

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS COMMITTEE

April 18, 2002
3:40 p.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Rick Halford
Senator Ben Stevens
Senator Bettye Davis

MEMBERS ABSENT

Senator Randy Phillips, Vice Chair

COMMITTEE CALENDAR

HOUSE BILL NO. 162

"An Act relating to absences from the state under the longevity bonus program."

MOVED SCS HB 162(STA) OUT OF COMMITTEE

SENATE BILL NO. 55

"An Act changing the name of the Alaska Pioneers' Home to the Alaska Pioneers' and Veterans' Home and of the Alaska Pioneers' Homes Advisory Board to the Alaska Pioneers' and Veterans' Home Advisory Board; relating to services for veterans in the home; relating to the advisory board for the home; making other amendments to the statutes relating to the home; making conforming amendments to other statutes; and providing for an effective date."

MOVED CSSB 55(STA) OUT OF COMMITTEE

SENATE BILL NO. 53

"An Act extending the termination date of the Board of Barbers and Hairdressers."

MOVED SB 53 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

HB 53 - No previous action to record.

SB 55 - See State Affairs minutes dated 2/8/01, 5/5/01.

HB 162 - See HESS minutes dated 4/20/01 and 1/28/02 and State Affairs minutes dated 4/2/02.

WITNESS REGISTER

Representative John Davies
Alaska State Capitol, Room 415
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor of HB 53

Milton Wiltse, Director
Alaska Geological & Geophysical Surveys
794 University Ave, Suite 200
Fairbanks, AK 99707-3645
POSITION STATEMENT: Testified on HB 53

Rod Combellick
Engineering Geology Chief
794 University Ave, Suite 200
Fairbanks, AK 99707-3645
POSITION STATEMENT: Testified on HB 53

Jim Duncan, Commissioner
Department of Administration
PO Box 110200
Juneau, AK 99811-0200
POSITION STATEMENT: Testified on SB 55

Merrill J. Hakala
140 Front Street
Fairbanks, AK 99701
POSITION STATEMENT: Testified on SB 55

Harry Jenkins
210 10th Ave
Fairbanks, AK 99701
POSITION STATEMENT: Testified on SB 55

Don Hoover
1029 Kodiak
Fairbanks, AK 99709
POSITION STATEMENT: Testified on SB 55

Major General Phil Oates
Adjutant General/Commissioner
Department of Military &
Veterans Affairs
PO Box 5800
Ft Richardson, AK 99505-0800
POSITION STATEMENT: Testified on SB 55

Laddie Shaw
Special Assistant
Office of Veteran Affairs
Department of Military &

Veterans Affairs
PO Box 5800
Ft Richardson, AK 99505-0800
POSITION STATEMENT: Testified on SB 55

Gary Berry
American Legion representative
Juneau, AK 99801
POSITION STATEMENT: Testified on SB 55

Clayton E. Love
Disabled American Veterans representative
Juneau, AK 99801
POSITION STATEMENT: Testified on SB 55

Representative Gretchen Guess
Alaska State Capitol, Room 112
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor HB 162

James Kohn, Director
Division of Alaska Longevity Programs
Department of Administration
PO Box 110200
Juneau, AK 99811-0200
POSITION STATEMENT: Testified on HB 162

ACTION NARRATIVE

TAPE 02-23, 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. Senator Halford arrived shortly thereafter.

#HB 53

HB 53-SEISMIC HAZARDS SAFETY COMMISSION

REPRESENTATIVE JOHN DAVIES, sponsor, explained the bill would create an Alaska Seismic Safety Commission. This is necessary because although there are current ongoing efforts to mitigate hazards and risks of earthquakes, the efforts are spread among agencies. This high level commission would look across agency boundaries. It is important to have an ongoing effort to continuously improve the state's preparedness.

Building codes and earthquake insurance are the kinds of issues that need more attention and require a long-term view. Large

magnitude earthquakes are a rare event, but an extreme hazard nonetheless. This type of commission is needed to remind people that we need to be worried about them. It's easy to forget how devastating an earthquake can be because the catastrophic ones are infrequent.

CHAIRMAN THERRIAULT noted a number of other states have a safety council or a consortium. He asked whether the proposed structure and the level of the structure was the same as a consortium or an advisory panel in other states.

REPRESENTATIVE DAVIES replied it varies between states. What he refers to as a commission is a panel of people that represent specific areas of expertise. He would like to see a coordinated effort to use the expertise in the various state agencies and bring it together at the governor's level so it is possible to look across the agency boundaries. Other states have a variety of models for how to proceed.

MILTON WILTSE, Director of Alaska Geological & Geophysical Surveys, testified via teleconference. They have followed the legislation for a number of years and are very supportive. Similar bodies in other states were begun as a consequence of the 1964 earthquake in Alaska. Over the years, there has been progress in building codes and mitigating various types of structures to decrease the magnitude of emergency response that would be necessary after an event. They believe a commission or panel that will have the view of trying to balance the many issues that have to be addressed for mitigation of these types of events is a very good step. It is a complex issue and takes a balanced panel to bring the various issues and organizations forward.

To this point, much of the mitigation work that has been done has been focused in Anchorage, but there are other municipalities with different types of events that might occur from a seismic event. This legislation is very encouraging to get a reviewing body in place.

ROD COMBELLICK, Engineering Geology Chief with the Alaska Geological & Geophysical Surveys, testified via teleconference. He has looked at this problem and how other states deal with their earthquake hazards during his 20 years with the department. The 1964 Alaskan earthquake is what caused other states, notably California, to begin their efforts to coordinate their earthquake hazard mitigation. As a result of those efforts they have saved many lives and millions to billions of dollars in property damage.

He just returned from the State Emergency Management Conference

in Anchorage and representatives from Washington, Oregon and California were present. About a year ago there was a magnitude 6.7 earthquake near Seattle and although it was the same size as the Northridge earthquake in California in 1994, the damage was surprisingly minimal. Some is attributed to luck in terms of the depth of the earthquake and the time of day it occurred, but much is attributed to the efforts Washington State has taken over the past ten years. Their seismic safety committee, which is the same level as the one proposed here, recommended many of the changes that kept that quake from being devastating. They have instituted seismic retrofitting of their highways and bridge systems, instituted more stringent building codes and coordinated the efforts of state and local governments.

Alaska has gone almost 40 years without any major structural damage from an earthquake, but this doesn't mean there won't be a big event that strikes a populated area and exceeds all the disasters we've had so far. This is something that shouldn't be ignored. A little over a year ago the Federal Emergency Management Agency (FEMA) put out a report that projected state's annual losses from earthquakes. Alaska ranked number eight with annual losses in the neighborhood of \$42 million or \$70.00 per person. In terms of the annualized cost of earthquakes in relation to the value of its infrastructure, Alaska ranks number two and has the distinction of being the only state that does not have a state level seismic safety commission. This bill would establish that ability.

There was no further testimony.

CHAIRMAN THERRIAULT noted the e-mail from Dr. John L. Aho. Copies were in members' packets.

He said there was no prepared CS and no amendments were offered. There were two fiscal notes.

SENATOR HALFORD asked whether there was a sunset review. He thought the referenced section was the sunset schedule.

CHAIRMAN THERRIAULT said it's not a sunset that would have to be reviewed by the auditors; it would just have to be reauthorized.

SENATOR STEVENS asked Representative Davies about page 2, lines 29 and 30 that said, "(a) The commission shall (1) recommend goals and priorities for seismic hazard mitigation to the public and private sectors;". He asked what some of those recommendations might entail.

REPRESENTATIVE DAVIES said primarily they would relate to building codes and practices. Private sector associations of engineers generally develop building codes. It's important for

the state seismologist to review those recommendations from time to time because they are primarily made in other states and they aren't always appropriate for Alaska.

A secondary concern has to do with earthquake insurance. Many people are priced out of this market because earthquake insurance in Alaska is set by the experience in Anchorage. It is his hope that one of the goals of the group would be to rationalize this type of insurance for Alaska so the price would become affordable in places where the risk is low.

SENATOR STEVENS referred to the dedicated seats on the commission and noted there was a seat for industry and insurance but the seat for a structural or architectural engineer was optional. [Page 2, lines 11-21] If the commission was going to make building recommendations for mitigation, it seemed logical to include more scientists.

REPRESENTATIVE DAVIES replied many of the representatives from the different agencies could be scientists. He singled out insurance because it is a large and critical piece when there is a catastrophic event. It's also critical in terms of reducing hazard. If insurance were to be rationalized over the long term so that people that move into an area with a higher risk would pay more, people would look for low risk areas and avoid the higher risk areas and thus reduce losses. Insurance can play a central role in hazard mitigation, but it must be done carefully and over the long term.

CHAIRMAN THERRIAULT acknowledged that Senator Halford was correct; section 44.19.635 is the section dealing with termination of state boards and commissions. If it's not extended by the cutoff date, it goes into a sunset year. It would be in the category of boards and commissions that are audited to get a recommendation of whether they should be extended or not.

He asked for the will of the committee.

SENATOR DAVIS made a motion to move CSHB 53(STA) and attached fiscal notes from committee with individual recommendations. There being no objection, it was so ordered.

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#SB 55

SB 55-PIONEERS' AND VETERANS' HOME/ADVISORY BD

CHAIRMAN THERRIAULT asked Commissioner Duncan to take the witness stand. He called attention to the letters from the Secretary of Veterans Affairs, Anthony J. Principi. The packets had a memorandum that didn't go as far as he would have liked, but it

does talk about agreeing to work to find solutions to issues that existing policies may create for veterans who qualify for assistance but do not fit within the state administration in eligibility standards. They would try to work within the parameter of state statutes with regard to eligibility for living in the homes and, if necessary, they would develop a waiver or federal legislation to modify the federal program so funds could flow to individual veterans living at a home and not directly to the home.

He explained his proposed CS was drafted so that the name would not change at this point because they aren't sure the mechanism will work. The department wanted it put in regulation that 20 or 21 percent of the available beds would be allocated to veterans. On page 2, lines 17-20 it is made clear that the cap is 21 percent in all the homes together and no more than 30 percent of the beds in one home may be filled by veterans.

Section 1 comes from the department's original bill. Sections 3-7 are to clean up the original statutes and codify changes in federal regulations and codes by bringing current statutes up to date.

JIM DUNCAN, Commissioner of the Department of Administration, said that since the last hearing on this bill, they have been in contact with Secretary Principi to get a better definition of how the demonstration program might work. There is a memorandum of agreement between Marsha Goodwin, Secretary Principi's designated contact person, Jim Kohn, director of the Alaska Longevity Program and John Tabor from the Governor's Office. The memorandum specifies the parameters of the program, but their discussions are ongoing. It may require a waiver or a change in federal statute and regulation; the goal is to address the needs of the veterans while preserving the ownership and authority of the state to operate and manage the program.

The following are his comments on the committee substitute (CS):

- Putting the preference in statute is acceptable to the department. They never intended to exceed the collective total of 21 percent of the available beds for veterans and the 30 percent limit in any one home causes no difficulty either.
- There is still interest in the name change, which was a part of the original bill. He understood the reason for deleting it in the CS, but there is interest in pursuing the change as the legislation moves forward.
- The CS deleted the requirement that one of the two members of the newly created board would be the chairman of the Alaska Veterans Advisory Committee (AVAC). Because there

are other options available for AVAC to be represented on the board that's also workable.

Commissioner Duncan said there was no mention of a study to look at the unmet needs of veterans in the original bill because last year that was submitted as a separate item in the Department of Military and Veterans Affairs budget. They decided it was preferable to package it with SB 55 so he submitted an amendment that would authorize a survey of the housing and care needs of veterans in the state that are not met by the Alaska Pioneers' and Veterans' Home. The department would report their findings to the Governor and the Legislature no later than the first day of the second regular session of the Twenty-Third Alaska State Legislature. They projected the cost of the study to be \$250,000.00.

CHAIRMAN THERRIAULT noted the cost of the study was approximately one half the cost of a similar study funded by the State of Washington. He asked whether the results of the study would be the basis for the state going forward to establish a stand alone veteran's home or dedicated veteran's wings that could be added to the homes.

COMMISSIONER DUNCAN wasn't sure what the result would be, but it would provide an answer as to whether they needed to do something further to meet the needs of the veterans. The Governor did submit a certificate of participation request for \$4 million in the deferred maintenance package, which would be the state match to any federal dollars.

CHAIRMAN THERRIAULT looked for the original fiscal note.

COMMISSIONER DUNCAN referred him to the revised fiscal note on the original bill dated 1/15/02.

CHAIRMAN THERRIAULT said in developing the pilot program there is a request to open the additional beds, but there are about 90 veterans who may qualify for the developing program who currently reside in the homes.

COMMISSIONER DUNCAN agreed there are 95 veterans in the homes now.

CHAIRMAN THERRIAULT said the program could be developed in the hope that the federal (VA) funds become available for the veterans who currently reside in the homes or the Finance Committee might also decide to authorize the additional general fund money to open up some of the additional beds.

COMMISSIONER DUNCAN said the current revenue picture would not change if the demonstration program came together and an

agreement was made with the VA so that the 95 veterans who are presently in the Alaska Pioneer Homes could receive veteran's benefits. That is because the money would flow directly to the veterans and they would use it to help pay their cost of care. It would take a general fund appropriation to match the federal funds for more beds to be opened.

CHAIRMAN THERRIAULT said, "This committee is not tasked with balancing the checkbook, but there is some benefit to the program even if we don't have additional money because some of those veterans who are currently in the homes are paying for their services out of pocket and they could be getting the VA benefit."

COMMISSIONER DUNCAN agreed.

CHAIRMAN THERRIAULT called for teleconferenced testimony.

MERILL HAKELA, a Korean War Veteran from Fairbanks, said he opposed the renaming of the Alaska Pioneer Homes and has testified against this several times previously. He suggested converting the Bassett Army Hospital into a stand-alone veteran's home.

CHAIRMAN THERRIAULT informed him that the proposed CS dropped the name change while they worked with the VA on a demonstration project. They don't want to change the name until they know that the program would work to everyone's satisfaction. At a minimum, they want to get VA benefits for those pioneers who are also veterans and are currently living in the Pioneer Home, but if they can't work things out with the VA then there would be no change to the way the homes are operated.

MR. HAKELA reiterated his opposition to the federal government having any part in the Alaska Pioneer Homes.

HARRY JENKINS from Fairbanks appreciated that the CS dropped the name change, but was still opposed to the bill. He agreed with Mr. Hakela that the Bassett Army Hospital could be used for a stand-alone veteran's home.

CHAIRMAN THERRIAULT explained the provisions of the proposed amendment to conduct a study on unmet veterans needs. He said he looked into converting the Bassett Army Hospital and learned the new wing is usable, but there are problems with the main structure.

DON HOOVER asked if he understood correctly that there would be a \$250,000 study.

CHAIRMAN THERRIAULT explained there would be a study if the proposed amendment was successful. The larger fiscal note

reflects the cost if additional beds were opened. Roughly half the cost of opening the additional beds would come from the general fund. The Finance Committee must decide whether they will develop a program that benefits veterans that are currently residing in the homes or open up additional beds for veterans. There would be a cost to the state treasury if that action were taken. The total general fund cost to open up about 100 additional beds would be almost \$3 million.

SIDE B

MAJOR GENERAL OATES, Adjutant General with the Department of Military & Veterans Affairs thanked Chairman Therriault and the committee for their support. He knew that everyone who testified had the best interests of veterans and pioneers in mind. He outlined the difficulties associated with renovating the Bassett Army Hospital.

LADDIE SHAW, Special Assistant in the Office of Veteran Affairs Department of Military & Veterans Affairs, said he agreed with General Oates' words of wisdom.

GARY BERRY, American Legion representative, testified in support of SB 55. He would also like to see an independent and unbiased study.

CLAYTON LOVE, Disabled American Veterans representative, said he agreed with Mr. Berry. He emphasized the importance of conducting the study. "If it does turn out that we can have our stand-alone veterans home, it would probably eliminate a lot of feuding between the pioneers and the veterans, which we don't want."

CHAIRMAN THERRIAULT noted the CS and the amendment. He informed members that it's not unusual to have an appropriation like this that would be attached to a substantive piece of legislation, but it would generally be funded as a separate line item in a capital budget or appropriation bill. If it goes on as part of a fiscal note, the end of the session approached and the fiscal notes must be paid for in the operating budget or one of the budget bills. Finance Committees are generally given a budget into which they must fit the fiscal notes. Attaching the amendment does not guarantee funding for the study. The Finance Committee could also decide that it would be more appropriate as a part of another appropriation package.

He said he was willing to sponsor the amendment on behalf of the committee. They could either attach the amendment or recommend the Finance Committee consider it as a potential capital budget request item.

SENATOR DAVIS asked what the department's preference was.

CHAIRMAN THERRIault thought the department would like it to be attached. He asked Commissioner Duncan for the department's reaction if the Finance Committee zeroed out the fiscal note.

COMMISSIONER DUNCAN said their preference is to attach the amendment and the fiscal note is necessary for the study to go forward. They decided to do it this way because they wanted it to be a program in its entirety. If the bill passed with the amendment language and there was no appropriation it would create difficulty for the department because they don't have the money to do the study. He suggested adding the language that the study was subject to the appropriation. He thought it was important to have specific language as to the intent of the \$250,000.00 and that is why they wanted it in this bill.

CHAIRMAN THERRIault said they would make a conceptual change and work with the drafters.

He made a motion to adopt conceptual amendment #1 to the CS with "subject to appropriation" language.

SENATOR STEVENS asked the Department of Military and Veterans Affairs to speak to proposed amendment #1.

MAJOR GENERAL OATES said he and Commissioner Duncan have discussed that and they would expect that the administration of the home would be through the Department of Administration because they already have an existing process to manage those homes. Whether it's part of an Alaskan Pioneer's Home or part of a stand-alone veteran's home they would still take that approach. They have also spoken about cooperating in the survey and he feels they would have a full role in accomplishing that survey.

SENATOR STEVENS said if the Pioneer's Home is administrated by the Department of Administration now then it sounds as though the Legislature would be giving them money to study their own organization.

COMMISSIONER DUNCAN said the Pioneer Home system is currently administered by the Department of Administration and in statute they are charged with administering a veteran's home if there were to be one. The purpose of the study is to study the unmet needs of veterans to make sure they have proper care and access to facilities. This would help them determine whether they need to go to a stand-alone veteran's home or add a wing to an existing facility to meet the needs of veterans who, for example, aren't 65 years old.

MAJOR GENERAL OATES added that the survey would be a full

partnership with the Department of Administration and the Department of Military and Veterans Affairs. Their veteran's service officers and the Veterans Administration would also participate.

SENATOR STEVENS asked if they would put the survey out to bid so there would be some sort of independence to address Mr. Berry's concern or would they be doing the survey in-house.

COMMISSIONER DUNCAN said it is their intent to work with the Department of Military and Veterans Affairs to put together the necessary criteria for what they want studied and then go out for an RFP (request for proposal).

SENATOR STEVENS asked whether they would have members that would evaluate the RFP.

COMMISSIONER DUNCAN envisioned a steering committee comprised of representatives from the Department of Administration, the Department of Military and Veterans Affairs and perhaps other interested organizations to put together the RFP and the criteria. Clearly, they would get an independent company to conduct the study.

MAJOR GENERAL OATES added, "To the extent possible we would also use the veterans organizations to assist in that data collection and be part of it, but that could be part of the package as we put it out to competitive bid."

SENATOR STEVENS went on record to say he hoped they have veterans involved with the development of the RFP because they know their needs better than anyone.

MAJOR GENERAL OATES said it was their full intention to do that.

COMMISSIONER DUNCAN added they have done a number of RFPs, they always put together a steering team with a broad cross section of individuals, and they would surely involve veterans this time.

CHAIRMAN THERRIault said there was a motion to adopt amendment #1 that had been changed conceptually. He noted it was likely that this would cause a change in title, but that was no problem since this was the house of origination for the bill.

There being no objection, amendment #1 was adopted.

He noted two fiscal notes. There were no additional amendments. He asked for the will of the committee.

SENATOR DAVIS made a motion to move CSSB 55(STA) and attached fiscal notes from committee with individual recommendations.

There being no objection, it was so ordered.

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4:45 p.m.

#HB 162

HB 162-ABSENCES UNDER LONGEVITY BONUS PROGRAM

SENATOR THERRIAULT recapped the changes discussed during the previous hearing on the bill. In Section 1 changing 30 days to 60 days would allow recipients to be gone from the state for a longer period of time and still receive their check. That would cost the system about \$280,000.00.

He asked for an explanation of the savings.

REPRESENTATIVE GRETCHEN GUESS, bill sponsor, said the savings comes from moving the unpaid leave from 90 days to five years.

CHAIRMAN THERRIAULT explained that these individuals would retain their eligibility, but while they were gone from the state they would not receive a check. Once they returned to the state they could start receiving the check again. He asked how much that would save.

REPRESENTATIVE GUESS replied that would save the state \$435,000.00.

CHAIRMAN THERRIAULT said he wanted all the savings, but didn't want the expense. He spoke to Representative Guess about splitting the difference and going from 30 days to 45 days, which would cut the expense in half.

REPRESENTATIVE GUESS said Senator Halford expressed concern about the five year term and she wasn't sure whether he wanted to change that or not.

SENATOR HALFORD said the way the fiscal note reads, the bill saves \$147,000.00 but the analysis says that the normal decline in payments is the savings and the bill costs the state money. Section 1 looks like it costs an additional \$288,000.00.

REPRESENTATIVE GUESS agreed.

CHAIRMAN THERRIAULT said that is because people are allowed to travel out of state for a longer period of time and retain their check.

SENATOR HALFORD said he understood that. He questioned how

Section 2 is supposed to save \$435,000.00.

REPRESENTATIVE GUESS said it's based on the assumption that people will stay out of state longer and not return to the state just to keep their eligibility. The decrease is how they estimated FY03 into the future and keeping the same 10 percent savings formula but knowing that the payments were decreasing. There is a decrease in the savings because of the payment decrease. The savings is a static formula but the payment goes down 6.7 percent.

SENATOR STEVENS asked whether there was any relationship to the fact that the program is diminishing each year.

SENATOR HALFORD said that's the cause. He wanted to make sure the savings was an actual savings without regard to the amount it's already going down.

REPRESENTATIVE GUESS said that is what the department has testified to up to this point.

SENATOR HALFORD then asked how the five year return worked.

REPRESENTATIVE GUESS replied now it's 90 days. If someone is off the role for 90 days, then they are removed completely. This would change that timeframe to five years. The department set this term so they could clean up their records.

Individuals may also apply for a one year sabbatical once every five years.

SENATOR HALFORD said he was concerned about the fiscal implication of people that have been gone up to five years and wondered if they could come back and reenroll.

JAMES KOHN, Director of the Division of Alaska Longevity Programs, said no one has been added to the bonus program since December 31, 1996 making this a fixed group of people. Some seniors want to go out of the state for a period of time that exceeds 90 days in a row or 180 days in a year. However, they feel they need a cutoff date after which they can be dropped from the program. At a minimum, the term should be one year, but he would prefer some time over two years. There are individuals that go out on mission work and are gone for several years but they will return because Alaska is their home. He would like to make it possible for people to leave the state as they wish and that would save the state money because they wouldn't be paying those individuals the bonus.

SENATOR HALFORD said he is concerned about the people that have made the decision to leave in the last four years and seven

months. Could they return and come back into the program and what would the economic impact be?

MR. KOHN said if someone has been removed from a program under present law, a change in the law would not allow him or her to reapply to return to the program.

SENATOR HALFORD asked whether that was clear. He wanted to make sure this is the case.

MR. KOHN thought there was language that said "from this date forward." If that language isn't present, then it should be inserted. It's a good idea to make that clear.

SENATOR HALFORD said he doesn't have as much difficulty going out three years if it's prospective. He didn't want to open an unintended window.

CHAIRMAN THERRIAULT asked how people could come back if under the current program they're out if they've been gone 90 days.

MR. KOHN replied there are exemptive reasons for being gone. Medical reasons and caring for a family member are such exemptions.

CHAIRMAN THERRIAULT noted Ms. Walker's situation as testified to during the previous hearing.

SENATOR HALFORD made a motion to adopt conceptual amendment 1 to change the five year term to three years and request language that makes it clear that it is prospective not retrospective.

There being no objection, amendment 1 was adopted.

CHAIRMAN THERRIAULT made a motion to adopt amendment 2 changing "60 [30] days" to "45 [30] days" on page 1, line 6.

SENATOR HALFORD asked the age of the youngest people receiving the bonus.

MR. KOHN said they had to be 65 in 1996 so they would be 73 to 74 years old and they would be in the \$100.00 per month bracket. To be receiving \$250.00 per month you would have to be 76 to 77 years old.

CHAIRMAN THERRIAULT said part of his dilemma about dealing with the program in general is the people that are receiving the bonus that are newcomers to the state while people who lived in Alaska since the 1940s didn't qualify because they missed the cut off date.

REPRESENTATIVE GUESS said she would like to keep the 60 days but she appreciates the committee process.

SENATOR DAVIS objected to proposed amendment 2.

CHAIRMAN THERRIAULT asked for a roll call vote on amendment 2.

The motion failed, three to one with Senators Davis, Stevens, Halford voting no and Chairman Therriault voting yes.

SENATOR DAVIS made a motion to move SCS HB 162(STA) and attached fiscal note from committee with individual recommendations.

There being no objection, it was so ordered.

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ADJOURNMENT

There being no further business before the committee, the Senate State Affairs Committee meeting was adjourned at 5:00 p.m.