

HOUSE FINANCE COMMITTEE
April 5, 2006
9:16 a.m.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [9:16:39 AM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Richard Foster
Representative Jim Holm
Representative Reggie Joule
Representative Mike Kelly
Representative Beth Kerttula
Representative Carl Moses

MEMBERS ABSENT

Representative Mike Hawker
Representative Bruce Weyhrauch

ALSO PRESENT

Representative Bill Thomas; Representative Eric Croft; Sarah Gilbertson, Special Assistant to the Commissioner, Department of Fish and Game; John Cramer, Director, Administration Services Division, Military and Veterans Affairs.

PRESENT VIA TELECONFERENCE

Charlotte Sartor, Matsu; Brit Lively, Butte Area Civic Organization.

SUMMARY

HB 307 An Act creating the Knik River Public Use Area.

CS HB 307 (RES) was HEARD and HELD in the Committee for further consideration.

HB 387 An Act providing for a partial tuition waiver for families of members of the Alaska National Guard; and directing the executive director of the Alaska Commission on Postsecondary Education to seek additional funding to support tuition waivers.

HB 387 was HEARD and HELD in Committee for further consideration.

#hb387

HOUSE BILL NO. 387

An Act providing for a partial tuition waiver for families of members of the Alaska National Guard; and directing the executive director of the Alaska Commission on Postsecondary Education to seek additional funding to support tuition waivers.

Representative Foster MOVED to ADOPT Work Draft 24-LS1323\S, Mischel, 3/28/06. There being NO OBJECTION, the Committee Substitute was ADOPTED by unanimous consent.

REPRESENTATIVE BILL THOMAS, SPONSOR discussed the bill. He explained that his office had worked on the hunting and fishing permit portion of the legislation. He stated that 350 National Guard personnel had been deployed to Iraq, with 700 more scheduled to depart in the future. He cited his personal experience as a military veteran serving in Vietnam, and noted the helpful nature of hunting and fishing activities upon his return from duty. He proposed that hunting and fishing licenses would be a helpful service for departing military personnel, and a good will demonstration of appreciation for their service.

[9:21:07 AM](#)

Representative Thomas stressed that his office had worked with Representative Croft's office in crafting the bill.

REPRESENTATIVE ERIC CROFT, SPONSOR spoke to the desire of Alaskans to show appreciation for National Guard Personnel serving in Iraq. He explained the reason for the combined bill was that multiple legislators shared similar goals, which they decided to combine into one bill. He referred to the bill as "Alaska's little G.I. bill", providing free tuition to returning service men and women. He noted that due to the manner in which the federal bill was funded, sometimes Alaskans were not able to take advantage of the benefit, causing a supplemental need. He proposed that the bill would guarantee that the benefit would always be available, having been paid to the University, an obligation that would be retained by the State. He also noted the fifty percent educational benefit added for spouses. He discussed how difficult the absence of Guard personnel was on spouses, and expressed that the benefit was meant to offset this burden for them.

[9:24:36 AM](#)

Representative Thomas noted that the Committee Substitute eliminated an educational benefit for children of Guard personnel contained in the original bill. He stated that the benefit was more essential to spouses of absent Guard personnel.

[9:25:39 AM](#)

SARAH GILBERTSON, SPECIAL ASSISTANT TO THE COMMISSIONER, DEPARTMENT OF FISH AND GAME testified regarding the bill. She expressed concerns about the bill, recognizing its good intentions, but focused on the fiscal note. She pointed out that the bill gave complimentary hunting and fishing licenses to all active Alaska National Guard troops. She noted that the Governor had introduced a bill (HB 451) that gave the benefit only to those troops returning from combat. She noted that the new bill then created a much greater cost to the Fish and Game budget, \$65.7 thousand annual loss as opposed to \$5.5 thousand. She stated that the budget of her department was already in some jeopardy.

[9:27:57 AM](#)

Ms. Gilbertson proposed that the bill provided incentive for Alaskans to join the National Guard, whereas the Governor's bill merely provided an expression of thanks to those returning from combat. She pointed out that HB 387 did not provide an option for the Commissioner of the Department to decide on whether to give the benefit. She also noted that there was no timeline, costing the Department \$65 thousand every year, as opposed to the Governor's bill which was only in effect during times of active combat.

[9:29:23 AM](#)

Ms. Gilbertson requested financial relief for her Department if the bill were passed, since she proposed it would in effect produce an unfunded mandate.

[9:29:57 AM](#)

Representative Thomas explained that the reason they offered the benefit prior to combat was that many returned from combat with physical disabilities. He proposed that financial concerns should not deter this benefit, and cited permits from commercial fisheries as providing resources needed to support it. He expressed strong personal support of the program in relieving National Guard personnel. He again cited personal combat experience, and proposed that the bill would provide a healthy outlet for returning personnel in dealing with stress.

[9:32:05 AM](#)

Representative Joule commented that many Alaskans join other branches of the military, and asked if the bill pertained only to Alaskan residents who joined the Guard. Representative Thomas noted that one must be an Alaskan resident to receive the benefit, but noted that anyone could join the Guard. He pointed out that currently anyone joining the National Guard faced a likelihood of combat duty.

[9:33:07 AM](#)

Co-Chair Chenault asked whether the bill actually represented an incentive to join the service. Representative Thomas concurred that, although the educational benefit did provide some incentive, this was not the bill's primary objective. Co-Chair Chenault observed that the bill presented merely a reward for those who served in military. Representative Thomas commented that it provided much needed peace for those in active service.

[9:34:41 AM](#)

Co-Chair Meyer referred to the supplemental appropriation referred to on Page 1, line 13, and expressed concern that this might result in a supplemental request every year. He also pointed out the zero fiscal note from the University, and proposed that there might be a cost to that Department.

[9:35:57 AM](#)

Representative Croft responded that the bill represented a closed, known quantity of beneficiaries. He suggested that the Department of Fish and Game might be underestimating the number of combat Guard personnel in combat in the near future. He proposed that there was an implied cap to the benefit. He stated that by setting a cap it might make the benefit become unavailable if the number of eligible combat personnel exceeded the estimate. He concluded that the costs of the benefit would not become exorbitant.

[9:38:07 AM](#)

Representative Kelly inquired how many National Guard personnel requested the bill after not receiving the educational benefit.

Representative Croft noted that last year, 25 Guards members were not able to obtain the benefit since it had been depleted. He added that the spousal benefit was an attempt to do more for Guard members, a desire shared by a number of Alaskan legislators. He noted that the situation in Iraq brought the issue of family sacrifice into focus, not in terms of individual requests but rather the overall problem.

[9:40:11 AM](#)

Representative Thomas noted his experience of receiving a two week "early out" from service in Vietnam, but explained that with no debriefing it put him at a disadvantage. He noted the need to inform Guard personnel of the educational benefit available to them.

[9:41:08 AM](#)

Representative Holm expressed concern with the zero fiscal note from the Department of Military and Veterans Affairs. He also asked about potentially missing costs in the University fiscal note.

[9:42:14 AM](#)

Representative Croft emphasized that there would be some cost to the benefit. He explained that the intention was for the state to incur cost to provide a benefit to Guard personnel. He proposed that the fiscal note should be indeterminate for the Department of Military and Veterans' Affairs. He went on to propose that there would not be additional cost for the University. He noted historical research into both the University and governmental accounting systems and concluded that the costs for these types of benefits were absorbed in a variety of ways over time.

[9:43:56 AM](#)

Representative Holm commented that tuitions do not pay all education costs for the University, and surmised that a tuition waiver would not then take money away from operations. He proposed, however, that they would be adding burden to the University, and that the fiscal note for that department should also be indeterminate.

[9:44:53 AM](#)

Representative Croft asserted that the personnel would be taking courses that they would have normally taken anyway, and that the bill merely changed the source of the tuition payment. He proposed that the bill meant that the State would be paying for the tuition, and therefore the University was not incurring a loss.

[9:45:54 AM](#)

JOHN CRAMER, DIRECTOR, ADMINISTRATION SERVICES DIVISION, MILITARY AND VETERANS AFFAIRS testified in support of the bill. He stated that there was an increment in the operating budget to make up for the shortfall in tuition waiver funding, and reiterated that the benefit ran out last

year. He explained that since the University had increased tuitions, they were not able to meet the demand for the educational benefit and incurred an operational financial increase for FY 07. He noted the uptrend in deployment, predicting more than 800 personnel going into combat this year.

[9:47:46 AM](#)

Mr. Cramer explained that the primary reason for National Guard personnel seeking to improve their education was to improve their movement in rank inside the military system, which then affected their family's livelihood. He noted the active recruitment program, and their desire to continue the benefit. He stated that a new, likely indeterminate fiscal note was forthcoming, and estimated an actual cost of \$83 thousand. He estimated that roughly 25 percent of spouses would likely utilize the education benefit.

Co-Chair Meyer stated the desire to HOLD the bill until future fiscal notes could be prepared.

[9:49:40 AM](#)

Representative Holm asked why the Department withheld the benefit, rather than simply granting all eligible tuition waivers and submitting a supplemental request.

Mr. Cramer explained that the University operated year round, and that they did not know exactly how many Guard members would apply during a given year. He noted that the National Guard did not bring the shortfall to their attention until recently, when an increment of \$25 thousand was added to the operating budget of FY 07. He noted that although fewer people applied this year, due to the ten percent increase in tuition, they experienced a shortfall.

[9:51:16 AM](#)

Representative Joule asked about whether all Guard personnel were Alaskan. Mr. Cramer confirmed that a few Guardsmen in Alaska were not Alaskan residents, but emphasized that the vast majority were living in Alaska.

HB 387 was HEARD and HELD for further consideration.

#hb307

HOUSE BILL NO. 307

An Act creating the Knik River Public Use Area.

Representative Bill Stoltze, Sponsor commented briefly on the bill. He noted that his district experienced problems with land mismanagement and misuse. He pointed out the public meetings held to discuss this issue and noted changes

made in the bill to reflect concerns expressed by the department and constituents. He expressed his intention to develop a multiuse management plan, maintaining current values of use.

[9:55:38 AM](#)

CHARLOTTE SARTOR, MATSU, testified via teleconference in support of the bill. She thanked Representative Stoltze for improvements to the bill. She explained problems of land misuse, and proposed that good enforcement was key to addressing problems. She also suggested changes to line 13, and discussed the network of trail routes. She suggested adding a citizen's advisory board, and pointed out the need to safeguard wildlife. She urged funding for the bill.

[9:57:46 AM](#)

BRIT LIVELY, CO-FOUNDER, BUTTE AREA CIVIC ORGANIZATIONS, testified via teleconference in support of the bill. She thanked the Sponsor for providing more troopers for the area. She applauded changes made by the House Resources Committee, but suggested that more changes were needed. She stated that dangerous activities in the area were still a concern, and urged funding for adequate oversight. She noted that they had not seen the fiscal note, but proposed an estimate of \$250 thousand for the first year to make the area usable for families. She also noted the need for public restrooms, as well as for enforcement to prevent vandalism. She also suggested that a recreational area designation would help to protect the area, and that visitors would therefore pay a small fee for upkeep for the area. She urged support of this Alaskan resource.

[10:02:16 AM](#)

Co-Chair Meyer closed public testimony for the day, but expressed his intention to continue on the following day.

HB 307 was HEARD and HELD in Committee for further consideration.

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ADJOURNMENT

The meeting was adjourned at 10:02 AM