

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 25, 2003

3:35 p.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator John Cowdery, Vice Chair
Senator Fred Dyson
Senator Gretchen Guess
Senator Lyman Hoffman

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 26

"An Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date."

MOVED CSSB 26 (STA) OUT OF COMMITTEE

SENATE BILL NO. 69

"An Act relating to participation in matters before the Board of Fisheries by members of the board; and providing for an effective date."

MOVED SB 69 OUT OF COMMITTEE

#SB 119

SENATE BILL NO. 119

"An Act eliminating the Alaska Public Offices Commission; transferring campaign, public official, and lobbying financial disclosure record-keeping duties to the division of elections; relating to reports, summaries, and documents regarding campaign, public official, and lobbying financial disclosure; providing for enforcement by the Department of Law; making conforming statutory amendments; and providing for an effective date."

SCHEDULED BUT NOT HEARD

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PREVIOUS ACTION

SB 26 - No previous action to record.

SB 69 - No previous action to record.

WITNESS REGISTER

Senator Kim Elton
Alaska State Capitol, Room 115
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor SB 26

Debra Gerrish
9202 Emily Way
Juneau, AK 99801
POSITION STATEMENT: Testified on SB 26

Julie Benson
No address provided
POSITION STATEMENT: Testified on SB 26

Butch Stein
No address provided
POSITION STATEMENT: Testified on SB 26

Senator Thomas Wagoner
Alaska State Capitol, Room 427
Juneau, AK 99801-1182
POSITION STATEMENT: Sponsor SB 69

Cheryl Sutton
Staff to Senator Ben Stevens
Salmon Industry Task Force
Alaska State Capitol, Room 119
Juneau, AK 99801-1182
POSITION STATEMENT: Testified on SB 69

Jerry McCune
211 4th Street
Juneau, AK 99801
POSITION STATEMENT: Testified on SB 69

Cora Crome
P.O. Box 232
Petersburg, AK 99833
POSITION STATEMENT: Testified on SB 69

Ken Duckett
United Southeast Alaska Gillnetters Association
P.O. Box 22427

Juneau, AK 99802

POSITION STATEMENT: Testified on SB 69

ACTION NARRATIVE

TAPE 03-10, SIDE A

CHAIR GARY STEVENS called the Senate State Affairs Standing Committee meeting to order at 3:35 p.m. Present were Senators Dyson, Guess and Chair Gary Stevens. Senators Hoffman and Cowdery arrived momentarily.

The first order of business was SB 26. At the Governor's request, SB 119 was not heard.

#SB 26

SB 26-STATE EMPLOYEES CALLED TO MILITARY DUTY

SENATOR KIM ELTON, bill sponsor, told a short story about Master Sergeant Steve Fernandez, a HH-60 Pavehawk gunner and a Williams Refinery employee who was recently called to serve a twelve month tour of active duty. His employer agreed to backfill his salary, which means his income won't be diminished while he is serving the state and nation.

SB 26 allows the Governor to do the same thing for state employees. It provides that the Governor may backfill salaries and may extend benefits to both army and air guardsmen that are called for active duty. He noted there is a proposed amendment that would extend the benefit to the Alaska State Defense Force. This would affect a total of 138 state employees; 43 in the Army National Guard, 83 in the Air National Guard and 12 belong to the State Defense Force. Currently eight to ten of these employees have been called to active duty and last year just eight were called.

The effective date is retroactive to 9/11/01 and the benefits that may be included are credited service, health and life insurance and SBS [Supplemental Benefit System].

He presented an amendment [1] that would delete "Alaska National Guard and the Alaska Naval Militia" following "including the" on page 1, line 9 and insert "organized militia of Alaska, consisting of the Alaska National Guard, the Alaska Naval Militia, and the Alaska State Defense Force".

CHAIR GARY STEVENS asked him whether the Governor would be required to make the bill retroactive to 9/11/01.

SENATOR ELTON explained the Governor isn't required to do anything; Administrative Order allows him the opportunity to extend benefits retroactively to anyone called to active duty post 9/11/01.

SENATOR GRETCHEN GUESS asked for a review of what happens in the private sector and other governmental entities.

SENATOR ELTON advised Tennessee was the most recent state to have passed the same type of legislation. The Williams Refinery employee is a private sector example and Chugach in Anchorage has also covered benefits and salary. This isn't an uncommon situation in the private sector, particularly in large companies.

SENATOR GUESS recapped saying it's a choice in the private sector and this would extend the choice to the Governor for state employees.

SENATOR ELTON agreed and advised this doesn't require the Governor provide the extension of benefits; it allows him to do so. There is also a provision that takes into account that some of the benefits are done under the purview of a negotiated contract and provides that for these benefits to be extended there would have to be a contract amendment.

SENATOR GUESS noted she has a friend who is with the Anchorage Police Department who was called to active duty and has had to do without his salary for a year. She asked whether the state would have any authority over municipalities if the Governor were to elect this option.

SENATOR ELTON assumed that would have to be addressed at the local level. The police officer clearly took a financial hit, but not all state employees who are called up would lose money. Some would actually make more money than in their state job. SB 26 would allow the extension of state benefits - credited service, SBS, and health and life insurance.

SENATOR GUESS asked if PERS would be included.

SENATOR ELTON replied just SBS and credited service.

SENATOR COWDERY asked what the present requirements were for employers who have employees called for duty in addition to giving them their job back upon their return.

SENATOR ELTON replied it is his understanding that is the only requirement. He didn't believe there was any requirement that the company provide extended benefits while the employee was in service. He advised he would check again to make sure that was correct.

SENATOR COWDERY asked what other states do in this regard.

SENATOR ELTON advised him that Tennessee adopted similar legislation recently. He pointed out the benefit package protects the employees family as well.

SENATOR COWDERY asked how many Alaskans would be eligible.

SENATOR ELTON replied it is hard to predict, but the Department of Administration reported eight state employees were called to active duty last year.

SENATOR COWDERY related a story about a friend who is an Alaska Air National Guardsman who also works with Alaska Airlines and makes more money with the guard. He asked if there was a projected cost.

SENATOR ELTON said if this had been in place last year, and if the Governor had extended the backfill provisions as well as the health benefits, SBS, and credited service benefit, the estimated cost to the state would have been \$80,000. He admitted it's more difficult to look forward than back.

SENATOR COWDERY asked if they anticipated any cap on the monthly pay benefit.

SENATOR ELTON replied that is possible because the language provides that the Governor may do this. The language, particularly with regard to benefits, is purposefully flexible.

SENATOR COWDERY asked if this would cover just regular time and not overtime.

SENATOR ELTON conceded that was an interesting question. The bill language gives the Governor latitude to give the employees the equivalent of their state compensation. There is nothing that would preclude the Governor from taking overtime into

account, but he would be somewhat surprised if that were to happen.

SENATOR COWDERY asked for an accounting of overtime pay. He thought there were court cases to review.

SENATOR ELTON agreed to check and added there is nothing to preclude the Governor from including this through Administrative Order. The intent of SB 26 is to keep the employee whole, to ensure they don't lose benefits for themselves and their family.

CHAIR GARY STEVENS called for public testimony.

MS. DEBRA GERRISH said she was the wife of an Army National Guard officer and her family will have to make do on \$15,000 less while he is on active duty. Health insurance is a vital part of this bill because many families are left without any insurance when a family member is called to active duty. This is a shortcoming to which much of the public is unaware. Guard families have no organized support system and this would help those families.

MS. JULIE BENSON testified via teleconference and said she is the wife of an Alaska State Trooper and Alaska National Guardsman. Her husband joined the Alaska Air National Guard when he left the Army and spent six month active duty in the Middle East during Operation Enduring Freedom. She said, "SB 26 is essential legislation for state employees who make the difficult choice to serve not only their state, but also their country." When her husband was activated, the benefits he received as an Alaska State Trooper were immediately terminated, which resulted in lost retirement contributions, lost health care to his family and forfeited pay raises. She urged passage of SB 26.

4:00 pm

MR. BUTCH STEIN testified via teleconference that he is a retired, active duty member of the 168th Air Refueling Wing at Eielson Air Force Base. He served on the state steering committee for employers who support the guard and reserve. This bill would put the State of Alaska inline with Title 3080 United States Code, Chapter 43, which is also known as USERRA, Uniformed Services Employment and Reemployment Rights. SB 26 actually goes beyond the federal requirement, but he knows some states have done that. In the private sector, it is a case-by-case basis. He said, "These people are patriots and I don't

think that word is used enough and I don't think most people realize the sacrifice these people make."

SENATOR FRED DYSON said, "Amen."

There was no further testimony.

CHAIR GARY STEVENS asked for a motion to adopt amendment #1.

SENATOR GUESS made a motion to adopt amendment #1.

There being no objection, it was so ordered.

SENATOR GUESS made a motion to move SB 26, as amended, from committee with individual recommendations and attached fiscal note.

SENATOR DYSON acknowledged he was out of order but he wanted to state he was embarrassed the state treated Trooper Benson the way it did. He wanted the record to reflect that he thinks the trooper should be fully reimbursed by the state.

CHAIR GARY STEVENS thanked the Senator for his comments. He advised members the motion before them was to move CSSB 26 (STA) from committee with individual recommendations and indeterminate fiscal note. There being no objection, it was so ordered.

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#SB 69

SB 69-BOARD OF FISHERIES CONFLICTS OF INTEREST

CHAIR GARY STEVENS asked Senator Wagoner to introduce SB 69.

SENATOR THOMAS WAGONER, bill sponsor, explained the bill allows the members of the Board of Fisheries to participate and vote on matters before the board even though they may have a conflict of interest. They would be required to disclose any conflicts they may have, but they could then participate.

The Board of Fisheries is composed of individuals who are selected due to their expertise in different areas of the fishing industry. If a member has a conflict of interest on an issue, it is likely that individual also has a great deal of knowledge or experience in that area. When a member is conflicted out of an issue before the board, they may speak on the topic for just five minutes after which they must

participate as a member of the public. This is counterproductive to the fishing industry.

SENATOR JOHN COWDERY asked if members had to declare their conflict then ask permission of other board members to be able to vote.

SENATOR WAGONER replied he was correct.

SENATOR GRETCHEN GUESS said she must have misread the bill. She asked if there was the option for the rest of the board to disallow the conflicted member to vote. She thought the bill said the member would vote.

SENATOR WAGONER acknowledged he misunderstood Senator Cowdery's question and Senator Guess was correct.

CHAIR GARY STEVENS recapped and stated current rules do not allow the member to debate from the podium or vote the issue.

SENATOR WAGONER agreed; a conflicted member could not participate or speak to the issue as a member of the board.

SENATOR GUESS announced she stays away from issues she has expertise in because it's inappropriate, but she sees that this requirement could present a problem for the board. She asked if there was a reason this solution was selected rather than asking other board members to make a determination on a case-by-case basis.

SENATOR WAGONER advised Ms. Sutton could better answer the question. He was carrying the bill for the Fish Caucus.

MS. CHERYL SUTTON, staff to Senator Ben Stevens and the Salmon Industry Task Force, said this was a subjective process. A standard was needed in conflict situations and this was a clean process.

There were no further questions for Ms. Sutton.

MR. JERRY McCUNE, United Fishermen of Alaska representative, testified in support of SB 69. Members are selected to the board because of their expertise and it is vital all board members are able to participate in the decision making process. The present system wastes expertise and knowledge.

MS. CORA CROME, Petersburg Vessel Owners Association representative, testified in support of SB 69. An effective lay board is dependent on the knowledge and expertise of its members. Appointees are typically selected because of their knowledge of the state's fishery and this knowledge is usually gained by participation in fishery business. She has seen the board struggle to make the best decisions for a fishery while the board member who could provide the best advise to the board is sitting in the audience and unable to speak.

MR. KEN DUCKETT, executive director of the United Southeast Alaska Gillnetters Association, testified via teleconference that he agrees with Ms. Crome and Mr. McCume. He attended recent Board of Fish meetings on finfish in Ketchikan and watched the board struggle with specific local issues that the Petersburg member could have easily spoken to. Unfortunately, that member had to sit in the audience and not participate. He emphasized the Association's support of the bill.

There was no further testimony.

CHAIR GARY STEVENS asked for a motion.

SENATOR COWDERY made a motion to move SB 69 from committee with individual recommendations and zero fiscal note. There being no objection, it was so ordered.

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SIDE B
4:23 pm.

SENATOR GARY STEVENS adjourned the meeting at 4:25 pm.