a physical display on state issued ID's if a person has been prohibited from purchasing alcohol by a court. It also allows for a civil penalty, paid to the licensee if a person restricted from purchasing alcohol is on their premises.

This is a strong step toward stopping problem drinkers from purchasing alcohol.



MADD

Activism Victim Services | Education™

Anchorage Chapter
4105 Turnagain Boulevard, Suite A • Anchorage, AK 99517
(907) 562-6890/Fax (907) 562-6896
Email: info@maddalaska.com
Visit our Web Site: www.maddalaska.com

Our Mission is to stop drunk driving, support the victims of this violent crime and prevent underage drinking

DATE: March 22, 2005

TO: Labor and Commerce Commission
Representative Tom Anderson, Chair
Representative Pete Kott
Representative Bob Lynn
Representative Norm Rokeberg
Representative David Guttenberg
Representative Gabriel LeDoux

FROM: Marti Greeson, Executive Director
MADD Anchorage Chapter

RE: HB 190

On behalf of the members, board of directors and staff of MADD in Anchorage, I am writing in support of HB 190.

The purchase of alcoholic beverages for persons over the age of 21 is a privilege, which can be and is revoked upon conviction for a DUI related offense. This revocation must be monitored and sales of alcohol refused to persons under order by the courts and/or as a consequence of probation or parole. Information provided on identification cards or driver's licenses will aid retailers and their agents in ensuring legal sales, and as a result reduce the recidivism rates for repeat offenders.

Heather D. Beaty

From: Brenda Moore [bmoore@christianhealth.org]
Sent: Tuesday, March 22, 2005 11:57 AM
To: Rep. Tom Anderson; Rep. David Guttenberg; Rep_Norm_Rokeberg@legis.state.ak.us;
Rep_Gabriel_LeDoux@legis.state.ak.us; Rep. Bob Lynn; Rep. Pete Kott
Cc: Rep. Harry Crawford
Subject: HB 190

To: Labor & Commerce Committee

From: Brenda Moore

Re: HB 190

Representative Harry Crawford has introduced HB 190 "An Act relating to the purchase of alcoholic beverages and to requiring identification to buy alcoholic beverages; requiring driver's licenses and identification cards to be marked if a person is restricted from consuming alcoholic beverages as a result of a conviction or condition of probation or parole."

This is written in favor of HB 190. A number of years ago the daughter of a close friend was struck while driving her children to an activity. She was killed and one of her children was injured.

The driver of the car that struck and killed my friend's daughter was driving with a revoked license, while under the influence of alcohol. He had several previous convictions of driving while under the influence, which resulted in his license being revoked.

I feel my friend's daughter might be alive today if the driver that killed her had been required to prove his privilege to drive and purchase alcohol.

I ask that you support the passage of HB 190 as a measure to preserve lives.

Sincerely,
Brenda Moore
907-522-7081

Josh Applebee

From: Janies Barlow - Alexander [courtwatch@maddalaska.com]
Sent: Tuesday, March 22, 2006 11:44 AM
To: Rep. Tom Anderson; Rep. Pete Kott; Rep. Bob Lynn;
Rep_Gabriel_LeDoux@legis.state.ak.us; Rep_Norm_Rokeberg@legis.state.ak.us; Rep.
David Guttenberg
Subject: HOUSE BILL 190

My Dear Representatives,

This Bill is to be heard this afternoon and I ask for your full support for this practical, sensible legislation.

This is legislation which responsible retailers support and thereby will be enforced. Let it be known, that in the great state of Alaska, the right to drive and a drivers license are privileges, which will be revoked for driving crimes.

Thank you.

Janies

Janies Barlow-Alexander
Court Monitoring Coordinator
(907)562-6890-T (907)562-6896-F
4105 Turnagain Blvd, Ste A (99517)

"We cannot solve the problems that we have created with the same thinking that created them" AE

For more information about MADD, its free victim services or to donate, please visit www.maddalaska.com or call (907) 562-6890.

The number also connects victims to trained staff who can provide emotional support and guidance through the criminal justice system.

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSHB 190 (L&C)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title "An Act relating to the purchase of alcoholic beverages..." RDU Division of Motor Vehicles
Sponsor Rep. Crawford Component Motor Vehicles
Requester (H) Jud Component No. 2348

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	**	**	**	**	**	**

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	**	**	**	**	**	**

Estimate of any current year (FY2006) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill requires the Division of Motor Vehicles (DMV) to physically 'mark' a driver's license or a State issued Identification Card if the holder's privilege to purchase alcohol has been restricted. The DMV today has no direct knowledge of a persons conditions of probation or parole.

Until the number of customers and method of information transmission is ascertained in conjunction with the Alaska Court System, the DMV has no ability to measure the impact this will have on our planned operation. As a result we respectfully submit an 'indeterminate' fiscal note.

Once this information has been established, the DMV will provide a firm estimate of costs incurred and revenue generated as a result.

Prepared by: Duane Bannock, Director Phone 269 5008
Division: Motor Vehicles Date/Time 2/9/06 9:00 AM
Approved by: Mike Tibbles, Deputy Commissioner Date 2/9/2006
Agency: Department of Administration

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS HB 190 (L&C)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title An act relating to the purchase of alcoholic beverages and to access to licensed premises... RDU Legal and Advocacy Services
 Component Office of Public Advocacy
 Sponsor Rep. Crawford
 Requester (H) Judiciary Component No. 43

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would deny a person the privilege to purchase alcoholic beverages (AS 4.16.160) or enter premises (AS 4.16.047) that serve alcoholic beverages if the person has been ordered to refrain from consuming alcoholic beverages as part of a sentence for a crime under AS 28.35.030 or as a condition of probation or parole. This legislation would also provide a private right of civil action for a licensee against a person who enters a licensed premises in violation of the aforementioned. Finally, this legislation would require that driver's licenses be designed to allow the electronic reading and display of the person's identifying information and whether the person's privilege to purchase alcohol has been restricted under AS 4.16.160.

This legislation should have no fiscal impact on OPA.

Prepared by: Joshua P. Fink, Director
 Division: Office of Public Advocacy
 Approved by: Mike Tibbies, Deputy Commissioner
 Agency: Administration

Phone 907.269-3500
 Date/Time 2/8/06 at 7:50 p.m.
 Date 2/8/2006

HB

193

LEGAL SERVICES

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

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

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

MEMORANDUM

May 6, 2005

SUBJECT: Amendments to HB 19² (CSHB 193 (JUD))

TO: Representative Lesil McGuire,
Chair of the House Judiciary Committee
Attn: Vanessa Tondini

FROM: Jean Mischel
Legislative Counsel

Enclosed is the Judiciary CS you requested that incorporates an amendment that was previously unreviewed by this office. The amendment raises some questions that should be addressed in the next committee of referral.

The amendment creates a new section at AS 47.05.350 and deletes part of an immunity provision that was at AS 47.32.160 in the bill. AS 47.32.090, as amended in the bill at page 25, line 15, contains a cross-reference to the "old" immunity provision at AS 47.32.160. Do you intend for the "new" immunity provision to be cross-referenced there as well?

The same question is raised for a cross-reference at AS 47.33.070 in the bill at page 38, line 11.

In addition, the wording of the amendment, as it pertains to the new immunity provision at AS 47.05.350, is ambiguous. I have interpreted the modifying language relating to regulations adopted by the department to apply to the information received and provided, not to the reasonable reliance. If this interpretation is not correct, let me know.

The amendment also removed a conforming change to AS 25.27.244(s)(2) without repealing that provision. Do you want to repeal it so that the outdated reference to AS 47.35 (repealed in the bill) is fixed or reinsert the conforming change?

Finally, sec. 53(b) provides a transition for interpretation of references to repealed provisions but inexplicably leaves out the same references in secs. 36, 38, 39, 41, and 42. Do you want to add those secs. to the list?

JMM:med
05-354.med

Enclosure

HOUSE COMMITTEE REPORT

4-26-05

(7)

Date Referred to Committee: March 2, 2005

FURTHER REFERRALS: Judiciary
Finance

Date of Committee Action: April 22, 2005

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 193

HOUSE BILL NO. 193

LICENSING MEDICAL OR CARE FACILITIES

"An Act relating to the licensing, regulation, enforcement, and appeal rights of ambulatory surgical centers, assisted living homes, child care facilities, child placement agencies, foster homes, free-standing birth centers, home health agencies, hospices or agencies providing hospice services, hospitals, intermediate care facilities for the mentally retarded, maternity homes, nursing facilities, residential child care facilities, residential psychiatric treatment centers, and rural health clinics; relating to criminal history requirements, and a registry, regarding certain licenses, certifications, approvals, and authorizations by the Department of Health and Social Services; making conforming amendments; and providing for an effective date."

Recommends it be replaced with [] HCS or [] CS for HB193 (HCS)
For Senate Bills with new title: [] Technical Title [] New Title: HCR _____ [] Same Title [] New Title

- [] attach amendments
- [] add new referral to _____ Committee
- [] Letter of Intent _____ Committee

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

NEW FISCAL NOTES				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
HSS	3	<input checked="" type="checkbox"/>		

PREVIOUS FISCAL NOTES				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
HSS	1			<input checked="" type="checkbox"/>
LAW	2	<input checked="" type="checkbox"/>		

Signing with recommendations	Printed Last Name	DP ①	DNP	NR ③	AM ②
William Cassin	CISSNA	<input checked="" type="checkbox"/>			
Berta Gardner	Gardner			<input checked="" type="checkbox"/>	
John Anderson	Anderson			<input checked="" type="checkbox"/>	
Redman	McClure			<input checked="" type="checkbox"/>	
Chair: <u>Reggie Wilson</u>	WILSON				<input checked="" type="checkbox"/>
Chair:					

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB193-LAW-HS-02-28-0
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
 Title: "An Act relating to the licensing, regulation, RDU CIVIL
enforcement, and appeal rights of certain ...facilities" Component: Human Services
 Sponsor: House Rules
 Requester: Governor Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2005) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This bill would centralize almost all DHSS licensing statutes under a new chapter to AS 47. Currently, there are 12 different statutory schemes for the licensure of different entities by the DHSS. By centralizing these disparate procedures into a streamlined licensing process under a uniform statutory framework, the DHSS hopes to be able to administer these functions in a much more efficient and cost effective manner. Significant revisions to the corresponding regulations will be required and will result in a fiscal impact to the Department of Law in the first year or two following passage of this legislation. The Department of Health and Social Services has received a federal grant, requested in the Division of Public Health's FY 2006 budget, that will allow centralization to occur. The grant includes the funds needed by Department of Law for regulation revision and review.

Prepared by: Kathryn Daughhete, Director Phone 465-3673
 Division: Administrative Services Date/Time 4/12/05 3:48 PM
 Approved by: Kathryn Daughhete for David Márquez, Attorney General Date 4/12/2005
 Agency: Department of Law

ALASKA STATE LEGISLATURE

Rep. Lesil McGuire, Chair
Rep. Tom Anderson, Vice-Chair
Rep. John Coghill
Rep. Nancy Dahlstrom
Rep. Pete Kott
Rep. Les Gara
Rep. Max Gruenberg



State Capitol, Room 120
Juneau, AK 99801-1182
(907) 465-4990
Fax (907) 465-6592

House Judiciary Committee

Memorandum

To: Leg. Legal
From: Vanessa Tondini, Committee Aide
House Judiciary Committee
Date: May 5, 2005
Re: CS Request

Please create a final draft House Judiciary Committee Substitute for work order # 24-GH1016Y, HB 193, incorporating the attached three amendments (A.# 1, 2 and 4 (which actually amends p. 3 of A#1). The bill was passed out of committee today.

If you have any questions, please call me at 4990.
Thank you!

The information attached to this memo is **CONFIDENTIAL** an/or privileged. It is intended to be reviewed initially by only the individual named above. If the reader of this Memorandum is not the intended recipient or a representative of the intended recipient, you are hereby notified that any review, dissemination, or copying of the information contained herein is prohibited. If you have received this in error, please immediately notify the sender by telephone and return this to the sender at the above address.

#)
Amendment to CSHB 193 (HES) in HJUD - PASSED

Page 1, line 7, following "clinics;":

Insert "relating to possession of a firearm at licensed entities and facilities;"

Page 4, line 3, following "children":

Insert "except that a person 21 years of age or older may possess an unloaded firearm in the trunk of a motor vehicle or encased in a container of a motor vehicle"

Page 6, line 31 through page 8, line 15:

Delete all material.

Renumber the following bill sections accordingly.

Page 12, line 16, following "jurisdiction":

Insert "or to have committed medical assistance fraud under AS 47.05.210 or a substantially similar provision in another jurisdiction"

Page 14, line 8, following "jurisdiction":

Insert "or to have committed medical assistance fraud under AS 47.05.210 or a substantially similar provision in another jurisdiction"

Page 16, following line 11:

Insert "**Sec. 47.05.350. Immunity.** An entity or individual service provider that obtains information about an employee under a criminal history check under AS 47.05.310 may use that information only as provided for in regulations adopted by the department under AS 47.05.320. However, if an entity or individual service provider reasonably relies on the information provided under the regulations adopted by the department to deny employment to an individual who was selected for hire as an

employee, including during a period of provisional employment, the entity or individual service provider is not liable in an action brought by the individual based on the employment determination resulting from the information.”

Page 21, line 29, following “AS 47.32.010(b)”:

Insert “, as defined by regulation”

Page 23, line 30, following “(c)”, through line 31:

Delete all material and insert “The issuance of a license by the department does not obligate the department to place or maintain an individual in an entity or through an entity, or to provide financial support to an entity.”

Page 32, line 4:

Delete “applies”

Insert “and AS 44.62.330 – 44.62.630 apply”

Page 32, lines 24 – 30:

Delete all material.

Page 34, line 21, following “ambulatory surgical center”:

Insert “means a facility that”

Page 34, line 22:

Delete all material.

Page 34, line 23:

Delete “(i)”

Insert “(A)”

Page 34, line 25:

Delete "(ii)"

Insert "(B)"

Delete "? i"

Page 34, lines 27 – 28:

Delete all material.

Page 35, line 5:

Delete "or"

Page 35, following line 5:

Insert "(iii) offers personal assistance as defined in AS 47.33.990; or"

Page 35, line 6:

Delete "(iii)"

Insert "(iv)"

Page 37, line 13, following "care":

Insert "or rehabilitative services"

Page 37, line 31:

Delete "35"

Insert "34"

Page 38, line 7, following "to", through line 15:

Delete all material and insert "assisted living homes as defined in AS 47.32.900."

Page 41, following line 2:

Insert a new bill section to read:

**** Sec. 46. AS 25.27.244(s)(2) is repealed.**

A#4
delete
PASSED

Page 41, line 6:

Delete "47.33.420,"

Page 41, line 18:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 41, line 21:

Delete "35"

Insert "34"

Page 41, line 22:

Delete "35"

Insert "34"

Page 41, line 24:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 41, line 25:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 -"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 -"

Page 41, line 27:

Delete "35"

Insert "34"

Page 41, line 30:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 42, line 2:

Delete "SEC. 20"

Insert "SECS. 19 AND 35"

Page 42, line 3:

Delete "sec. 20"

Insert "secs. 19 and 35"

Page 42, line 5:

Delete "sec. 20"

Insert "secs. 19 and 35"

Page 42, line 8:

Delete "20"

Insert "19"

Page 42, line 9:

Delete "35"

Insert "34"

Page 42, line 12:

Delete "sec. 20"

Insert "secs. 19 and 35"

Page 42, line 14:

Delete "20"

Insert "19"

Page 42, line 17:

Delete "sec. 20"

Insert "secs. 19 and 35"

Page 42, line 20:

Delete "20"

Insert "19"

Delete "35"

Insert "34"

Page 42, line 21:

Delete "20"

Insert "19"

Page 42, line 23:

Delete "20"

Insert "19"

Page 43, line 27:

Delete "35"

Insert "34"

Page 43, line 28:

Delete "35"

Insert "34"

Page 43, line 29:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 44, line 5:

Delete all material.

Page 44, line 6:

Delete "(4)"

Insert "(3)"

Delete "18"

Insert "17"

Page 44, line 7:

Delete "(5)"

Insert "(4)"

Delete "19"

Insert "18"

Page 44, line 8:

Delete "(6)"

Insert "(5)"

Delete "21"

Insert "20"

Page 44, line 9:

Delete "(7)"

Insert "(6)"

Delete "22"

Insert "21"

Page 44, line 10:

Delete "(8)"

Insert "(7)"

Delete "23"

Insert "22"

Page 44, line 11:

Delete "(9)"

Insert "(8)"

Delete "24 and 25"

Insert "23 and 24"

Page 44, line 12:

Delete "(10)"

Insert "(9)"

Delete "27"

Insert "26"

Page 44, line 13:

Delete "(11)"

Insert "(10)"

Delete "28"

Insert "27"

Page 44, line 14:

05/04/05
10:15 a.m.

Delete "(12)"

Insert "(11)"

Delete "29"

Insert "28"

Page 44, line 15:

Delete "(13)"

Insert "(12)"

Delete "30"

Insert "29"

Page 44, line 16:

Delete "(14)"

Insert "(13)"

Delete "31"

Insert "30"

Page 44, line 17:

Delete "(15)"

Insert "(14)"

Delete "32"

Insert "31"

Page 44, line 18:

Delete "(16)"

Insert "(15)"

05/04/05
10:15 a.m.

Delete "33"

Insert "32"

Page 44, line 19:

Delete "(17)"

Insert "(16)"

Delete "34"

Insert "33"

Page 44, line 20:

Delete "(18)"

Insert "(17)"

Delete "38"

Insert "37"

Page 44, line 21:

Delete "(19)"

Insert "(18)"

Delete "41"

Insert "40"

Page 44, line 26:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 45, line 1:

Delete "35"

Insert "34"

Page 45, line 4:

Delete "35"

Insert "34"

Page 45, line 14:

Delete "35"

Insert "34"

Page 45, line 15:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 45, line 17:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 45, lines 19 - 20:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 45, line 25:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 45, line 28:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

05/04/05
10:15 a.m.

Page 45, line 30:

Delete "35"

Insert "34"

Page 46, line 3:

Delete "35"

Insert "34"

Page 46, line 12:

Delete "20"

Insert "19"

Page 46, line 14:

Delete "20"

Insert "19"

Page 46, line 15:

Delete "20"

Insert "19"

Page 46, line 16:

Delete "20"

Insert "19"

Page 46, line 18:

Delete "20"

Insert "19"

Page 46, line 21:

05/04/05
10:15 a.m.

Delete "20"

Insert "19"

Page 46, line 23:

Delete "20"

Insert "19"

Page 46, lines 30 - 31:

Delete "1 - 15, 17 - 19, 21 - 35, 37 - 42, and 44 - 51"

Insert "1 - 14, 16 - 18, 20 - 34, and 36 - 51"

Page 47, line 3:

Delete: "16, 20, and 36"

Insert "15, 19, and 35"

Page 47, line 11:

Delete all material.

Renumber the following bill sections accordingly.

Page 47, line 12:

Delete "16, 20, and 36"

Insert "15, 19, and 35"

Page 47, line 15:

Delete "62"

Insert "61"

04/29/05
2:30 PM.

AMENDMENT #2 TO CSHB 193 (HES) - PASSED

Page 1, lines 9 – 11:

Delete “**expanding reimbursable services under Medicaid waivers for older Alaskans and adults with disabilities to include adult companion services;**”

Page 42, line 24 through page 43, line 23:

Delete all material.

Renumber bill sections accordingly.

Page 47, line 9:

Delete “58”

Insert “57”

Page 47, line 10:

Delete “59”

Insert “58”

Page 47, line 13:

Delete “58(b)”

Insert “57(b)”

Page 47, line 15:

Delete “60 – 62”

Insert “59 – 61”

AMENDMENT #3 - ~~PASSED~~ RECINDED

OFFERED IN THE HOUSE

BY: REPRESENTATIVE GARA

TO: CSHB 193 (HES)

Page 1, line 9, following "Services;":

Insert "relating to public assistance for health facilities and assisted living homes, to rates charged by an assisted living home, and to the liability of recipients of home or community-based services to pay for those services;"

Page 18, following line 9

Insert new bill sections to read:

Sec. 22 AS 47.07.070(a) is amended to read:

(a) ~~Except as provided under (d) - (f) of this section, the~~ [THE] department shall, by regulation, set rates of payment for health facilities under this chapter and AS 47.25.120 - 47.25.300 in accordance with 42 U.S.C. 1396 (Title XIX, Social Security Act, Medical Assistance) and this section. A rate established under this section takes effect under AS 44.62 (Administrative Procedure Act) but not until approved in writing by the commissioner. The commissioner may delegate the performance of these functions.

Sec. 23 AS 47.07.070 is amended by adding new subsections to read:

(d) For residential support living services provided to an eligible recipient of medical assistance living in an assisted living home licensed under AS 47.33, the minimum daily reimbursement rate to the assisted living home for room and board expenses is \$28.

~~(e) The department may not establish a maximum daily rate for room and board expenses charged by an assisted living home.~~

(f) A calculation of the rate for administrative and general costs for a provider, including an assisted living home, shall be determined in the same way as a calculation of the administrative and general cost rate for a Pioneers' Home. In this subsection, "administrative and general costs" means those expenses that are common to the overall operation of a provider providing home and community-based waiver services and that are not directly assignable to or borne by a specific program or recipient of a home and community-based service.

Renumber the following bill sections accordingly.

Page 41, following line 5

Insert a new bill section to read:

Sec. 49 AS 47.07.070(c) is repealed."

Renumber the following bill sections accordingly.

Page 41, following line 14

Insert a new bill section to read:

Sec. 52: The uncodified law of the State of Alaska is amended by adding a new section to read:

REGULATIONS ANNULLED. 7 AAC 43.1058(j) and 7 AAC 43.1058(k)(1)(B) are annulled."

Renumber the following bill sections accordingly.

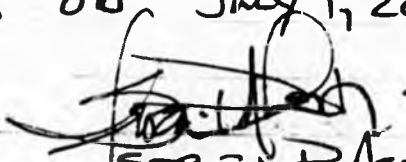
Note to Leg. Legal: Conform all internal bill section references as necessary.

PREPARED BY	
DATE	

--	--	--	--

5-5-05
TO: HOUSE JUDICIARY COMMITTEE

I have just spoken to
Commissioner GILBERTSON & HE
HAS INSTRUCTED ME TO INFORM
YOU THAT IF FUNDS ARE
APPROPRIATED RELATED TO
ASSISTED LIVING HOME REIMBURSEMENT
RATES, THE DEPARTMENT WILL
NOTICE EMERGENCY REGULATIONS
REPEALING TAC 43.1058(H)(1)(B)
WITH PAYMENTS TO BEGIN TO
PROCEED ON July 1, 2005.


STEVEN P. ASHMAN
DIRECTOR, DIVISION
OF SENIOR & DISABILITIES SE



PUBLIC HEALTH

**PROTECTING AND PROMOTING THE
HEALTH OF ALL ALASKANS**

**CSHB 193 (HES), a Bill to Consolidate
DHSS Licensing, Certification and
Background Check Functions**

Dr. Richard Mandsager, M.D.

Director, Division of Public Health

Alaska Department of Health and Social Services

5/04/2005

Amendment 1 to CSHB 193(HES)

24-GH1016\“Y”

05/04/05

CSHB 193 (HES)“Y”

CSGB 125 (JUD)“L”

- | | | |
|---|---|--|
| 1) Title change to incorporate Senate amendment re: possession of secured, unloaded firearms at licensed facilities | ➤ Page 1 line 7 | ➤ Page 1 line 7 |
| 2) Incorporate Senate amendment re: possession of secured, unloaded firearms at licensed facilities | ➤ Page 4 line 3 | ➤ Page 4 lines 2 - 4 |
| 3) Conforming technical amendment per Leg. Legal review | ➤ Page 6 line 31 -
Page 8 line 15 | ➤ Page 7 line 7 |
| 4) Conforming technical amendment making background check and registry section internally consistent regarding medical assistance fraud | ➤ Page 12 line 16,
following
“jurisdiction” | ➤ Page 13 lines 17 - 18 |
| 5) Conforming technical amendment making background check and registry section internally consistent regarding medical assistance fraud | ➤ Page 14 line 8,
following
“jurisdiction” | ➤ Page 12 lines 26 - 27 |
| 6) Conforming amendment to move background check immunity provision from AS 47.32 (licensing) to AS 47.05 (background check/registry) | ➤ Page 16,
following line 11 | ➤ Page 14 line 1 thru
page 15 lines 1 - 9 |

Amendment 1 to CSHB 193(HES)

24-GH1016\“Y”

05/04/05

	<u>CSHB 193 (HES)“Y”</u>	<u>CSSB 125 (JUD)“L”</u>
7) Amending language to Sec. 47.32.030(a)(2) to assure policies and procedures relating to licensure and operation are established and defined in regulation	➤ Page 21 line 29, following “AS 47.32.010(b)”	➤ Page 20 line 27
8) Rewrites provision to clarify the distinction between the department’s responsibilities re: issuing a license to an entity versus its obligation to provide financial support to an entity	➤ Page 23 line 30, following “(c)”, through line 31	➤ Page 22 lines 28 - 30
9) Clarifies that the administrative procedures act applies	➤ Page 32 line 4	➤ Page 31 line 3
10) Conforming amendment to move background check immunity provision from AS 47.32 (licensing) to AS 47.05 (background check/registry)	➤ Page 32 lines 24 - 30	➤ Page 31 line 23
11) Conforming technical amendment to rectify Leg. Legal drafting error	➤ Page 34 lines 21 - 28	➤ Page 33 line 18
12) Technical amendment for definition of assisted living home to conform with AS 47.33, “Assisted Living Homes”	➤ Page 35 lines 5 – 6	➤ Page 33 lines 25 – 26
13) Assures the definition of “nursing facility” specifically includes rehabilitative services for injured, disabled or sick persons	➤ Page 37 line 13, following “care”	➤ Page 36 line 5

Amendment 1 to CSHB 193(HES)

24-GH1016\ "Y"

05/04/05

CSHB 193 (HES)\ "Y"

CSSB 125 (JUD)\ "L"

14) Conforming technical amendment to section renumbering

➤ Page 37 line 31

➤ Page 36 line 5

15) Technical amendment for definition of assisted living home to conform with AS 47.33, "Assisted Living Homes"

➤ Page 38 line 7 following "to", through line 15

➤ Page 36 line 29 through Page 37 line 8

16) All other amendments are either conforming technical amendments per Leg. Legal or relate to section renumbering

➤ All the rest

➤ All the rest

Amendment 2 to CSHB 193(HES)

24-GH1015\Y"

05/04/05

- 1) Delete "expanding reimbursable services under Medicaid waivers for older Alaskans and adults with disabilities to include adult companion services;"
 - Page 1 lines 9 - 11

- 2) Delete new Sec. 54 allowing an expansion of existing waived services
 - Page 42 line 24 through
Page 43, line 23

**Keeping Seniors
in Their Own Homes**
Family Support Section
To CSHB 193
(Sec. 54, page 42, version Y)

Presented by
Representative Sharon Cissna

**Cost Savings through
Home Health Care**

- Federal policy stresses less expensive home care for seniors for as long as possible.
- Alaska's Personal Care Attendant (PCA) program and other waiver services implement this policy.
- Over time, the program grew and became more expensive.

Keeping Seniors in their own homes?

To contain costs, DHSS issued Waiver regulations in May 2004 placing very strict caps on several in-home care services.

Restrictions hit Older Alaskans and Adults with Physical Disabilities, who live at home with family caregiver(s), especially hard.

These caps and cuts jeopardize the ability of frail seniors to remain in their own homes.

Since May the results of these caps and cuts have jeopardized seniors staying in their own homes.

Let's look at Sally and her mother. Her mother is already a Medicaid Waiver client, who could be admitted tomorrow, to a nursing home, instead of staying with her daughter, Sally. She has medical problems plus Alzheimer's. She is not an appropriate candidate for a group adult day care center and she is not safe home alone (wandering, etc.).



Sally's story...

PREVIOUS

Plan of care for Sally's mom:

Chore services 10 hrs/wk

Respite
(worktime hours) 40 hrs+/wk

Total 50+ hrs/wk

New regulations prohibit ANY chore services because Mom lives with a physically non-disabled adult (Sally).

New regulations prohibit using respite care while a primary caregiver works at a paying job.

CURRENT

Plan of Care for Sally's mom:

PCA services

5.25 hrs. Weekdays = 26.25hrs/wk

2 hrs. a day Weekends = 4.00 hrs/wk

Respite services

(Sally can't work a Sat. job) = 10 hrs/wk

Care Coordination

Mandatory service, flat fee = \$200/mo

This was the care plan two months after Mom lost all the chore and respite hours she used to have. While Sally worked, her mom fell and was hospitalized. Now, more frail and dizzy, she is less able to care for herself, so gets slightly MORE PCA services.

With an additional 15 hours a week of family support services, Sally could go back to working full time...

Adding 60 hrs/mo	
Family Support Services	\$ 1260/mo.
Total Cost at home	\$ 4881/mo.
Alzheimer Care in Anchorage	\$ 6300/mo.
Nursing home care (Anchorage)	\$11,000/mo.
Savings to the State	\$1419/mo. to
	\$ 6119/mo.

Family caregivers = families together.

Remember, if we don't support Sally, when Sally gives up, her mom will either be dead or living in a specialty Alzheimer's Assisted Living home or a nursing home - and, she's already pre-approved!

Alaska Average rate per year:

Family Support Services = \$29,000./yr
(Mixture of PCA, Respite, Chores, and Assisted Living homes)

Nursing Home Care = \$153,000./yr

10



Dealing with problems...

Respite care reductions have forced numerous Alaskan families to "give up".

Seniors move into institutions costing two to six times as much for the State's Medicaid program.

11

Table 3: Cost for Nursing Home, Assisted Living, and Personal Care Assistant Services for Current 2004 Personal Care Program Services

Type of Care	Average Daily Cost (1)	Average Annual Cost (2)	Total Annual Cost for Current PCA Services (3)
Private Nursing Home	\$361	\$132,765	\$1,122,343,390
State Private Nursing Home	\$425	\$155,175	\$1,044,108,290
Assisted Living Home	\$128	\$46,825	\$116,483,790
Personal Care Assistant	\$85	\$30,725	\$81,378,790

1) Personal care services costs were derived by dividing total expenditures for the program in the last fiscal year by the approximate number of residents. It is possible that higher billing for services provided over the time period will be identified. As a result, this figure should be viewed as a rough estimate only. Funding levels and Medicaid long-term care are from the 2004-05 legislative session. 2004 Annual Budget. 2) These figures represent the estimated costs for the roughly 2,300 current residents on the PCA program for an average year. The total number of residents includes one the number of staff. These calculations are therefore intended only for comparative costs during the 2004-05 fiscal year. 3) These figures represent the estimated costs for the roughly 2,300 current residents on the PCA program for an average year. The total number of residents includes one the number of staff. These calculations are therefore intended only for comparative costs during the 2004-05 fiscal year.

February 2004, Legislative Research reported on the "Impacts on Expenditures from Terminating the Personal Care Program".

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**Family Support Cost Comparison
(2005)**

Personal Care Attendant \$ 65/day

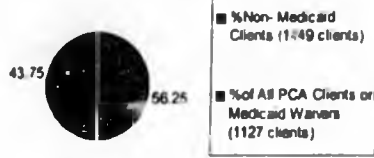
**Semi-Private
Nursing Home* \$ 435/day**

Savings to State \$ 370/day

*Private Nursing Homes (also available to Medicaid Waiver recipients should they choose: \$581/day)

13

**Personal Care Program Enrollees Qualifying for Home
and Community Based Waivers, July 2003 - October
2003**



Notes: In order to qualify for the Medicaid waivers referred to in this table, clients must require a level of care equal to that which would be provided in an institution.
Source: DHSS

14

Let's support family caregivers.

Stress, poor health and emotional strain are already a cost to family caregivers. Let's provide a sensible and cost saving program that provides needed services and lets family members retain their place in the workforce.



15

Family caregiving can have significant and severe physical and emotional repercussions for family caregivers...

"In addition, despite the declared importance of taking care of yourself, many respondents saw a decline in their own healthful behaviors. Exercise is the healthy behavior most likely to suffer; only half as many caregivers said they get regular exercise now that they are caregivers than before (30% vs. 61%). Fewer caregivers seek prompt attention from a doctor for their own health problems than did so before they were caregivers (47% vs. 70%)"

*From a study by the
National Family Caregivers Association
2005*

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Family caregivers are the backbone of our health care system and a stand-in for the social safety net, neglected by both. It is critical that we develop policies that support and encourage family caregiving...

- 80% of Alaskan long-term care is provided by family caregivers
- US annual market value of care by family caregivers = \$257 billion, more than twice what is spent on nursing home and home health care combined.

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What this amendment will do:

- allows a caregiver to go to work full-time
- allows a caregiver time to shop for groceries, go to doctor appointments and maintain their own health
- allows the State to save money by enabling seniors to be cared for at home

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Family support services, in combination with PCA and respite care may not exceed 60 hours per week.

LEGISLATIVE RESEARCH REPORT

FEBRUARY 16, 2004



REPORT NUMBER 04.155

POTENTIAL IMPACTS ON EXPENDITURES FROM TERMINATING THE PERSONAL CARE PROGRAM

CHUCK BURNHAM, LEGISLATIVE ANALYST

You asked about the Personal Care Program within the Alaska Department of Health and Social Services. Specifically, you wanted to know how expenditures in other state programs would be impacted if the program is terminated.

As you know, the Personal Care Program, oversees home care services that enable functionally disabled and frail elderly Alaskans to live in their own home or community instead of being placed in more costly and restrictive long-term care institutions. Through local provider agencies, the program currently funds Personal Care Assistants (PCAs) to help 2,500 enrollees in tasks such as bathing, dressing and grooming, shopping and cleaning, and with other activities that require semi-skilled or skilled care.¹

The time constraints of this request did not allow for in-depth analysis of the effects of terminating the Personal Care Program on a wide breadth of other state programs. We concentrated our efforts, therefore, on examining two related issues that show the potential impact on spending for other programs if the Personal Care Program were terminated.

The first issue we analyze is the expected rapid growth in the population of Alaskans aged 65 and over and the increase in demand for nursing home and assisted living care that is expected as a result. As you will see, population growth in this age group alone is expected to force significant increases in the demand for long-term care services in the state. Our second analysis compares the cost of providing PCA services with the cost of nursing home and assisted living care for current enrollees and for the number of enrollees that can be expected in 2025 through population growth alone.²

¹ This information is available on the program's website at www.hss.state.ak.us/dsds/pca/home.htm.

² It is important to note that our analyses are based on several approximates and rough estimates. Further, estimates of the numbers of people requiring certain types of care in the future are based solely on projected population growth and include neither current nor future latent demand for services that may exist. There may be other variables, not addressed in this report, that will likely impact the number of people who may require these services in the future.

COSTS FOR DIFFERENT LEVELS OF CARE

Table 2 calculates the number of people receiving PCA services as a percentage of the overall Alaska population. In addition, Table 2 uses this percentage to calculate the total number of persons that could be expected enroll in the Personal Care Program in 2025 if no changes to the program are made. It is important to note that this projection accounts solely for population growth and includes neither latent demand for services that may exist nor any other variables that could influence demand for services.

Table 2: Personal Care Program Growth Due to Population Increase from 2004-2025

	Year	Overall Alaska Population (a)	Persons Served by PCA Program (b)	Percent of Population Served by PCA Program
Current Estimate	2004	663,237	2,500	0.38%
Projected	2025	833,000	3,140	0.38%

NOTES: The projected persons served by the PCA program in 2025 assumes that the percent of the total population served will remain constant. These projections do not take into account any latent demand for services that may currently exist or any other variables outside of population growth.

SOURCES: (a) Alaska Department of Labor and Workforce Development, Research and Analysis Section, available online at <http://alms.labor.state.ak.us>; (b) ... current estimate of persons served is published on the program's website at www.hss.state.ak.us/dsds/pca/home.htm.

In Table 3 we use the current and projected figures of the population served by PCA services outlined in Table 2 to estimate the costs for nursing home, assisted living, and personal care services for all Personal Care Program enrollees.⁸ The intent of Table 3 is not to suggest that all people receiving PCA services would be forced into assisted living or nursing home care. Rather, our intent is to provide a comparison of costs for equal population groups for each level of care. For further comparison, we calculate the cost for 100%, 50%, and 25% of our projected 2025 enrollees in each level of care. As you can see, the cost if the entire group were to receive nursing home care is over seven times the cost if the group received PCA services.⁹

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

⁸ Annual Personal Care Assistant costs were derived by dividing the total FY2004 program budget by the approximate number of enrollees. The total budget figure used do not include "state-only" funds that make up a very small portion of the total amount. Nursing Home and Assisted Living costs are from the Met-Life Insurance "2003 Market Survey on Nursing Home and Home Health Care Costs and Assisted Living Costs," available online at www.gilco.com/LTCcosts.html.

⁹ Again, these figures are for comparison purposes only and do not represent estimates of actual costs or numbers of people utilizing the different types of care. All costs are in 2004 dollars.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER
FINANCE AND MANAGEMENT SERVICES

FRANK H. MURKOWSKI, GOVERNOR

P.O. Box 110650
Juneau, AK 99811-0650
Phone: (907) 465-3082
Fax: (907) 465-2499

MEMORANDUM

DATE: April 22, 2005

TO: Cheryl Frasca
Director
Office of Management and Budget

FROM: Janet Clarke 
Assistant Commissioner

SUBJECT: Additional FY05 Supplemental Request for SDS Medicaid

Attached is a FY05 supplemental request for the Department of Health and Social Services, Division of Senior and Disabilities Services Medicaid program. This request is for additional supplemental funding in the amount of \$17,966.7 (\$10,345.3 Fed / \$7,621.4 GF Match).

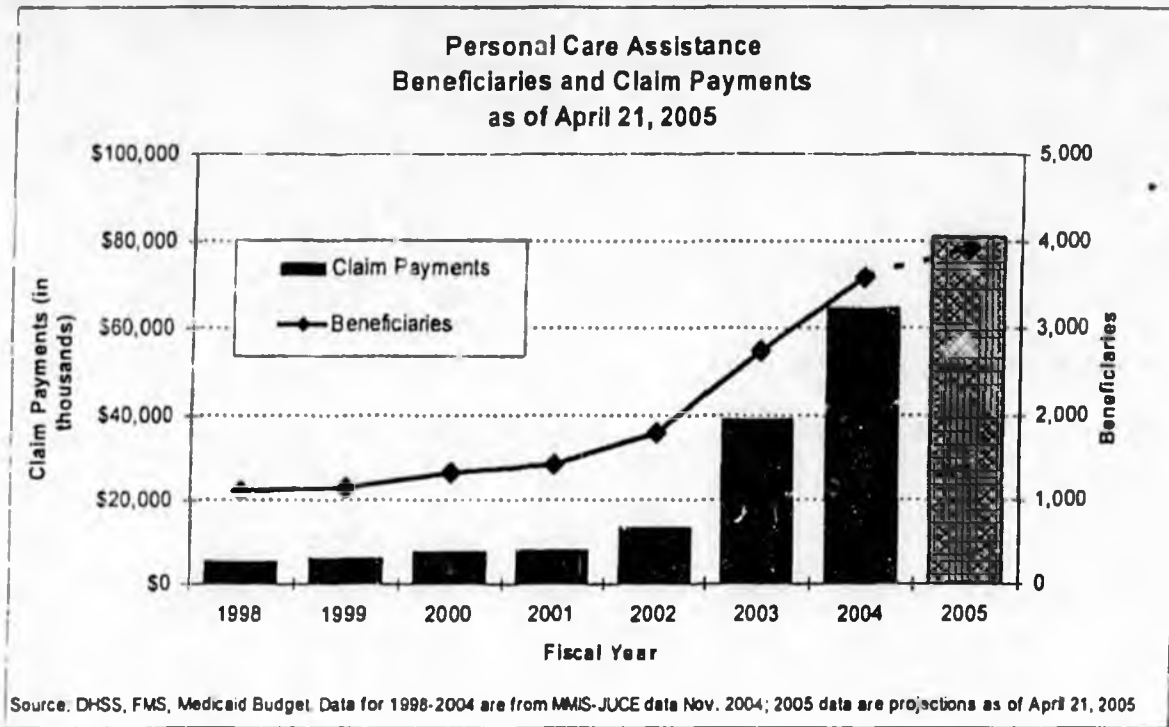
If you need additional information, please contact me at 465-1630.

Thank you for consideration of our request.

Attachments

cc: Joel Gilbertson, Commissioner
Karleen Jackson, Deputy Commissioner
Sherry Hill, Special Assistant
Steve Ashman, Director, SDS
Laura Baker, Budget Chief

The following chart demonstrates the historical growth of the PCA program:



As the Legislature has directed, the department is continuing to review means of controlling costs for these programs in FY06. However, at this time, without this revised supplemental funding time does not allow for cost containments without drastic impacts to the program beneficiaries. Without additional funding the program will be out of funds by the end of May, 2005.

Budgetary Issues:

All funds will be in the Grants/Benefits line.

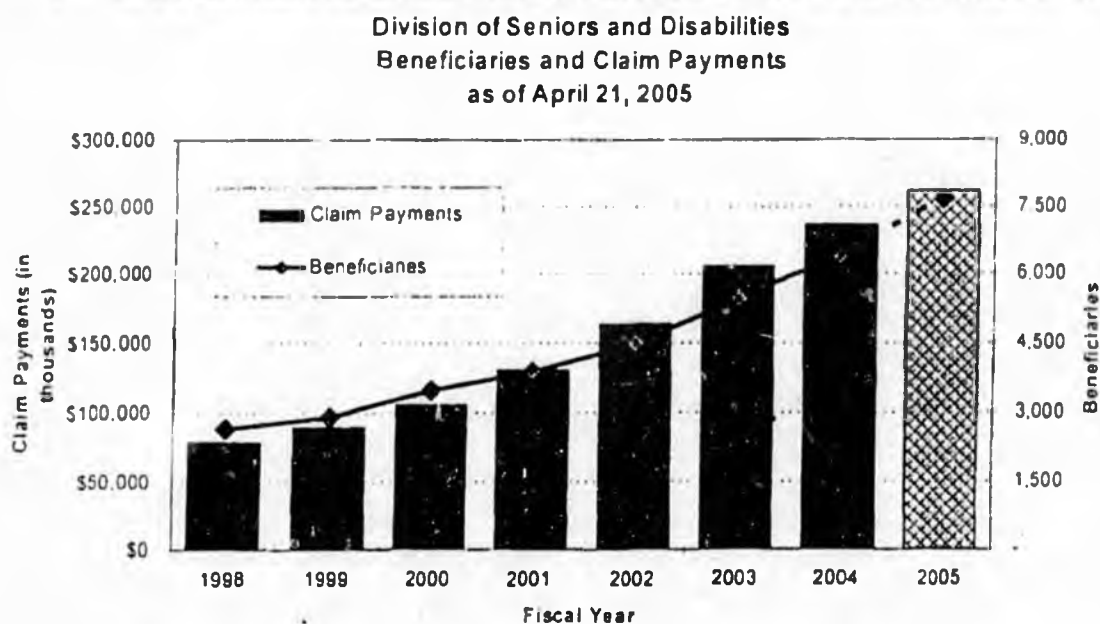
Costs for all categories of services in DSDS Medicaid have risen higher than originally projected. Though the % of growth year to year has been on a downward trend (26% in 2003, 15% in 2004), we were overly optimistic in our projection of only a 3% growth rate in FY05. The most current projection is for 11% growth over FY04.

	FY04 AKSAS AR 23551 Actuals Thru 3/31/04	FY05 AKSAS AR 23551 Actuals Thru 3/31/05	% Change
AD WAIVER	11,562.5	10,988.0	-5.0%
CCMC WAIVER	6,229.7	5,137.8	-17.5%
MRDD WAIVER	46,876.2	44,424.8	-5.2%
OA WAIVER	20,141.9	19,378.7	-3.8%
OTHER WAIVER SVCS	295.3	196.1	-33.6%
PERSONAL CARE SVCS	46,358.8	59,282.7	27.9%
NURSING HOMES	45,612.4	51,663.2	13.3%
	177,076.8	191,071.3	

Waivers down ← Did right
} a problem

P. Care Attend 27.9% = 1500 people
Nursing Home 13.3% = 40 people

The chart below provides a summary of the historical trends of beneficiaries and claims payments for the DSDS Medicaid program.



Source: DHSS, FMS, Medicaid Budget. Data for 1998-2004 are from MMIS-JUCE data Nov. 2004. 2005 data are projections as of April 21, 2005.

The Personal Care Attendant program, which was identified as a major portion of the Fast Track supplemental growth projection, is expected to continue to grow by a minimum of 20% over FY04.