

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 9, 2004

3:40 p.m.

TAPE (S) 04-16

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator John Cowdery, Vice Chair
Senator Bert Stedman

MEMBERS ABSENT

Senator Gretchen Guess
Senator Lyman Hoffman

COMMITTEE CALENDAR

SENATE BILL NO. 351

"An Act requiring the Alaska Public Offices Commission to accept documents by nonelectronic means."

MOVED SB 351 OUT OF COMMITTEE

SENATE RESOLUTION NO. 3

Relating to commemoration of Senator Frank R. Ferguson and other distinguished Senators.

SCHEDULED BUT NOT HEARD

SENATE BILL NO. 352

"An Act amending the Public Employment Relations Act to exclude from collective bargaining individuals who perform confidential or managerial duties for a public employer and relating to those exclusions; and providing for an effective date."

SCHEDULED BUT NOT HEARD

SENATE BILL NO. 245

"An Act relating to retirement contributions and benefits under the public employees' retirement system of certain harbor officers."

SCHEDULED BUT NOT HEARD

CS FOR HOUSE BILL NO. 230(STA)

"An Act relating to political signs on private property."

SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 351

SHORT TITLE: APOC REPORTS BY NONELECTRONIC MEANS

SPONSOR(S): FINANCE

02/18/04	(S)	READ THE FIRST TIME - REFERRALS
02/18/04	(S)	STA, FIN
03/04/04	(S)	STA AT 3:30 PM BELTZ 211
03/04/04	(S)	Heard & Held
03/04/04	(S)	MINUTE(STA)
03/09/04	(S)	STA AT 3:30 PM BELTZ 211

WITNESS REGISTER

Senator Lyda Green
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of SB 351

Christina Ellingson
Assistant Director
Public Offices Commission (APOC)
Department of Administration
PO Box 110200
Juneau, AK 99811-0200

POSITION STATEMENT: Spoke in opposition to SB 351

ACTION NARRATIVE

TAPE 04-16, SIDE A

CHAIR GARY STEVENS called the Senate State Affairs Standing Committee meeting to order at 3:40 p.m. Present were Senators Cowdery, Stedman, and Chair Gary Stevens.

SB 351-APOC REPORTS BY NONELECTRONIC MEANS

CHAIR GARY STEVENS announced SB 351 to be up for consideration and proceeded to recognize Senator Green.

SENATOR LYDA GREEN, Senate representative from District G and sponsor of SB 351, stated that she introduced the bill because she believes there was an oversight when the original legislation was passed. She said, "Either I missed the language when we went through the passage of this language and the corrections to it or I misunderstood them or I was doing

something else." That legislation gives APOC the authority to mandate electronic filing and she reported that her husband was most displeased when he learned that APOC is adopting the electronic system because she and her husband don't file her candidate paperwork electronically. She added, "We do everything by hand still because we're out of touch, and old, and it is not our choice to do it electronically." Noting that electronic filing for the permanent fund has been fraught with problems she reasoned that it's not a good idea to implement a new system quickly without allowing time to deal with associated problems.

Continuing that line of reasoning she said, "Imagine your dismay if you're in the middle of transmitting one of your 40 page report of information to APOC and a similar thing happens." She asserted that you wouldn't necessarily know that your filing was incomplete.

She noted that very few states have opted for an electronic mandate and according to APOC it's only the states that don't have a mandate that have had a successful transition. That, she said, is an indication of resistance. In light of the fact that she and many others don't want to file electronically, she preferred that the choice remain open for as long as possible.

SENATOR GREEN advised that APOC would probably say that the public has a right to this information, but, she insisted, ways to get that information are already well established.

CHAIR GARY STEVENS asked if it would be improper for a seated legislator to use the state system for his or her electronic filing.

SENATOR GREEN replied, "It is my understanding, that would not be proper."

CHAIR GARY STEVENS noted that Tammy Kempton from APOC was available for questions and Christina Ellingson from APOC would testify.

CHRISTINA ELLINGSON, assistant director for APOC, testified via teleconference and paraphrased her written testimony into the record.

For the record, I need to let you know that the commission does not support passage of this bill.

One of APOC's missions, as Senator Green said, is to ensure there is a well-informed public regarding our elected and appointed officials. This can only be done by making the required financial information available in a timely manner, not two or three years after the fact.

Last year the Legislature, at the request of the administration and the governor, passed a bill that made two major changes to the reporting requirements. The first one was full disclosure of all contributors. Now what that means to us is that anybody who contributes to a campaign, whether it be a penny or a \$1,000 are named, date, check number or cash and their address must be disclosed to us. Some of you can recall looking at reports and seeing a category that was called under 100 and you see a number plugged in there. For instance, you see 338 people gave a total of \$3,380. Well, now those 338 contributors have to be detailed out. So what that means to APOC when we get those reports then from not only candidates but also from groups, we have to, if they're in paper format, sit and hand enter every bit of that information.

The second major change that was passed last year was to require the mandatory electronic filing of these reports. This was intended to help offset one of the major losses that APOC encountered, which was loss of two of our key positions.

Our current staffing is at 8.5 employees - full time employees in Anchorage and one and a half in Juneau.

I would like to take a moment and share some of the statistics that we encounter and I know that some of this can be kind of esoteric, but I think you need to understand what we're dealing with - the number of filers who are currently required to report with the APOC. Just to extrapolate it out - in the year 2002 into the state election cycle, there were a total of 348 campaign disclosure filers. That doesn't sound like a whole lot however, when you break it down those 348 filers were required to file a total of 2,814 reports. Those reports can go anywhere from 7 pages and entries to 100 pages with 20 entries or more on each page. If these are filed electronically, it would be just a matter of uploading that information for a

database and running off a paper copy. If they are data entered, that requires an employee sitting in front of a computer entering the information and what has occurred is errors are made because, after all, like everyone else we're only human.

Then you take it and you pull it a little further. There is the lobbying law. For this legislative session, we are in currently - we have 313 employers of lobbyists that are registered. These employers are also required to file quarterly reports with our Juneau office. The person in our Juneau office will then sit down and hand enter that information into a database for publication and I believe that part of her requirement is to make this information available to the Legislature. There are 132 registered lobbyists and these folks file monthly reports. Again, this information has to be hand entered and then we generate the lobbyist and employer of lobbyist reports.

Finally, there is the legislative financial disclosure law (LFD), which is the one most of you are the most familiar with, and the public financial disclosure law. Under the LFD law, there are 69 required filers, which would be one of you. Under the public financial disclosure law there are approximately 550 board and commission filers. These 550 filers encompass everyone from the Executive Branch and the Judicial Branch to your boards and commissions. In addition, there are approximately 1000 municipal filers. That just kind of gives you a number of what we're facing when we're seeing all of this in paper. I know some of the committees that are there have been into our office and they've seen the files that we have. Our goal is to try and make most of this available in an electronic format. It's a cost savings.

To speak to Senator Green's concerns about the ability of something failing. As we all know, that is a possibility that will occur with any type of electronic system. However, it's not something that is brand new to APOC. We've been working on an electronic filing program for the campaign disclosure since around well, we started back in 1990 to computerize everything - up through 1997 when we started working on a filing program for the candidates.

In the 2002 election cycle, out of 202 candidates who were running for office, we only had 61 of them opt to use the electronic filing program. It's not because it's not required, it's because that the ones that chose not to use it did not want to use it because it would make their information available more rapidly than their opponents.

As an electronic filing was not mandated, you can see that most choose not to use it. Out of 143 registered groups we had 38 use the program. Because of the change in the statute where everything is now disclosable, where it becomes very very problematic for the commission staff is when we have a group that then has a payroll deduction program to get filed. Every one of those employees has to be disclosed whether they contribute 74 [tape indic.] payroll to a \$500 or whatever a payroll. If you have a union that has a payroll cycle of once a week, their name's going to be disclosed every week from the time they start contributing until that report [tape indic]

Just a little background, the Alaska Public Offices Commission was conceived and brought about as a result of the Watergate scandal. To that end, the agency has tried to make this important information available to the public before the elections so that the electorate may make an informed choice. Without electronic filing, it could be months after the election before this information is readily available to voters.

That concludes my testimony and I would be available to answer any questions the committee might have.

SENATOR COWDERY commented that her testimony was quite lengthy and asked her to send him an electronic copy.

MS. ELLINGSON replied she would certainly do so.

SENATOR STEDMAN asked how many people might file electronically compared to the number of snail mail filings.

MS. ELLINGSON replied 28 percent filed electronically in the 2002 election and the rest filed on paper.

CHAIR GARY STEVENS asked Senator Green if she had further comments.

SENATOR GREEN reminded members that filing information is currently available to anyone making an inquiry via FAX and mail.

SENATOR COWDERY made a motion to move SB 351 from committee with the attached fiscal note and unanimous consent. There being no objection, it was so ordered.

CHAIR GARY STEVENS announced the meeting was adjourned at 4:00 pm because he no longer had a quorum.