

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS COMMITTEE

April 11, 2002
3:40 p.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Randy Phillips, Vice Chair
Senator Rick Halford
Senator Ben Stevens
Senator Bettye Davis

COMMITTEE CALENDAR

HOUSE BILL NO. 374

"An Act naming the David Douthit Veterans' Memorial Bridge."

MOVED HB 374 OUT OF COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 254(FIN)

"An Act relating to the teachers' retirement system, the judicial retirement system, and the public employees' retirement system and to the tax qualification under the Internal Revenue Code of those systems; amending the definition of 'actuarial adjustment' in the teachers' retirement system and the public employees' retirement system; repealing certain provisions of the teachers' retirement system and the public employees' retirement system; amending the statutory limitation on payment of warrants to make an exception for warrants making benefit payments or refunds under various state retirement and benefit programs; and providing for an effective date."

HEARD AND HELD

SENATE BILL NO. 15

"An Act requiring that the cost of contraceptives be included in certain health care insurance coverage."

HEARD AND HELD

SENATE BILL NO. 355

"An Act establishing an account in the general fund to receive general gifts, donations, and bequests to the State of Alaska."

MOVED SB 355 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

HB 374 - No previous action to record.

HB 254 - No previous action to record.

SB 15 - No previous action to record.
SB 355 - No previous action to record.

WITNESS REGISTER

Representative Ken Lancaster
Alaska State Capitol, Room 421
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor HB 374

Barbara Cotting
Aide to Representative Jeannette James
Alaska State Capitol, Room 214
Juneau, AK 99801-1182
POSITION STATEMENT: Introduced HB 254

Guy Bell
Department of Administration
Division of Retirement & Benefits
PO Box 110200
Juneau, AK 99811-0200
POSITION STATEMENT: Testified on HB 254 and SB 15

Chief Monegan
Anchorage Police Department
POSITION STATEMENT: Testified on HB 254

Sergeant Rod Huen
President, Anchorage Police Association
POSITION STATEMENT: Testified on HB 254

Will Aitchison
Anchorage Police Department Employees Association
POSITION STATEMENT: Testified on HB 254

Del Smith
Deputy Commissioner
Department of Public Safety
PO Box 111200
Juneau, AK 99811-1200
POSITION STATEMENT: Testified on HB 254

Senator Johnny Ellis
Alaska State Capitol, Room 9
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor SB 15

Ann Harrison
Fairbanks, AK 99701
POSITION STATEMENT: Testified in support of SB 15

Claire Noll
Anchorage, AK 99513
POSITION STATEMENT: Testified in support of SB 15

Sherry Jaeger
Anchorage, AK 99513
POSITION STATEMENT: Testified in support of SB 15

Deatrich Sitchler
Anchorage, AK 99513
POSITION STATEMENT: Testified in support of SB 15

Jennifer Rudinger
Anchorage, AK 99513
POSITION STATEMENT: Testified in support of SB 15

Cindy Norquest
Anchorage, AK 99513
POSITION STATEMENT: Testified in support of SB 15

Pauline Utter
Anchorage, AK 99513
POSITION STATEMENT: Testified in support of SB 15

Robin Smith
Anchorage, AK 99513
POSITION STATEMENT: Testified in support of SB 15

Regina Montoufel
Anchorage, AK 99513
POSITION STATEMENT: Testified in support of SB 15

Jane Angvik
Anchorage, AK 99513
POSITION STATEMENT: Testified in support of SB 15

Katherine Davey
Anchorage, AK 99513
POSITION STATEMENT: Testified in support of SB 15

Bob Lohr
Haines, AK 99827
POSITION STATEMENT: Testified in support of SB 15

Sherry Goll
Haines, AK 99827
POSITION STATEMENT: Testified in support of SB 15

Dr. Colleen Murphy
Anchorage, AK 99513

POSITION STATEMENT: Testified in support of SB 15

Deborah Williams
Anchorage, AK 99513

POSITION STATEMENT: Testified in support of SB 15

Karen Pearson
Director of Public Health
Department of Health &
Social Services
PO Box 110601
Juneau, AK 99801-0601

POSITION STATEMENT: Testified in support of SB 15

Caren Robinson
AK Woman's Lobby
Juneau, AK 99801

POSITION STATEMENT: Testified in support of SB 15

Lilo Ives
Anchorage, AK 99513

POSITION STATEMENT: Testified in support of SB 15

Senator Lyda Green
Alaska State Capitol, Room 125
Juneau, AK 99801-1182
Anchorage, AK 99513

POSITION STATEMENT: Sponsor of SB 355

ACTION NARRATIVE

TAPE 02-20, SIDE A

CHAIRMAN GENE THERRIAULT called the Senate State Affairs Committee meeting to order at 3:40 p.m. Present were Senators Davis, Stevens and Chairman Therriault. Senators Halford and Phillips arrived shortly thereafter.

#HB 374

HB 374-NAMING DOUTHIT VETERANS' MEMORIAL BRIDGE

Representative Ken Lancaster, bill sponsor, explained this bill names the bridge that spans the Kenai River in Soldotna the David Douthit Memorial Bridge. While serving in the U.S. Army as a staff sergeant during the Gulf War, he died for his country on February 27, 1991.

The community of Soldotna and the local veterans support the

bill. The city passed a supporting resolution and called it to his attention. The Douthit's have been close friends of his for many years and he was pleased to sponsor the bill.

There was no further testimony.

CHAIRMAN THERRIAULT said he had no questions. There was no prepared CS and no amendments were offered. There was a zero fiscal note attached to the bill.

SENATOR DAVIS made a motion to move HB 374 and attached fiscal note from committee with individual recommendations.

There being no objection, it was so ordered.

#

#HB 254

HB 254-STATE RETIREMENT SYSTEMS/WARRANTS

BARBARA COTTING, staff to Representative Jeannette James, introduced the legislation to keep the State of Alaska retirement system in compliance with Internal Revenue Service (IRS) code changes. It allows buy-ins with pre-tax dollars. The fiscal note is zero. It is a technical bill that is not intended to and does not enhance benefits in any way.

CHAIRMAN THERRIAULT asked Mr. Bell to comment on whether the bill addressed this single issue.

GUY BELL, Director of the Division of Retirement and Benefits, explained that everything else in the legislation is confirmation of current practice. The only substantial change is the allowance of pre-tax payment of indebtedness in the retirement system for public employees and teachers. The new language needs to be put into state law to comply with provisions of the IRS code to ensure continued tax qualification.

CHAIRMAN THERRIAULT called for teleconferenced testimony.

CHIEF MONEGAN from the Anchorage Police Department said he wanted to speak to Senator Halford's proposed amendment.

CHAIRMAN THERRIAULT made a motion to adopt amendment #1 for the purpose of discussion.

CHIEF MONEGAN said the amendment would provide local option for local governments to enhance or offer a series of enhancements to existing public employee retirement systems (PERS). The Anchorage

Police Department is experiencing difficulty recruiting and retaining personnel because people are looking elsewhere for retirement and benefits packages. Other departments are similarly affected. The amendment would allow local municipalities to bargain individually and bear the cost for their own enhancements to the basic state retirement package. The fiscal impact to the state would be nominal.

CHAIRMAN THERRIAULT questioned why this needs to be incorporated into the state system. Why couldn't a municipality just as easily offer an attractive option that is controlled and operated entirely at the local governmental level?

CHIEF MONEGAN replied they may end up bargaining no increase, but they need this kind of legislation before they can even get to the table. They haven't found any options that would be as attractive as this one.

CHAIRMAN THERRIAULT questioned the statement that there would only be minimal administrative costs to the state. If the municipality isn't able to make it work separately, it sounds as though there would be reliance on the overall state system and probably have associated costs.

CHIEF MONEGAN said there was none they could tell. Their police union contacted Mr. Bell and they thought they received a favorable response from him initially. When they were in Juneau the previous week to explore this further, Mr. Bell was somewhat cool. He indicated there might be a more complicated bookkeeping/administrative situation than they originally thought.

The Anchorage mayor was also supportive of the legislation.

SERGEANT ROD HUEN, President of the Anchorage Police Department Employees Association, said he shares the same concerns that Chief Monegan has regarding recruitment and retention. It is a statewide problem.

Amendment 1 addresses the issue of the legality of when an officer is moved from an area with an enhanced PERS program to an area without an enhanced PERS program by increasing the employer contribution. The amendment makes it clear there would be no expectation of any enhanced benefits. The goal is to have the local government bear the burden of any enhancement that is on top of the basic PERS program through employer contribution. This could become a piece to a long-term recruitment and retention program, which is the goal. They want to work with the state, but

place the burden and control at the local level.

WILL AITCHISON said the difficulty with doing this as a supplemental program at the local level is that when going to a local option some governmental bodies that might want to take advantage of this might have existing retirement systems while others might not and would be solely reliant of PERS. Anchorage falls into a category in which there are retirement systems in place that are closed. The possibility of doing this at the local level is too complicated with the variety of retirement systems. Even those with a retirement system that could potentially handle supplemental benefits would find it difficult to administer only supplemental benefits. The types of benefits range from the calculation of basic retirement benefits to the administration of death benefits and occupational disability benefits. Setting up a system like that at the local level rather than changing the benefit level as an optional plan under PERS would be far too expensive. When put into PERS it is a matter of no new benefit being added rather different benefit levels are being offered. Put into PERS, the additional cost would be the minimal administrative costs associated with keeping track of the optional benefits and doing the initial actuarial assessment to determine what the employer would pay.

CHAIRMAN THERRIAULT noted Senator Halford handed out a copy of a memo that suggested additional language to the amendment to deal with the concern.

He ran through a brief description of the current system and noted that adding additional governmental bodies could result in a very cumbersome system. While there may be little impact or cost individually, collectively it could be burdensome.

MR. AITCHISON replied it is not at all unusual to see retirement systems with a variety of different options. One of the purposes of this legislation is to meet a challenge that large city police departments are facing because of the existence of such a local option in California. On a jurisdiction-by-jurisdiction basis, the agencies in California are able to elect a 3 percent benefit and 50 years of age. This sort of optional benefit, is a relatively common feature of state retirement systems and is manageable within the context of those retirement systems. He has not heard any complaints about administration difficulties from PERS type administrators that have gone to this sort of supplemental retirement benefit.

SENATOR STEVENS asked how many agencies in Alaska employ peace officers that could be eligible for this option.

DELL SMITH, Deputy Commissioner of the Department of Public Safety, replied there are probably about 35 municipal police departments.

SENATOR STEVENS asked whether there would be any that would not be eligible to participate.

MR. SMITH replied this is an option for municipalities so state troopers, fish and wildlife protection officers, airport security police and village public safety officers wouldn't be eligible. It appears to be for municipal firefighters and police officers only.

CHAIRMAN THERRIAULT said he has heard that the state has retention problems and frequently loses troopers to the Anchorage Police Department.

MR. SMITH said some have transferred over but his experience is that there are transfers both ways. Within the last six months, three Alaska State Trooper transferred to the Anchorage Police Department.

SENATOR STEVENS asked whether there are individual negotiations for each employee's benefit package.

CHIEF MONEGAN said there is one bargaining unit and they would negotiate for the enhanced benefit for all police officers covered under that contract.

SENATOR STEVENS asked whether passage would make the benefit packages for municipal officers and state officers similar or would one be more enticing.

SERGEANT HUEN said anyone in Anchorage who was hired after 1994 is in PERS Tier III. Anyone hired before 1994 is in the local and closed retirement plan. Those in PERS Public Safety Plan III who were hired in Anchorage after 1994 reflect the people who have been hired on to the troopers.

SENATOR STEVENS said the trooper plan and municipal plan after 1994 are the same.

SERGEANT HUEN said they are as far as the retirement plan is concerned.

SENATOR STEVENS asked if this would allow municipalities to offer incentives and make the plan more attractive than the state incentives.

SERGEANT HUEN said this language doesn't exclude, it simply says "employer" so it would be up to the state. The intent was to localize the control of the work force.

SENATOR STEVENS asked if the money would come from a local revenue source and that is why it wouldn't be a cost to the state.

SERGEANT HUEN said that's correct. The retirement contribution by the employer would cover that cost and that would vary with the employer. Employer contributions range from six percent in Long Beach, California to 12 or 13 percent in Eugene, Oregon. Anchorage is now at seven percent.

SENATOR STEVENS asked if he would object to the statement that if the same option were available to state law enforcement it would be an expense to the state.

SERGEANT HUEN said if the state chose to do that for their law enforcement personnel it would incur whatever the relative employer contribution would be to ensure those enhancements were funded.

CHAIRMAN THERRIAULT asked Mr. Smith whether the department had taken a position on the concept. What would the department do if local systems became more enticing than the state system?

MR. SMITH said he became aware of this very recently but he does have concerns and believes it would put the state at a disadvantage. In fact, they are already at a disadvantage to some degree.

CHIEF MONEGAN said they don't currently have the Supplemental Benefits System (SBS) so the troopers actually have a better system than they have. They believe this legislation would bring some parity.

CHAIRMAN THERRIAULT replied SBS is similar to a 401K and APD could add that rather easily.

SENATOR PHILLIPS noted the state replaced social security with SBS about 20 years ago.

CHAIRMAN THERRIAULT asked Chief Monegan whether local officers got social security benefits.

CHIEF MONEGAN replied some do; those that were in the police and fire departments were told they were no longer eligible, but the

new hires under PERS Tier III do pay in and will receive social security.

SENATOR DAVIS thought the federal government determined SBS was no longer an option and everyone was going to eventually have to return to the Social Security System. She asked if there was anyone present that could tell her whether or not that was correct.

GUY BELL, Director of the Division of Retirement and Benefits, explained that SBS is closed to other options, but there are other options such as 401K available to local governments. The federal government is making more pension options available to government than in the past through reform legislation that was recently enacted. Although he isn't an expert on all the options, he can provide information on other options that might be available other than social security and SBS.

He noted the state contributes 6.13 percent to SBS while the social security contribution is 6.2 percent so the state saves a bit through SBS.

CHAIRMAN THERRIAULT asked whether it would be available for the state to take advantage of since the bill says "employer."

GUY BELL said it is placed in AS 39.35.655, which is under the political subdivision and public organization portion of statute. It is Article 7 of the PERS statute, which doesn't include the State of Alaska. This could be changed but, as written, they interpret it to exclude the state.

CHAIRMAN THERRIAULT asked whether he had seen the memo to Mr. Bravo (ph).

MR. BELL had not seen the memo and was given a copy to read.

SENATOR PHILLIPS asked whether he had an opinion from the Attorney General's office.

GUY BELL replied it would probably help clarify that one issue. The question is if you're in a higher tier area and are with an employer that opted for higher tier benefits then move to a lower tier employer, are you entitled to the higher tier benefits with that new employer? The language says you cannot take that higher level of benefits with you. However, this is just a legal opinion, it has not been litigated. "In the benefits/entitlement world we do have a constitutional prohibition against the diminution of retirement benefits and that's being tested all the

time." Currently there are three separate lawsuits relating to retirement and benefits and he couldn't be sure this wouldn't be tested at some time in the future. This is a cafeteria plan for retirement benefits that can shift between employers and under (c) of the amendment the optional benefits could change each year. That might mean that newly hired employees may be entitled to less after a certain point in the year than employees that were hired in the previous year. An employer would have different benefits for employees depending on their year of hire. There is a great deal of variety and complexity as currently drafted. The three-tier system is difficult to administer now and this would more than double the number of tiers because of the number of choices an employer could make.

There was no further testimony.

CHAIRMAN THERRIault announced he would hold HB 254 in committee while they reviewed the wording of the amendment.

#

4:20 p.m.

#SB 15

SB 15-INSURANCE COVERAGE FOR CONTRACEPTIVES

SENATOR JOHNNY ELLIS, bill sponsor, described the bill as the Prescription Fairness Act of 2002. It would require health insurers in Alaska that cover prescription drugs to include coverage for all FDA approved prescription contraceptives. There is a companion bill in the House sponsored by a bi-partisan group of women legislators. To date, 24 states have a similar provision in law and pending legislation for the measure in 17 other states.

A large impressive coalition of individuals and organizations from across the state support the bill. There are many good reasons to support this legislation and without this change in law it is clear that:

- Women will continue to pay more and get less in health insurance in Alaska
- Women will not receive equal health care treatment that they need and deserve
- Alaskan law should be modified to avoid an expensive legal challenge that it would surely lose
- Unintended pregnancies have enormous financial, personal and social costs and this legislation provides the opportunity

to positively affect the numbers of unwanted births, abortions and child abuse cases in this state

- Facts show that contraceptive coverage pays for itself

SB 15 is fair, cost effective, respects the religious beliefs of employers, protects the state from legal action and is long overdue.

ANN HARRISON from Fairbanks testified in support of SB 15. She was representing herself as a retired nurse practitioner with 30 years service in women's health care.

CLAIRE NOLL testified from Anchorage in support of SB 15. Many women need contraceptives for reasons other than to protect from pregnancy. They should be available and affordable to all women.

SIDE B 4:30 p.m.

SHERRY JAEGER testified from Anchorage as a representative from the Young Women's Christian Association (YWCA) in support of SB 15. The bill addresses the current inequities in women's health care plans and would require equity in the workplace. It would affect 140,000 women of childbearing age in Alaska and would not burden insurance providers.

DEATRICH SITCHLER testified from Anchorage in support of SB 15. Although all women deserve this coverage, she has a medical condition that makes it necessary for her to avoid pregnancy. Because it would be medically dangerous for her to become pregnant, she must take birth control pills whether insurance covers the cost or not.

She then read a statement from Jennifer Rudinger in support of SB 15. Although most insurance plans cover prescription drugs they typically exclude prescription contraceptives and outpatient contraceptive services. This gap in coverage has a disproportionate impact on women.

CINDY NORQUEST testified from Anchorage in support of SB 15. She said she was a concerned citizen representing the average woman in Alaska who is tired of being treated unfairly. Gender discrimination is the only explanation for this legislation not having already been passed. It is in both the public interest and the business interest to pass the legislation.

PAULINE UTTER testified from Anchorage in support of SB 15. She presented a petition that was signed by 1,008 women that attended the last Woman's Political Caucus and stated women want equality.

If prescription drugs such as Viagra are covered, then prescription contraceptives should be covered as well.

ROBIN SMITH testified from Anchorage in support of SB 15. She said there might be religious beliefs that run counter to covering contraception. Although some religions don't believe that humans should receive blood products, it is unimaginable that insurance companies wouldn't cover that treatment. The Catholic Church doesn't believe in vasectomies and tubal ligations, but insurance companies cover them. Providence Hospital covers birth control pills for their employees yet the Catholic Church prohibits contraception. This is an issue that needs to be addressed because it is a health care issue. Women can become pregnant for 30 to 40 years of their lives so something must be done to prevent unintended pregnancies. She urged members to move SB 15 forward.

REGINA MONTOUFEL testified from Anchorage in support of SB 15. She owns and operates a rooming house and has found fair insurance coverage for women and small business owners to be a huge problem. She works with many minimum wage individuals that have policies with huge deductibles and minimal coverage. To be treated unequally on prescription drug coverage is an injustice that low-income women shouldn't have to endure.

JANE ANGVIK testified from Anchorage in support of SB 15. She was representing herself. The cost of unintended pregnancies is enormous. She said, "As the Legislature faces the challenge of dealing with the fiscal crisis, don't ignore the fact that one of the biggest challenges comes from assisting individuals whose births were unintended and or not wanted." There is a public cost and a personal cost to everyone and it is an issue that belongs to both men and women and impacts communities tremendously. Additionally, there is a basic civil rights question that deals with equity in providing equal access to men and women in prescription healthcare.

KATHERINE DAVEY said she is a lifelong Alaskan and is speaking for herself. She testified from Anchorage and was pleased to add her voice in support of SB 15. This is an equity issue that should be addressed. The ability to plan pregnancies is basic to health care and should not be overlooked any longer. She echoed Ms. Angvik's testimony regarding the cost of unintended and unwanted pregnancies. Forty two percent of births in Alaska are unwanted or untimed.

4:45 p.m.

BOB LOHR testified that the Alaska Division of Insurance supports SB 15. It is a different stance than the division has taken in the past, but in December 2000 the U.S. Equal Employment Opportunity Commission made a key ruling reinforced by a federal district court decision in the state of Washington. That ruling told employers they need to offer this coverage if they offer prescription coverage or they would be in violation of anti-discrimination statutes.

The division recommended the following technical amendment: Page 3, lines 7 - 13 should be deleted. That reference is unnecessary because health care insurance plans already exclude these types of products as defined in AS 21.54. Deletion wouldn't change the meaning of the bill.

Traditionally the division expresses concern about health insurance mandates because they may have the potential to increase the cost of health insurance. However, in the case of this type of mandate, the overall benefits to society are such that they are so far in excess of the additional cost on the policy that the change makes good policy sense. Other states have successfully included coverage and it has not been disruptive to the insurance plan involved.

SHERRY GOLL testified from Haines as an Alaskan woman in support of SB 15. The legislation offers the Legislature an opportunity to do something important to end gender discrimination by reforming the state's insurance laws.

DR. COLLEEN MURPHY, a board certified obstetrician and gynecologist practicing in Alaska since 1987, testified in support of SB 15. During her career in Alaska, she has worked in the tribal health care system, in a large practice group and is now in private practice. Each exposed her to different insurance realities.

The average American family now has 2.1 children and America women are of reproductive age for approximately 39 years. Having two children during that 39 year period requires women to contracept for 37 of those years so the need for contraception is enormous during the majority of a woman's life.

Current national statistics indicate that 50 percent of all pregnancies in the United States are unintended. Half will result in a termination of the pregnancy and many of the other half will become live born. These pregnancies are quite high risk with poor social and family outcomes. Alaska statistics are similar to the national average.

When she talks to her patients about the most effective method of family planning, she must warn them that their insurance company may not cover the cost. The reaction to this news is consistent; the women are incredulous and they overwhelmingly say, "You mean they'll pay for a normal pregnancy but they won't pay for my birth control?" Unfortunately, the answer is yes; they won't pay for birth control.

She urged the committee to look closely at the medical and social affects of unintended pregnancy in Alaska and the real costs to the individual and society.

DEBRA WILLIAMS testified from Anchorage in support of SB 15. Alaska has a proud history of being progressive on women's issues. Unfortunately, the failure to address prescription equity is not in keeping with this proud heritage. There are thousands of compelling stories by women who need this basic medical prescription coverage. On behalf of all those women she urged the Legislature to pass SB 15.

GUY BELL, Director of the Division of Retirement and Benefits, said they administer the select benefits plan for about 4,700 state employees in the retirement and benefit plan. The select benefit plan does include coverage for prescription contraceptives so the bill would have no cost impact to the state health plan if enacted. The retiree plan does not include prescription contraceptives at this time, but that fiscal impact would be modest.

CHAIRMAN THERRIAULT asked whether the decision to add coverage in the state plan was a policy call or was driven by recent litigation.

GUY BELL replied it was a policy call but they were aware of the litigation.

KAREN PEARSON, Director of Public Health, described SB 15 as good public health policy. Approximately one half of the live births in Alaska are unintended each year and about half of those women were not using a contraceptive at the time of conception for reasons such as lack of access or expense. Every child should be wanted and children should be planned. The inability to access contraceptives through health coverage puts choice in grave danger. It costs about \$1.43 per month to offer contraceptive services, which is a very small cost for insurance companies to make the kind of contribution they can to the quality of life of the women they serve.

Caren Robinson, Representative from the Alaska Women's Lobby, said they want to go on record in strong support of SB 15. They believe that the decision to exclude contraception from the prescription drug coverage imposes an undue financial burden on women.

On December 20, 2001 the Equal Employment Opportunity Commission ruled and June 2001 the federal district court decision declared the exclusion of contraception to be discriminatory.

5:10 p.m.

LILLO IVES testified from Anchorage in support of SB 15. It is a matter of common sense to include prescription contraceptives in health care coverage.

CHAIRMAN THERRIAULT closed public testimony on SB 15 and announced the bill would be held in committee. He told Senator Ellis he would like to discuss the advisability of dropping paragraph (1), subsection (e), Section 3 on page 3 and he would like review the recent Washington court case.

#

#SB 355

SB 355-LET ME HELP ACCOUNT

SENATOR LYDA GREEN, bill sponsor, explained she has received many letters from citizens that are urging the Legislature to pass tax legislation. Since there is so much interest in this issue, this legislation would allow individuals to provide greater support to government voluntarily. Individuals could decide how much they want to pay then make that payment to government. The amount contributed would be deductible from federal income tax and it is her understanding that there are established state accounts where this money could be placed.

CHAIRMAN THERRIAULT asked how the contribution would be deductible on federal tax forms.

SENATOR GREEN replied she wasn't sure, but thought it would be some sort of donation.

SENATOR DAVIS asked whether there was anyone from the state to speak to the bill.

SENATOR GREEN replied there was no one available.

TAPE 02-21
5:12 p.m.

SENATOR DAVIS said it would be helpful to hear from someone who could provide support of the explanation for the legislation.

CHAIRMAN THERRIAULT said it would be beneficial for Senator Green to provide information on the tax mechanism by which individuals could get a tax benefit before the bill was heard in the Senate Finance Committee.

SENATOR GREEN agreed to provide the information.

CHAIRMAN THERRIAULT noted he had not prepared a CS and committee members didn't offer any amendments. He referenced a zero fiscal note from the Department of Administration then asked for the will of the committee.

SENATOR PHILLIPS made a motion to move SB 355 and attached fiscal note from committee with individual recommendations.

There being no objection, it was so ordered.

#

ADJOURNMENT

There being no further business before the committee, the Senate State Affairs Committee meeting was adjourned at 5:17 p.m.