

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 SL&C 12624



It takes a family

Alex Cesar, center, standing with his extended family, holds the Youth Inspiration Award that he received at the annual Juneau Cancer Connection luncheon on April 29. The award recognized young Cesar's struggle to overcome leukemia, which required a bone marrow transplant that he received on November 17, 2005 (what his family calls his "second birthday"). From left to right, Leo & Helen Marks, Willis Marvin, Geri Reetz, Le Florendo, Dick & Nora Dauenhauer, Alex and his mother Alexandria Dugaqua, Robert Cesar (Alex's dad, back, partially obscured), Joshua and Matthew Quinto with their mother Andrea and father Eddie (red jacket), Mike Miller (founder of the Cancer Connection), Andrea Cesar, and Ethel Lund.

Matthew Quinto, left, and cousin Alex Cesar enjoyed a video game while Alex received his bone marrow transplant by I.V. on November 17, 2005.

Photo courtesy of Andrea Quinto



Joining the Bone Marrow Registry could not be easier (or less painful)

Andrea Quinto, Alex Cesar's aunt, was inspired to start a local bone marrow drive when she learned how few Alaska Natives and Filipinos are listed on the national registry. The odds against finding a match for her nephew, who was diagnosed with leukemia, were astronomical since he is of Tlingit/Fili-

pino heritage. That not one, but two perfect matches for Alex were found was extraordinary.

Quinto has helped introduce to Southeast Alaska a new way of testing donors that does not require blood to be drawn. Potential donors provide DNA

by having Q-tips swabbed inside their cheeks. Donors must be between the ages of 18 and 60 and in good general health. For information about Andrea Quinto's efforts, contact her through <equinto@gci.net>. Otherwise, go to www.marrows.org or call 800-627-7692.

April 2, 2007

Dear Senator Elton:

I have conducted nearly 20 bone marrow drives in almost 2 years time, since my nephew Alex Cesar was diagnosed with AML leukemia in April of 2005. He received his bone marrow transplant thanks to Leonard Begaii on October 17th of 2005. After conducting so many bone marrow drives all over the state of Alaska. I know for a fact the procedure would require 4 days plus travel time to Seattle, Washington where our donor center resides. This being said without this bill many would not be able to financially afford the time off from their jobs to give a person this life saving gift, my nephew was fortunate to receive from someone who had the heart to give it.

I strongly support this bill.

Andrea Quinto
Aunt of Alexander Cesar

March 23, 2007

Dear Senator Elton,

Even though I'm a "Valley Girl" I've enjoyed reading your pieces from Off the Record and have even learned a few things. I felt compelled to write after reading your story about Alex and Mr. Begii. I am grateful that there are people around the country signing up for the National Marrow Registry, especially from minority groups that are less well represented on the Registry. I was also an unrelated bone marrow donor in 1985, the first match from Minnesota. Unfortunately the 14 year old boy I donated for did not survive but his mother thanked me for at least giving him a chance. It was a small thing on my part, but we don't have many chances to help someone in such a profound way very often.

Now the real reason for writing - it costs somewhere between \$60-80 per person to do the typing for the Registry for non-minority folks. You had mentioned proposing money for training to hold bone marrow drives, but this is still a barrier when talking with folks about being on the Registry. If there were funds available and every blood drive across the state had a bone marrow registry component associated with it, we could increase our numbers substantially. This is especially critical for our Alaska Native residents.

Anyway, thank you for bringing attention to this issue. In 2004 I rode with 12 other bicyclists from Seattle to Florida to bring attention to the need for blood, bone marrow, organ and tissue, platelet and cord blood donors. This is obviously something I feel strongly about also!

Thanks again,

Margaret Volz
Pediatric Nurse Practitioner
Wasilla



Alaska

April 13, 2007

The Honorable Kim Elton
Alaska State Capitol Building
Juneau, Alaska 99801

RE: Senate Bill 140 - Paid Leave For Bone Marrow Donation

Dear Senator Elton,

On behalf of the Alaska Chapter of the National Federation of Independent Business, I wish to express our opposition to Senate Bill 140. The Alaska Chapter of the National Federation of Independent Business with over 2,500 members is the largest small-business advocacy group in the state.

While we understand the concern with bone marrow donation, we must oppose mandatory benefits, especially when directed to a specific disease. Small businesses in Alaska budget a portion of their revenues to employee compensation. The distribution of those funds should be left to discussions between employees and employers, without the interference of the state. Mandating this benefit limits the options of employee compensation.

We are further concerned with the precedent this type of legislation would establish. Employee benefits should not be determined by the legislature for private employers. Such action is nothing less than an unfunded mandate on small Alaskan employers.

Sincerely,

Dennis L. DeWitt
Alaska State Director
National Federation of Independent Business

cc: Senate Labor & Commerce Committee

[Click here to return to the Kansan](#)

A match of generosity

Juneau boy meets life-saving bone marrow donor

By Weld Royal
For the CCW

Almost two years ago doctors diagnosed a young Juneau boy with childhood leukemia.

Alex Cesar's family learned that to survive he needed a bone marrow transplant—a problem for Alaska Natives since few of them are on the national bone marrow registry.

Juneau rallied in his support. Bone marrow drives held in the capital city and across the state registered more than 1,000 volunteer donors in a week.

The turnout generated national attention, but none yielded a perfect match.

That came from a Navajo man from New Mexico.

Twenty nine-year-old Leonard Begaii arrived in Juneau in mid-March to meet Cesar for the first time about a year and a half after donating his bone marrow.

Begaii said he originally volunteered to donate when he learned that a community member from his home near Navajo Nation had cancer.

That was in April 2005, and Begaii had never been to Alaska and didn't know Cesar's plight.

"I went to a bone marrow drive taking place near where we live for another patient who later on passed away because they couldn't find a match for him," Begaii said.

"I was told to qualify, I'd have to be put on a national list."

A few weeks later, Begaii said he was notified of a potential match. Begaii said he felt a connection to Cesar even before knowing him.

When he met the boy in person almost two weeks ago at the Juneau airport, he gave him a big hug.

It was Cesar's aunt Andrea Quinto who raised funds and airline miles to bring Begaii and eight members of his family to Juneau for the meeting.

She admits puzzling over how Begaii and Cesar have the same bone marrow.

The best match usually comes from a close family member, and although at least a dozen of Cesar's relatives were tested, none were close enough.

"It's a total miracle that Leonard is a match because Alex is not full Klinkit, he is Klinkit-Filipino.

"They think the Navajos originally came from the coast of Alaska and Canada. Maybe that's how Alex became a match with a full blooded Navajo," she said.

Cesar had the transplant 18 months ago and spent nine months in Seattle Children's Hospital being treated. He returned to Juneau in February 2006.

Now he's a first grader at Glacier Valley Elementary School.

His mother Rachael Dugaqua said her son had pneumonia in early March, but otherwise he's doing very well. He celebrated his eighth birthday March 17 with Begaii as a guest of honor.

Begaii also was recognized by the Juneau City Assembly, which named him an honorary citizen. The state legislature also honored the Good Samaritan.

Meanwhile, Quinto, who organized the first bone marrow drives that generated a huge response, put together another one at the Tlingit and Haida Community Center in Juneau on March 24, to benefit others in need of a transplant. She said there remains an urgent need for Native Alaskans on the national registry, and the technology has made it much easier for people in rural villages to volunteer.

Donors can order test kits online. When it arrives, they collect DNA by swabbing their cheek using long Q tip like devices. They return the swabs to the designated blood center, and it sends back results.

"Every day that's lost, it's harder for patients. If your match is not on registry at time you're sick, you're losing valuable time," Quinto said.

According to the latest available statistics from the Alaska Department of Health and Social Services, between 1996 and 2003, 68 Alaska children contracted leukemia. Fourteen died of the disease.

Quinto spent time with Cesar in the Seattle Children's Hospital before he had the bone marrow transplant surgery and at the time there were five children from Southeast Alaska there being treated for leukemia.

"The nurses said it used to be rare to see Southeast Alaska children, but something had changed. They were flabbergasted by all of us," she said.

Click here to return to story:

http://www.capitalcityweekly.com/stories/032807/news_20070328002.shtml

March 20, 2007

Bone marrow donor, recipient's family connect in Juneau *Native boy meets his rare match in emotional reunion at the airport*

By KEN LEWIS
JUNEAU EMPIRE

Leonard Begail was driving to work about six weeks ago in New Mexico when he got a phone call that changed his life.

He answered it, but the caller was silent. He was about to hang up when he heard an emotional voice.

"She told me, 'My name is Rachel. I'm the mother of Alex Cesar,'" he said. "That's the patient you donated the bone marrow to."

A year and a half after helping save the life of a Juneau boy, Begail had finally learned the boy's name.

This week, Begail, 29, was able to meet him. He and his family were flown up from New Mexico to meet Alex and his family, to celebrate the boy's eighth birthday and be honored by the city Monday evening.

"I just wanted to help somebody out," Begail said. "I kept wondering who got it, where it went to."

Alex's battle with leukemia inspired a statewide drive for bone marrow in 2005. More than 1,000 people registered in the National Marrow Donor Program across Alaska.

A match was not easy to find for Alex, who is one-quarter Filipino and three-quarters Tlingit. It came from an unexpected source: a Navajo man in New Mexico.

Begail arrived at a donating facility just as the staff was closing it down one afternoon in April. He talked them into taking one last sample. The blood matched, and a transplant took place later in October.

Much of Begail's desire to donate sprung from health issues that his own son faced. When his son, Xavier, was an infant, doctors discovered a rare chromosomal disorder. They said the boy had six months to a year to live. Now he's 10.

Begail decided to donate the marrow even though it was against his Navajo beliefs, he said. The Navajo say that if you give away part of your body, you give away part of your spirit.

"With my wife standing behind me through the whole procedure, I was glad to do it," he said.

The transplant process has been overwhelming for Alex's family, but it was successful.



**Brian Wallace /
Juneau Empire**

► Honored for donation: Bone marrow donor Leonard Begail, 29, right, and recipient Alex Cesar, 8, listen to speeches Monday at the Assembly Chambers. Begail was named an honorary citizen of Juneau.

Alex's mother, Rachel Dugaqua, said Begali saved Alex's life. She and Alex's aunt, Andrea Quinto, and other family members gathered at the Juneau International Airport on Friday to meet Begali and his extended family - but the flight was sent to Sitka due to snow. They were able to land later.

"You don't know what to expect," Dugaqua said as she waited for the plane. "It's been a major roller coaster of emotion."

"We called," she added. "We got to talk on the phone. He sent me a photo, and we sent him photos too. But it's all very different face-to-face."

Alex was playing with other kids. When asked if he wanted to talk about his experiences, he just shook his head. He's shy, his family said.

Every family member was affected differently by the events, Quinto said.

"For me, it was a fight to find a donor," Quinto said. "You got to fix what's broken. But you can't fix it if the doctors don't have what they need."

"We have a good success story," she added. "We just happened to be the lucky ones."

Begali and his family have been enjoying the snow and getting to know Alex. They were able to bring their five children, ranging in ages 4 to 12, and several other family members for a total of nine. They all watched Monday evening as Begali was named an honorary citizen of Juneau.

The visit has been hectic at times. But meeting Alex and his family has given Begali a sense of peace.

"It put my heart at ease," Begali said. "I'm glad somebody is alive today because of what I did."

• Ken Lewis can be reached at ken.lewis@juneauempire.com.



off the record

a VIP policy letter
from

Senator Kim Elton

Room 506, State Capitol, Juneau, AK 99801

* 465-4947 Phone * 465-2108 FAX

Edition # 266

Please feel free to forward

March 23, 2007

A good story about the kindness of strangers

I did a quick review of the 265 legislative newsletters I've done over the past seven years to see if I'd ever called someone a hero. I haven't.

That's good because if I had thrown the hero word around like a Frisbee, it would diminish the implied value of this very special word when I call Leonard Begaii a hero. Being a hero is not common and folks like Mr. Begaii are not nearly as common as they should be.

Mr. Begaii, 29 years old, resident of New Mexico, husband to Rhea, father to five children, is a man who made a thoughtful life decision, lived up to the decision despite special difficulty, and saved a life. That kind of a slow, thoughtful decision that leads to a heroic conclusion is every bit as valuable as the other kind of heroism—the kind that saves a life or diverts a disaster because of fast action in a moment of unexpected crisis.

There is, of course, a story that needs to be fleshed out about Mr. Begaii and how I happen to be writing about him. Almost two years ago, then six-year-old Alex Cesar was diagnosed with a rare adult form of leukemia. Alex, of Tlingit/Filipino heritage, left Juneau for Swedish Hospital in Seattle and underwent four rounds of chemo and full-body radiation treatment. His family rallied to find a bone marrow match that could save his life.

(Andrea Quinto, Alex's aunt, added 1,010 Alaska donors from 10 Alaska communities in an intensive 10-day burst of focused energy. That effort far outstripped average American bone marrow drives which typically get just 12 new donors a day).

Despite the drives, there were still no matches and Alex's chances looked bleak.

While Alex's Juneau family worked desperately to find a good match, Mr. Begaii quietly registered as a donor in New Mexico. He made the decision to be added to the donor list because a young Navajo needed a transplant and he hoped he could be a match.

A Navajo himself, Mr. Begaii struggled with his traditional beliefs that preclude being a marrow or organ donor. But, after talking with his wife and family about the tug of war between need and traditional beliefs, Mr. Begaii registered as a donor on April 24, 2005. Two weeks later, Mr. Begaii was notified he was a potential match for Alex. He quickly agreed to further testing to see if he really was a good match for this young Alaska boy he'd never met.

He was a perfect match.

The morning of October 17, 2005, Mr. Begaii went into surgery in Albuquerque and that evening Alex was receiving Mr. Begaii's gift of life in Seattle. Because Mr. Begaii did good, Alex is doing great.

But the story doesn't stop on October 17th. The effort that began with Alex's family seeking a donor and the life-giving outcome provided by Mr. Begaii has generated new energy leading to extraordinary advances. More Alaskans still are being added to the bone marrow donor list. Alaska



has a website on the National Marrow Donor Program so Alaskans can register online. The story of Alex and Mr. Begaii led me to draft for introduction legislation in the Senate that allows administrative leave for bone marrow donors and led Rep. Gabrielle LeDoux to introduce similar legislation in the House. Training to do bone marrow drives in Alaska now is available for free.

All these things happened because young Alex from Juneau faced a health crisis and Mr. Begaii from New Mexico made a life decision that conflicted with his traditional beliefs, but ultimately saved a life.

I'll just end this column by noting Mr. Begaii, his wife, his children, and a few in-laws are in Juneau this week spending time with Alex and his family. They've discovered that not only are Mr. Begaii and Alex good bone marrow matches but their families are good matches as well.

What I've discovered is that I can learn a whole lot from good-hearted and brave folks like Mr. Begaii—a young man who jumped outside a deep-rooted value system in the service of a boy he'd never met.

Contact Us

Phone: (907) 465-4947

Fax: (907) 465-2108

Mall: Sen. Kim Elton, State Capitol
Juneau, AK 99801 Got a scoop?

Call or email your tips
and suggestions to
any of the email
addresses below:

Email:

Senator Kim Elton

Kristen Bressette

Paula Cadiente

Jesse Kiehl

Joanne Schmidt

Web: <http://aksenate.org>



Capitol Undercurrents

I'm not perfect—An item in last week's Undercurrents got a quote right but mis-identified Rep. Bill Stoltze's roommate. Rep. Stoltze shares Juneau living expenses with Rep. Kevin Meyer.

In name only?—Albert Petrarca, the fellow who loudly heckled Sen. Ted Stevens during his address to a joint session of the legislature, claimed (after he was escorted from the House gallery) that he was an Alaskan, a resident of Juneau. Well, maybe. I'm old enough, and been in Juneau long enough to 'fess up that I still cling to the definition of a sourdough. I'm not so sure many of us define a temporary resident, in town on a 13-week nursing contract with the hospital, resident of Pittsburgh,



anti-war activist with several Pittsburgh-area groups, as a resident. If he sticks around long enough to qualify for a dividend, we'll grant him the status of a new arrival. I suspect, though, he's outta here when his contract expires.

What's in a name?—It isn't lost on those of us who opposed Senate Bill 141 two years ago that the new defined contribution retirement tier it created had a funny acronym. It wasn't until this week, though, that a Senate staffer was overheard in the hallway actually uttering the acronym for the new defined contribution retirement plan, or 'D-CRP'. That rhymes with knee slap.



It's what you do that counts—This week all my staffers, along with many others in the building, got an email asking them to submit their pick of the "top 20 most beautiful people at the capitol." All my staffers were skeptical of the email from a nameless Yahoo account. They discovered that Korry Keeker of the *Juneau Empire's* weekly *Hooligan* insert is behind the whole thing. I'm glad to say my staff did not respond. They believe it's what you try to accomplish that's important, not what you look like. The whole thing can best be categorized as shades of a shady practice by a Washington, D.C. publication (*The Hill*) that picks the best looking folks working in Congress.

Didn't do it—Rep. Kurt Olson got the birthday salute on the House floor Thursday—other members singing Happy Birthday, sometimes in the right key. After the cacophony died down, Kurt asked for permission to address the House. He noted he had just gotten the result of



a medical test and the results were negative. He, in fact, is not the father of Anna Nicole's baby.

Alaska by the numbers—The Tax Foundation recently released its tables of tax and earnings data culled from federal OMB numbers. Alaska retains its status as the number 1 state in terms of federal largesse with an eye-poppin' \$13,053 per person. Number 2 Virginia trailed by about \$700, and bringing up the rear was Minnesota with a mere \$5,700 per person. Surprisingly, Alaska was Number 3 in the state business tax climate category. We're 48th in the table that ranks gas tax rates (8 cents per gallon), far behind Wisconsin at 32.9 cents per gallon. We're pretty high on the sin taxes, coming in seventh on cigarette taxes, fifth on spirits taxes, first in wine taxes, and first in beer taxes.

If you would like to receive this newsletter or if you want to be removed from the mailing list, please contact Kristen Bressette at kristen.bressette@legis.state.ak.us and have her add or remove your name. View back copies of Off the Record prior to 1-26-07 at <http://elton.akdemocrats.org> and after 1-26-07 at <http://elton.aksenate.org>.

SB

147

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 3/28/07

FURTHER: Finance

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

DATE TURNED
IN TO OFFICE: 2/28/08

Labor and Commerce Committee considered SENATE BILL NO. 147

SB 147 WORKERS' COMP EMPLOYER LIABILITY

"An Act clarifying when a project owner or general contractor is considered an employer for purposes of workers' compensation exclusive liability."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

Doc 147D	1/11/08				✓

					FN#

APPROPRIATION - no fiscal note

					END
C. Bunker	Puente		✓		
B. Davis	DAVIS	X			
Spencer	STEVENS			X	
CHAIR: J. Ellis	ELLIS	X			

Senator Hollis French

Capitol Room 417
465-3892
465-6595 fax



MEMORANDUM

Date: April 30, 2007

To: Senator Johnny Ellis, Chair
Labor and Commerce Committee

From: Senator Hollis French *HSF*

RE: Request for Hearing -- SB 147 -- Exclusive Liability for Workers' Compensation

This is a request that you schedule a hearing on SB 147 *Exclusive Liability for Workers' Compensation* at the earliest possible date.

I have attached a copy of the bill, and a sponsor statement and some materials for your use. I appreciate your consideration.

Attachments

Alaska State Legislature



Senator Hollis French

SB 147 – Exclusive Liability

Sponsor Statement

Workers' compensation laws represent a simple bargain between employers and employees. By purchasing a worker's comp policy, an employer gains immunity from lawsuits that arise out of workplace injuries. This part of the workers' comp bargain is referred to as "exclusiveness of remedy," meaning that the employer who buys the policy knows that there won't be expensive and time consuming court cases arising out of workplace accidents. Injured workers get worker's comp benefits and nothing more.

By entering into the bargain the employee gives up the right to sue for damages. In exchange for giving up the possibility of a large court award, the employee gets a relatively swift and fair, though smaller, compensation benefit for his or her injuries. Both sides also agree to a "no fault" provision, meaning that there is no inquiry into who was at fault in the events giving rise to the accident.

Revisions to the workers' comp statutes in 2004 added a clause to the workers' comp laws that undermine this bargain, and works to the detriment of workers injured by third parties who do not purchase workers' comp policies. Under the 2004 changes, employers who are merely "potentially liable" for buying a workers' comp policy, but who do not actually purchase a policy, can still get the benefit of the "exclusiveness of remedy" provisions in workers' comp.

This legal imbalance is having real world consequences, most notably at large worksites where a project owner is supervising many subcontractors. Because the project owner is "potentially liable" for purchasing workers' comp policies to cover all the work that takes place at the work site, the project owner enjoys immunity from lawsuits that result from its own negligence. Severe injuries take place at some of these large construction projects. When these injuries are caused by the negligence of the owner, the injured worker is left with only workers' comp benefits, which, as the attached letter shows, do not fully cover the damages inflicted by the injury.

Removing the phrase "potentially liable" from the statute restores the bargain to its proper form. If an employer wants immunity, he or she must buy a policy. An employer who gets immunity without buying a policy is getting something for nothing. Basic fairness should not allow such a situation to continue. Please join me in supporting a small change to the law that will result in big changes to the lives of working people.

[REDACTED]
Anchorage AK [REDACTED]

Telephone [REDACTED]

Facsimile [REDACTED]

March 13, 2006

This letter does not concern pending legislation but legislation passed in 2004, 80 SLA 2004, expanding the definition of employer under AS 23.30.055 so as to preclude tort actions by injured subcontractor employees against contractors and project managers. I am writing so that you know how the legislation works in the real world.

I was recently contacted by Mr. [REDACTED] regarding a September 7, 2005 accident at the [REDACTED] Elementary School construction project. Mr. [REDACTED] was seriously injured when a scissor lift upon which he was working fell due to being operated on an incline. His injuries included a crushed right foot, a broken left hand, a fractured skull, and 4 fractured ribs. More than six months later, Mr. [REDACTED] has still not fully recovered and will not be able to return to his former job. Because of the changes implemented by 80 SLA 2004, I have advised Mr. [REDACTED] that I am unable to represent him.

Mr. [REDACTED] was employed by [REDACTED], a subcontractor of [REDACTED] with [REDACTED] owning the scissor lift. A post-accident OSHA investigation revealed both that safety devices specifically designed to prevent unsafe operations while operating on an incline had been disabled and that [REDACTED] had not performed required safety inspections during the four years prior to the accident with [REDACTED] ultimately agreeing to an OSHA fine of \$3,000 for its role in Mr. [REDACTED] accident.

Since the accident, Mr. [REDACTED] has received workers' compensation benefits of approximately 60% of his paycheck during recovery, payment of medical bills, and at some point in time will receive a permanent impairment benefit calculated by multiplying a percentage impairment rating to \$177,000 per AS 23.30.190. Once he has reached that point, he will be effectively on his own.

If Mr. [REDACTED] had the right to present his claim to a jury, the jury would have the right to award compensation not just for the above amounts but also for the balance of his lost income, his lost future income, and compensation for not just his pain but the changes in his

life due to the accident. Out of the proceeds of such a claim, Alaska law requires that the workers' compensation insurer be reimbursed for any benefits paid. However, with the passage of 80 SLA 2004, this remedy has been taken away.

I appreciate that you are often approached during the legislative process with hypothetical scenarios as to how proposed legislation will affect the man-on-the-street. Because these hypotheticals are often hard to believe, I felt the need to share these actual facts with you. In my opinion, the legislation has created an injustice for Mr. [REDACTED]

While I have reviewed the legislative history of 80 SLA 2004, I seriously question whether it serves any meaningful purpose. Certainly, the legislation did not create any additional benefits or protections for workers like Mr. [REDACTED]. At best, the legislation allows unsafe contractors to avoid the consequences of their misconduct by shifting the burdens to workers like Mr. [REDACTED]. While the legislative history suggests that one goal may have been to lower general liability insurance premiums of general contractors, I doubt that has occurred and, to the extent that it has, would be interested in the corresponding increase in workers compensation premiums due to the absence of reimbursement.

Thank you for taking the time to read this letter.

Respectfully,

[REDACTED]

MARC W. JUNE
807 G Street, Suite 150
Anchorage AK 99501

Telephone: (907) 277-5234

Facsimile: (907) 277-9120

March 13, 2006

This letter does not concern pending legislation but legislation passed in 2004, 80 SLA 2004, expanding the definition of employer under AS 23.30.055 so as to preclude tort actions by injured subcontractor employees against contractors and project managers. I am writing so that you know how the legislation works in the real world.

I was recently contacted by Mr. Kevin Cerutti regarding a September 7, 2005 accident at the Wasilla Elementary School construction project. Mr. Cerutti was seriously injured when a scissor lift upon which he was working fell due to being operated on an incline. His injuries included a crushed right foot, a broken left hand, a fractured skull, and 4 fractured ribs. More than six months later, Mr. Cerutti has still not fully recovered and will not be able to return to his former job. Because of the changes implemented by 80 SLA 2004, I have advised Mr. Cerutti that I am unable to represent him.

Mr. Cerutti was employed by Alas-Co General Construction, a subcontractor of Collins Construction with Collins Construction owning the scissor lift. A post-accident OSHA investigation revealed both that safety devices specifically designed to prevent unsafe operations while operating on an incline had been disabled and that Collins had not performed required safety inspections during the four years prior to the accident with Collins ultimately agreeing to an OSHA fine of \$3,000 for its role in Mr. Cerutti's accident.

Since the accident, Mr. Cerutti has received workers' compensation benefits of approximately 60% of his paycheck during recovery, payment of medical bills, and at some point in time will receive a permanent impairment benefit calculated by multiplying a percentage impairment rating to \$177,000 per AS 23.30.190. Once he has reached that point, he will be effectively on his own.

If Mr. Cerutti had the right to present his claim to a jury, the jury would have the right to award compensation not just for the above amounts but also for the balance of his lost income, his lost future income, and compensation for not just his pain but the changes in his

life due to the accident. Out of the proceeds of such a claim, Alaska law requires that the workers' compensation insurer be reimbursed for any benefits paid. However, with the passage of 80 SLA 2004, this remedy has been taken away.

I appreciate that you are often approached during the legislative process with hypothetical scenarios as to how proposed legislation will affect the man-on-the-street. Because these hypotheticals are often hard to believe, I felt the need to share these actual facts with you. In my opinion, the legislation has created an injustice for Mr. Cerrutti.

While I have reviewed the legislative history of 80 SLA 2004, I seriously question whether it serves any meaningful purpose. Certainly, the legislation did not create any additional benefits or protections for workers like Mr. Cerutti. At best, the legislation allows unsafe contractors to avoid the consequences of their misconduct by shifting the burdens to workers like Mr. Cerutti. While the legislative history suggests that one goal may have been to lower general liability insurance premiums of general contractors, I doubt that has occurred and, to the extent that it has, would be interested in the corresponding increase in workers compensation premiums due to the absence of reimbursement.

Thank you for taking the time to read this letter.

Respectfully,

Marc W. June

#1 - remedies available pre-2004 law change



- Project owner employee
- WC policy in place



- Project contractor employee
- WC policy in place



- Project sub contractor employee
- WC policy in place



- Non-project contractor employee
- WC policy in place



- Visitor
- WC policy in place

If injured simultaneously on a project, and project owner is at fault:

•WC

•WC

•tort claim against project owner

•WC

•tort claim against project owner

•WC

•tort claim against project owner

•WC

•tort claim against project owner

#2 - remedies available today



- Project owner employee
- WC policy in place



- Project contractor employee
- WC policy in place



- Project sub contractor employee
- WC policy in place



- Non-project contractor employee
- WC policy in place



- Visitor
- WC policy in place

If injured simultaneously on a project, and project owner is at fault:

•WC

•WC

•WC

•WC

•WC

•tort claim against project owner

#3 - remedies available pre-2004 law change



- Project owner employee
- WC policy in place



- Project contractor employee
- WC policy in place



- Project sub contractor employee
- WC policy in place



- Non-project contractor employee
- WC policy in place



- Visitor
- WC policy in place

If injured simultaneously on a project, and project contractor is at fault:

- WC
- tort claim against project contractor

•WC

- WC
- tort claim against project contractor

- WC
- tort claim against project contractor

- WC
- tort claim against project contractor

#4 - remedies available today



•Project owner employee
•WC policy in place

•Project contractor employee
•WC policy in place

•Project sub contractor employee
•WC policy in place

•Non-project contractor employee
•WC policy in place

•Visitor
•WC policy in place

If injured simultaneously on a project, and project contractor is at fault:

•WC
•tort claim against project contractor

•WC

•WC

•WC
•tort claim against project contractor

•WC
•tort claim against project contractor



6441 South Airpark Place
Anchorage, Alaska 99502-1809
(907) 245-1544
Fax (907) 245-1744

February 1, 2008

Honorable Senator Johnny Ellis, Chairman
Senate Labor and Commerce Committee
State Capitol
Juneau, AK 99801

Re: SB 147 - Reversing Workers Compensation Reform

Dear Senator Ellis:

We oppose SB 147, which would reverse a key part of the 2004 workers' compensation reform effort. Extending the exclusive remedy of AS 23.30.055 to parties potentially liable for payment of compensation does not allow anyone to avoid providing workers' compensation insurance and remain immune to lawsuits.

An injured worker is always protected under our current workers' compensation laws: If a subcontractor fails to provide insurance, then the contractor is held liable; if the contractor fails, then the project owner is liable. It is only right that those *potentially* liable parties be extended the benefit of the exclusive remedy. Employers that violate the law and fail to provide insurance (forcing the liability up the chain) are subject to severe penalties, and can be sued by the injured worker – they do not get away free.

If a subcontractor's employee is injured and collects workers compensation, his medical expenses and time loss are automatically and fully covered. However, before the 2004 reform, such employees would regularly sue the prime contractor and the project owner, arguing their negligence somehow contributed to the accident. Even meritless claims are costly to defend and settle for substantial sums, and the employee collects twice – unless those *potentially* liable are protected by the exclusive remedy. Contractual indemnity provisions designed to guard against this problem often put the obligation to pay for these lawsuits back on the subcontractor/employer, who then pays twice. This is unfair, needlessly drives up costs, burdens the court system, and is a drain on Alaska's economy.

Please do not move Alaska backwards by repealing this important reform to our workers' compensation system.

Sincerely,

Everett Billingslea
Vice President, Administration & Legal Affairs

**Alaska Timber Insurance Exchange
Comments Regarding Senate Bill 147 – Worker's Compensation Employer
Liability
January 14, 2008**

SB 147 would weaken the exclusive remedy provision in the Alaska workers' compensation statutes. The exclusive remedy provisions currently in place prevent, in most instances, an employee of a subcontractor or contractor from bringing a third party action against either a project owner or contractor that their employer is working for.

An entity that qualifies as a project owner under the Alaska workers' compensation statutes is considered an employer for exclusive remedy purposes for the employees of either a contractor or subcontractor working for them. This also applies to a contractor in relation to a subcontractor that they hire.

SB 147 would take away these exclusive remedy protections from project owners or contractors unless they are liable for the workers' compensation benefits of an injured employee of a contractor or subcontractor. A project owner or contractor can become liable for the workers' compensation benefits of a contractor or subcontractor's employee if the contractor or subcontractor does not have workers' compensation insurance.

Prior to the passage of SB 323 in 2004 project owners and contractors were not treated as employers for exclusive remedy purposes, i.e. an injured employee of a contractor or subcontractor could bring a third party action against a project owner that hired the contractor and subcontractor. Likewise, an injured employee of a subcontractor could bring a third party action against the contractor that hired their employer.

SB 147, introduced by Senator French, was referred to the Senate Labor and Commerce and Finance Committees. No action was taken on this bill during the 2007 legislative session.

Please contact Michael Hinchon at 503-236-7824 or mhinchon@atie-ins.com if you have questions regarding the above.

SB

149

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 3/30/07

FURTHER: Health, Education and Social Services

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

DATE TURNED IN TO OFFICE: 2/27/08

Labor and Commerce Committee considered SENATE BILL NO. 149

SB 149 REDISTRIBUTION OF USED EYEGLASSES

"An Act relating to redistribution of used eyeglasses."

and recommends:

- be replaced with SCS or CS SB 149 (LC)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Fiscal Impact	Appropriation	Other	FN#
TCCED	2/19/08			✓

PREVIOUS FISCAL NOTE(S):

Department	Fiscal Impact	Appropriation	Other	FN#

APPROPRIATION - no fiscal note

Committee Member	Committee Member	Agreed	Disagreed	Abstain	Present
<i>[Signature]</i>	Burke	✓			
B. Davis	Davis	✓			
<i>[Signature]</i>	STEVENS	✗			
<i>[Signature]</i>	Hoffman	✓			
CHAIR: <i>[Signature]</i>	ELLIS	✓			

Alaska State Legislature

SENATOR
GENE THERRIAULT

Mailing Address
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax (907) 488-4271



Senate

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
Fax (907) 465-3884
SENATE DISTRICT F

Sponsor Statement SB 149

Making Better Vision Affordable

Senate Bill 149 will allow the Lion's Clubs of Alaska (or other non-profits that might be qualified) to redistribute used eyeglasses within the State as well as abroad.

With this change in statute under rules and guidelines, an Alaskan with a written prescription from a licensed physician or optometrist may be fitted with used eyeglasses. The savings for those who otherwise could not afford eyewear can be substantial. In many cases these savings will make the difference between severely degraded and optimal vision.

Please join with me in expanding the outstanding efforts of the Lion's Clubs throughout Alaska by making it possible for our residents to receive their redistributed eyeglasses.

Fellow Lions & Friends

I was notified Friday by Senator Therriault's office that there will be a Committee Hearing for Senate Bill 149 on this Tuesday at 1:30 pm. I urge each and every one of you to contact your local Legislature Information Office (LIO) and do one of two things, ask to testify with the committee and/or submit a public opinion form in favor of its passage.

To give you a summary of Senate Bill 149 allow me to first express the impetus for it.

All of us Lions know that we help approximately 1,500 people across the State with eye exams and/or eyeglasses, at a cost of approximately \$170 each (\$60 for exam, \$110 for glasses). These folks we give the gift of sight to are typically not mainstream consumers who would actively pursue an eye exam and the purchase of glasses. These are folks whose social or economical plight puts their focus and priorities elsewhere; but somehow some one in the vast networks of assistance agencies have identified them as in-need. They have been found not eligible for any other assistance program, and without our assistance would let their sight continue to deteriorate and continue their walk in life as visually impaired. An impairment which not only affects their quality of life, but many times impacts their ability to be a productive member of society, putting a strain on the rolls of the State.

We, Lions, recycle and ship nearly 30,000 pairs of ready to wear eyeglasses to many points across the world in support of Lions & other vision health missions. We give the gift of sight by helping eyes to see with the clarity that we all enjoy. Right now we're helping the third countries, yet our ability to serve the needs of 1,500 in Alaska is constrained by financial resources. We envision a time when we can employ donated services by eye doctors to do free eye exams, i.e., each donated one day a year, and for those same eye care professionals to help us search our inventories of recycled eyeglasses to find a pair that will meet the needs of each of those 1,500 people in need. Doing so, can reduce the costs from \$170 down to ~25 cents.

Senate Bill 149 does two things. First and foremost it puts language in to Alaska law that will enable fully processed and ready-to-wear recycled eyeglasses to be distributed in Alaska free of charge.

Secondly it enables, any non-profit organization to work with agencies and/or organizations tied to/governed by the State of Alaska, to define acceptable processes to distribute the eyeglasses fully in accordance with eye care professionals' prescriptions.

I urge you to be part of this very important legislation. I will be testifying from the Fairbanks LIO in the Alaska USA building next to Home Depot.

Juneau Lions; please if you can get a few people down there to testify in person.

Buster: It would be a very strong message if we had our Past International Director to testify both on the merits of the bill and conviction of Lions Clubs International be an active partner in the crusade against darkness. District Governors; Please send this out to your mailing lists ASAP.

By the way, the City of North Pole recently adopted a resolution to endorse SB149 and urge our legislators to do the same. They also urged the City of Fairbanks and the Fairbanks North Star Borough to do the same. It would be nice if all of the cities/villages where we have Lions to do the same.

If you wish to discuss don't hesitate to contact me.

Yours in Lionism

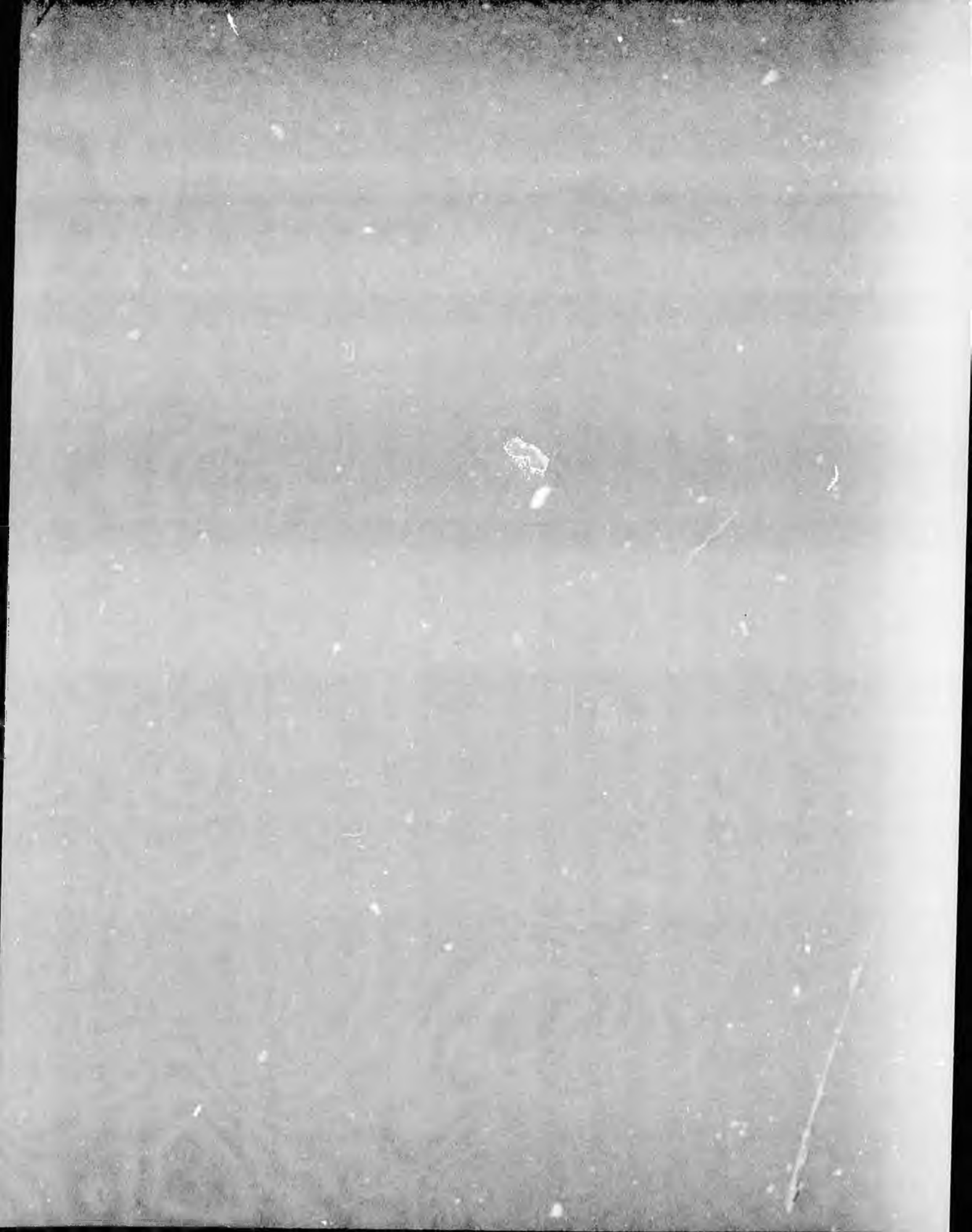
PCC Howard S. Rixie Sr.

Aurora Borealis Lions Eyeglass Recycling & Vision Center

PO Box 55933

North Pole, Alaska 99705

(907) 378-7797



25-LS0788\M
Bullard
2/25/08

CS FOR SENATE BILL NO. 149()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR THERRIAULT

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to redistribution of used eyeglasses and to the Board of Dispensing**
2 **Opticians."**

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

4 *** Section 1. AS 08.71.055 is amended to read:**

5 **Sec. 08.71.055. Powers and duties. The department [BOARD] shall have the**
6 **following powers and duties:**

- 7 (1) to issue licenses to applicants;
- 8 (2) to renew licenses;
- 9 (3) to hold hearings and order disciplinary sanctions against a person
10 who violates this chapter or the regulations of the department [BOARD];
- 11 (4) to supply forms for applications, licenses, and other needed
12 documents;
- 13 (5) to keep a record of all proceedings open to the public, including the
14 name of each license applicant and each licensee;

1 (6) to approve nonprofit organizations for the distribution and
2 fitting of used eyeglasses;

3 (7) [(6)] to enforce the provisions of this chapter and adopt or amend
4 regulations necessary to make these provisions effective.

5 * Sec. 2. AS 08.71.230 is amended to read:

6 Sec. 08.71.230. Exemptions from and limitations on the application of this
7 chapter. This chapter may not be construed to

8 (1) limit or restrict a licensed physician or optometrist from the
9 practices enumerated in this chapter, and each licensed physician and optometrist has
10 all the rights and privileges that [WHICH] may accrue under this chapter to
11 dispensing opticians licensed under it;

12 (2) prohibit an unlicensed person from performing mechanical work
13 upon inert matter in an optical office, laboratory, or shop;

14 (3) prohibit an unlicensed person from engaging in the sale of
15 eyeglasses, spectacles, magnifying glasses, goggles, sunglasses, telescopes,
16 binoculars, or any like articles that [WHICH] are completely preassembled and sold
17 only as merchandise;

18 (4) authorize or permit a licensee under this chapter to hold out as
19 being able to, or to offer to, or to attempt by any means, to refract or exercise eyes,
20 diagnose, treat, correct, relieve, operate or prescribe for any human ailment,
21 deficiency, deformity, disease or injury;

22 (5) limit the authority of a nonprofit organization approved by the
23 department to distribute and fit used eyeglasses if the eyeglasses are distributed
24 and fitted free of charge and the fitting of the eyeglasses conforms, to the extent
25 possible, with a written prescription from a licensed physician or optometrist.

26 * Sec. 3. AS 09.65 is amended by adding a new section to read:

27 Sec. 09.65.305. Immunity for distributing free recycled used eyeglasses. A
28 nonprofit organization approved by the department of dispensing opticians is not liable
29 for distributing recycled used eyeglasses if

30 (1) the eyeglasses are distributed and fitted free of charge and the
31 fitting conforms, to the extent possible, with a written prescription from a licensed

1 physician or optometrist; and

2 (2) the organization obtains informed consent from the person
3 receiving the eyeglasses and provides the person receiving the eyeglasses advance
4 written notice of the immunity provided under this section.

5 * Sec. 4. AS 08.01.010(16), 08.01.050(d)(3); AS 08.03.010(c)(9); AS 08.71.010, 08.71.020,
6 08.71.040, 08.71.240(1); and AS 44.62.330(a)(22) are repealed.

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

9 REVISOR'S INSTRUCTION. In the following statute sections, the revisor of statutes
10 shall substitute the word "department" for "board": AS 08.71.080, 08.71.090, 08.71.110,
11 08.71.130, 08.71.145, 08.71.160, and 08.71.170.

Alaska State Legislature

SENATOR
GENE THERRIAULT

Mailing Address:
119 N. Cushman, Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
Fax: (907) 488-4271



Senate

While in session
State Capitol
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99801-1182
(907) 465-4797
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Please join with me in expanding the outstanding efforts of the Lion's Clubs throughout Alaska by making it possible for our residents to receive their redistributed eyeglasses.

25-LS0788\B
Bullard
4/02/07

CS FOR SENATE BILL NO. 149()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR THERRIAULT

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1 and

Removed: provision for licensed fitness during the week

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Yours in Lionism

PCC Howard S. Rixie Sr.

Aurora Borealis Lions Eyeglass Recycling & Vision Center

PO Box 55933

North Pole, Alaska 99705

(907) 378-7797



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Sarah Palin, Governor
Emil Notti, Commissioner

Division of Corporations, Business and Professional Licensing

July 23, 2007

Re: SB 149

The Optometry Board discussed SB149 at its July 20, 2007 meeting. The intent of this bill is to allow non profit organizations to dispense used eyeglasses free of charge to people in need. As Alaska Optometrists have supported such people via many organizations in the past by providing free eyeglasses, free eye examinations, and free eye screenings, the Board offers the following position on this bill:

1. The Optometry Board supports the general idea of non profits distributing free, used eyeglasses to people in need if the volunteer members are supervised appropriately.
2. SB 149 is in the optician statute, which is no longer run by a board. In order to safely distribute eyeglasses to the public, the Optometry Board feels the public would be better provided for if such language appeared in the Optometry Statutes, if needed. This would give regulatory authority to the Optometry Board.
3. The Optometry Board feels the public would be effectively served if the free, used eyeglasses were dispensed with a valid, unexpired eyeglass prescription for the patient AND the free, used eyeglasses were verified by, or under the supervision of, a licensed optometrist, optician, or ophthalmologist.

It is the Board's goal to continue to support legislation that promotes quality eye care for the citizens of Alaska.

Jill Geering Matheson, OD,
Chair, Board of Examiners in Optometry

PO Box 110806, Juneau, AK 99811-0806

Telephone: (907) 465-2550 Fax: (907) 465-2974 Website: www.commerce.state.ak.us/occ

SB

153

Alaska State Legislature



Senator Hollis French

SB 153 – Military Service Credit for Police Officer and Fire Fighter Retirement Medical Benefits

Sponsor Statement

Current law allows a police officer or firefighter who has also served in the armed forces to count five years of military service towards their Public Employees Retirement System retirement, provided that two conditions are met. First, the employee must not be eligible for a federal retirement benefit and second, the employee must "buy" those military service years by paying for them.

The shortcoming with the current system is that the military years purchased towards a state retirement do not count towards qualifying for retiree medical benefits. Moreover, many of those who are buying in presume that they are getting just that coverage. Thus the need for SB 153. This legislation corrects what many with former military service assume when purchasing military time: that the time purchased will be credited to their medical benefits as well as their retirement.

This bill simply allows for the same purchase of years to count towards retirement and medical benefits.

The bill does not allow any double dipping because the potential state retiree must not be eligible for federal military benefits in order to qualify for the purchase in the first place.

SB 153 recognizes the contribution made by police officers and fire fighters who have both served our country through the military and now pursue careers to protect and defend our state and communities.

ALASKA STATE LEGISLATURE



SENATOR HOLLIS FRENCH

March 11th, 2008

Senator Johnny Ellis, Chairman
Senate Labor and Commerce Committee
State Capitol, Room 9
Juneau, AK 99801

Dear Chair Ellis,

During the Senate Labor and Commerce hearing held on February 28th, 2008, committee member Senator Gary Stevens had questions regarding the interaction between Senate Bill 160 and programs administered by the Indian Health Service. The Senator's questions demonstrated a concern that Senate Bill 160 may replace federal funding with state dollars. This memo evaluates his concern, and demonstrates that the language in Senate Bill 160 will not result in a loss of federal Indian Health Service dollars.

As discussed during the hearing on February 28th, the current draft of SB 160 allows for an IHS recipient to voluntarily participate in the voucher system under the legislation. This provision has been included so that all Alaskans are offered equal health access opportunities, while acknowledging that many IHS recipients who lack private coverage are already satisfied with the services they can receive through the federal program. In the new CS, to be placed before the Senate Labor and Commerce committee on March 11th, 2008, the requirement that IHS benefits meet or exceed essential health care services, as defined under the legislation in 21.54.250, has been removed. This change ensures that satisfied IHS beneficiaries won't be subject to the individual responsibility clause in the legislation.

Senator Stevens correctly acknowledged that private health coverage is billed for health services received by IHS beneficiaries, even when care is delivered in IHS funded facilities. However, it should be noted that funds received from private health coverage do not displace federal dollars in these instances; instead, they are added to the total funds that an IHS facility can use to deliver care. Tribal and IHS facilities receive a fixed amount of funding annually, without regard to the number of hospital visits or procedures performed, and without regard to the amount of private insurance dollars received from outside coverage. In addition, if an IHS recipient elects to participate in the framework established under Senate Bill 160 and seeks care outside the federal framework, the IHS system will not receive fewer health care dollars from the federal government.

While it is true that the passage of Senate Bill 160 may result in state subsidized insurance dollars entering the tribal health system, such an outcome would help produce better equity for all health beneficiaries in the state. Based on government provided data from 2000-2007, the per capita personal health care expenditure for IHS recipients was \$2,158 per year; the US per capita estimate landed at \$5,291 dollars per year. Third party collections by the IHS system are estimated to bring in \$780 million this year, adding additional dollars to the proposed \$3.3 billion appropriation from Congress.

The true goal of this legislation is to ensure basic health access for all Alaskans, and I believe that the language related to IHS beneficiaries in the legislation furthers that aim. If more information is needed on this complex issue please contact my office, and I will ensure that appropriate information is gathered and distributed.

Sincerely,

A handwritten signature in black ink, appearing to read "Hollis French", written in a cursive style.

Senator Hollis French

What Tier am I?

Members who first entered a PERS position and were making contributions:

- Before 7/1/86—**Tier I**
- On or after 7/1/1986, but before 7/1/1996—**Tier II**
- On or after July 1, 1996, but before 7/1/2006—**Tier III**

This brochure only applies to Tiers I, II, and III. If you entered a PERS position on or after 7/1/2006, refer to a PERS Tier IV Defined Contribution Retirement Plan brochure.



Alaska Division of Retirement and Benefits

State Office Building
333 Willoughby Ave., 6th floor
PO Box 110203
Juneau, AK 99811-0203
Fax: (907) 465-3086
In Juneau (907) 465-4460
1-800-821-2251

TDD for the hearing impaired
(907) 465-2805

Email:
preretirementservices@admin.state.ak.us

pers027

www.state.ak.us/drb

The information in this brochure is not intended to replace the Alaska Statutes or the Alaska Administrative Code. Language contained in the Alaska Statutes and the Alaska Administrative Code and the Plan Documents govern the plans.

Alaska Division of Retirement and Benefits

Military Service Credit

How to receive credit for your military service when you are vested.





Claiming a Military Service Credit

You may be eligible to receive up to five years of Public Employees' Retirement System (PERS) credit for your active military service in the U.S. Armed Forces, if you are vested and you were honorably discharged. PERS retirees, deferred vested members, and surviving spouses of members who had served in the armed forces, may also be eligible to receive this credit.

Members first hired under the PERS after June 30, 1986, are not eligible for PERS military credit if they are retired from regular service and eligible for a federal benefit for the same service. Retired National Guard and Reserve Unit members may be eligible to claim active military service even though they are eligible to receive a federal retirement benefit for the same service.

Military credit does not count towards retirement eligibility, however it is used in the calculation of your monthly benefits.

Military service also includes active service as

- (1) A foreign service officer, foreign service reserve officer, or limited foreign service reserve officer with the U.S. Department of State in Vietnam, Cambodia or Laos from August 4, 1964, through November 7, 1975, and

- (2) A member of the U.S. Merchant Marines from December 1941, through September 30, 1945.

You may claim your military service by:

- Completing side I of the *Application for Military Service Credit* (form 02-1895), and
- Attaching the required military documentation.

The application and other forms are available on the Internet at www.state.ak.us/drb, by calling the Pre-Retirement Services Unit at (907) 465-4460, or by email at preretirementservices@admin.state.ak.us.

After your application is received and accepted, an indebtedness will be established and you may begin making payments.

The Cost

The cost for claiming military service (indebtedness) will depend on when you are first eligible (date first vested) to claim it.

Members first eligible

- After December 31, 1986, will be charged 8.5% of their annualized vesting year salary for each year claimed.
- Before January 1, 1987, will be charged 6% of their 1976 or annualized vesting year salary, whichever is later, for each year claimed.

Interest on an indebtedness for service under (1) and (2) begins accruing on July 1, 1987, or one year following the member's vesting date, whichever is later. For other military

service, interest begins accruing on July 1, 1977, or one year following vesting, whichever is later. Seven percent interest will continue to accrue until the indebtedness is completely paid or you retire, whichever occurs first.

The total military credit that may be claimed in the PERS and Teachers' Retirement System (TRS) is five years for those persons who have served in both systems.

If you are employed by a PERS employer on the date that you are called to active military duty and you return to PERS employment within 90 days following your discharge, you are not required to pay contributions for that period of military service. You are required to contact the Division to claim this time.

Please note: call to active duty does not count towards five-year limit of claimed military service.

Police Officers and Fire Fighters Purchasing Military Service Credit

PERS

Retiree Medical Benefit

Current Law

Police officers and firefighters with past military service can "purchase" up to 5 years of military service credit to put towards their retirement benefit.

Purchasing this credit does not allow a person to retire earlier, but can increase their monthly pension amount.

Example: If a police officer retires after 20 years of service, he or she could "purchase" up to 5 years of military service credit and receive the pension benefits of someone who retired after 25 years of service.

The military service credit purchased by a police officer or firefighter does NOT count towards the retiree medical benefits requirements. Current law provides medical benefits as follows:

Tier 1- Medical benefits to all retirees.

Tier 2— Police and Fire—Medical benefits begin at age 60 or after 25 years of service.

Tier 3— Same as Tier 2

Example: A police or fire retiree could retire after 20 years of service at the age of 52. Even if a 5 year military service credit was purchased, the individual would have to wait until the age of 60 to have full retiree medical benefits.

Under SB 153

No change.

SB 153 would allow the years of military service credit purchased to count towards the years of service needed to attain the retiree medical benefit.

Example: A police officer or fire fighter retiree who retires after 20 years of service at the age of 52, and who has purchased 5 years of military credit would have the 25 years of service necessary to receive full medical benefits.

Note:

- If you have served over 20 years in the military, you are eligible for a federal benefit hence ineligible to purchase military service credit.
- Tier 4 employees are under a defined contribution system and are not able to purchase military service credit.
- At the age of 65, Medicare becomes the primary payer of health insurance costs for all participants in the PERS system.



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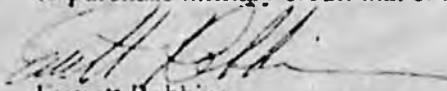
By way of introduction, I have been employed by the Anchorage Police Department since 1983. I am also the President of the Anchorage Police Department Employees Association, which represents Anchorage's rank-and-file police officers. The purpose of this letter is to endorse SB 153.

I am familiar with many police officers in the Anchorage Police Department and in other Departments across this State who have courageously served this Country in our military forces. Over the past several years, many of those officers who serve this Country in the National Guard and Reserves have been subjected to previously unheard of military deployments in foreign lands. Despite their loyal service, many will not be eligible to obtain federal retirement benefits.

It is from this perspective that I urge you to support SB 153, introduced by Senators Hollis French, Bettye Davis, Lesil McGuire, and Johnny Ellis. Currently, members of PERS may purchase up to five years of military time, out of their own pocket, as credit towards their retirement. Eligible employees may purchase this benefit only if they are not eligible for federal retirement benefits. Unfortunately, the purchased credit does not count towards major medical benefits eligibility. This Bill allows the purchased credit by police officers or firefighters to count towards their major medical insurance benefits.

This Bill provides support to those who have so nobly served our Country in the military. In addition, it is an incentive to military personnel to become police officers and firefighters continuing their service to our State. The importance of recruiting police officers is important because the ability to recruit qualified police officers is at critically low levels in our Country. Further, this Bill would help provide peace of mind to current police officers, firefighters and their families who serve our communities and our Country.

I urge you to vote for SB 153, and to support the ability of police officer and firefighters to purchase military credit that counts towards their major medical insurance benefits.


Everett Robbins
President, APDEA