

HOUSE FINANCE COMMITTEE
May 4, 2007
8:58 a.m.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [8:58:27 AM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Harry Crawford
Representative Richard Foster
Representative Les Gara
Representative Mike Hawker
Representative Reggie Joule
Representative Mike Kelly
Representative Mary Nelson
Representative Bill Thomas, Jr.

MEMBERS ABSENT

None

ALSO PRESENT

Rynniva Moss, Staff, Representative John Coghill; Guy Bell, Assistant Commissioner, Department of Labor and Workforce Development; Barbara Huff Tuckness, Director of Governmental and Legislative Affairs, Teamsters Local 959; Rebecca Logan, President, Alaska Builders and Contractors; Representative Kurt Olson; Kate Giard, Commissioner, Chair, Regulatory Commission of Alaska; Sally Saddler, Legislative Liaison, Department of Community and Economic Development

PRESENT VIA TELECONFERENCE

Sean Montgomery, Laborers Local 341, Anchorage; Pat Falon, Laborers Local 341, Anchorage; Joe Crum, President, Northern Industrial Training

SUMMARY

HB 226 "An Act repealing the termination of the state training and employment program; and providing for an effective date."

CSHB 226 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with two new fiscal notes by the Department of Labor and Workforce Development.

HCR 8 Establishing a task force to make recommendations regarding job descriptions and salary changes for the commissioners and support staff of the Regulatory Commission of Alaska.

CSHCR 8 (L&C) was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Legislature.

HB 88 "An Act relating to televisions, monitors, portable computers, and similar devices in motor vehicles; and providing for an effective date."

CSHB 88 was scheduled but not heard.

[8:58:39 AM](#)

HOUSE BILL NO. 226

"An Act repealing the termination of the state training and employment program; and providing for an effective date."

RYNNIEVA MOSS, STAFF, REPRESENTATIVE JOHN COGHILL, reported that the sponsor feels that it is very important for the state to step up to the plate to train the workforce for the gas pipeline. HB 226, in its present form, would give the State Training and Employment Program (STEP) six more years. The original bill would have made STEP into a permanent program. Ms. Moss related that STEP is a good mechanism toward reducing welfare. She mentioned that there are legal concerns regarding this legislation and an amendment has been written to address those concerns. Governor Palin's transition team recognized the value of STEP and recommended restructure of the Alaska Workforce Investment Board and to revise STEP to its original intent. She reported support for the bill by members of the Alaska Builders and Contractors, the Department of Labor, and labor leaders. The sponsor of the bill has tremendous faith in Commissioner Bishop to make the necessary changes to the STEP program as recommended by the bipartisan transition team. She requested the Committee to pass HB 226.

[9:03:17 AM](#)

GUY BELL, ASSISTANT COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, thanked Representative Coghill for sponsoring HB 226. Mr. Bell related that STEP has demonstrated its success the past 18 years, serving over 25,000 Alaskans. He discussed the evaluation from DOL called the "Training Program Performance Report", which contains STEP as one of its programs. He said he looks forward to reviewing the STEP program with all involved

parties. He shared statistics related to the success of the STEP program that demonstrate it is working to reduce the number of unemployment benefits and increasing wages.

[9:06:13 AM](#)

Representative Crawford asked about the amendments. Co-Chair Meyer said they would be discussed shortly.

REBECCA LOGAN, PRESIDENT, ALASKA BUILDERS AND CONTRACTORS, referred to a position paper in the members' packets. She said she is in favor of increasing the current contribution. She spoke in strong support of the bill.

BARBARA HUFF TUCKNESS, DIRECTOR OF GOVERNMENTAL AND LEGISLATIVE AFFAIRS, TEAMSTERS LOCAL 959, testified in support of HB 226. She pointed out that joint employer union representatives manage the training trusts, which sets a very strong groundwork from a long-term perspective. She added that STEP augments a process that is already in place. STEP is an infusion of additional dollars. She spoke of the importance of oversight.

Representative Gara asked for Ms. Huff Tuckness's opinion of the amendments. Ms. Huff Tuckness reported that she supports Amendment #1. She wondered why the date was reduced in Amendment #2.

[9:14:46 AM](#)

Co-Chair Meyer MOVED to ADOPT Amendment #1:

Page 1, line 1, following "program;"
Insert "requiring a review of the program;"

Page 1, following line 8:
Insert a new bill section to read:
"*Sec.2. The uncodified law of the State of Alaska is amended by adding a new section to read:
REVIEW OF THE STATE TRAINING AND EMPLOYMENT PROGRAM.
The Department of Labor and Workforce Development, in consultation with the entities listed in AS 23.15.645(b), shall work with representatives of entities eligible to submit a grant application under AS 23.15.620-23.15.660 and that provide industry specific training, on-the-job training, institutional training, classroom job linked training and employment assistance to conduct a review of the priorities and procedures of the state training and employment program. The entities involved in the review of the state training and employment program must represent organized labor and non-union entities. Following the review, the department shall publish a written report containing its findings and recommendations, including

changes, that it recommends be made to state statute and regulations. The department shall deliver the report to the president of the senate and the speaker of the house of representatives on or before the 30th day of the 2008 regular legislative session."

Renumber the following bill section accordingly.

Vice Chair Stoltze OBJECTED. Co-Chair Meyer noted that both amendments are at the request of the sponsor.

Ms. Moss explained that Amendment #1 requires DOL to put together a report and present it to the President of the Senate and to the Speaker of the House. It echoes recommendations made in the transition report.

Representative Crawford thought the amendment was vague. Ms. Moss reported that the sponsor tried to get all parties to come to the table, which they have. He wanted some flexibility for all of those people to work together.

Vice Chair Stoltze WITHDREW his objection. There being NO OBJECTION, it was so ordered.

[9:16:58 AM](#)

Co-Chair Meyer MOVED to ADOPT Amendment #2:

Page 1, line 8
Delete "2014"
Insert "2009"

Vice Chair Stoltze OBJECTED.

Ms. Moss explained that the amendment gives DOL two years to make the changes to the program to make it more efficient, more accountable, and more transparent.

[9:18:42 AM](#)

At-ease.

[9:23:41 AM](#)

Representative Crawford spoke against Amendment #2. He concurred with Amendment #1. He said that Amendment #2 does not allow enough time to make any changes.

Co-Chair Meyer mentioned that the commissioner was in favor of the amendments. Ms. Moss said that the original bill ended sunsets completely, but through discussions with trade unions, contractors, and DOL it was agreed upon to set a two-year sunset.

Vice Chair Stoltze asked if the intent of the sponsor is to make STEP permanent after the two-year sunset. Ms. Moss said it was.

Representative Hawker noted that legitimate concerns were raised in previous committees and spoke in favor of both amendments.

[9:26:59 AM](#)

Representative Kelly spoke in favor of the sunset in two years.

Representative Gara commented that the sunset takes place before the evaluation would be complete. He spoke against Amendment #2. Ms. Moss said that the report is due to the legislature on the 30th day of the 2008 legislative session.

Vice Chair Stoltze maintained his objection.

A roll call vote was taken on the motion.

IN FAVOR: Kelly, Stoltze, Thomas, Foster, Hawker, Chenault,
Meyer

OPPOSED: Joule, Nelson, Crawford, Gara

Representative Gara questioned if 2014 was in the bill. Co-Chair Meyer said it was June 30, 2014.

The amendment passed (7-4).

[9:31:05 AM](#)

SEAN MONTGOMERY, LABORERS LOCAL 341, ANCHORAGE, shared personal experiences with STEP training. He spoke in support of HB 226 and allowing STEP grants to continue.

PAT FALON, LABORERS LOCAL 341, ANCHORAGE, testified in support of HB 226 and voiced gratitude for the training provided by the STEP program. He spoke against Amendment #2.

JOE CRUM, PRESIDENT, NORTHERN INDUSTRIAL TRAINING (NIT), spoke of his extensive background in training programs. He detailed programs offered by NIT and the difficulties of securing funding. He testified in support of STEP only if the problems are fixed which have cut NIT out of receiving STEP funding.

Co-Chair Chenault asked for an explanation for the funding cuts. Mr. Crum said he did not know why. He highlighted successes of his programs. Some grantees were given funding while others were left unfunded.

Representative Kelly commented that Mr. Crum's input is valued.

[9:40:53 AM](#)

Co-Chair Meyer noted that the fiscal notes will have to be modified to reflect the new date of 2009.

Representative Foster MOVED to REPORT CSHB 266 (FIN) out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSHB 226 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with two new fiscal notes by the Department of Labor and Workforce Development.

[9:43:16 AM](#)

HOUSE CONCURRENT RESOLUTION NO. 8

Establishing a task force to make recommendations regarding job descriptions and salary changes for the commissioners and support staff of the Regulatory Commission of Alaska.

REPRESENTATIVE KURT OLSON, sponsor, explained that the bill which was a result of a February 22 letter from the Regulatory Commission of Alaska (RCA) to Governor Palin indicating that the RCA commissioners needed a salary increase. The resolution would establish a legislative task force to make recommendations for job descriptions and salaries, as well as staffing within the RCA. The task force would consist of nine members, three from the House, three from the Senate, and Governor Palin or her designee, the Attorney General or his designee, and Commissioner Notti or his designee. The task force would meet up to five times during the interim and make recommendations to the legislature in the first week of the next session. It would sunset on May 30, 2008. He noted that the administration is supportive of HCR 8. He drew attention to the \$10,000 fiscal note by the Legislature.

[9:45:20 AM](#)

KATE GIARD, COMMISSIONER, CHAIR, REGULATORY COMMISSION OF ALASKA (RCA), related that there have been thirty years of problems with RCA. She said the goal is to have open and transparent business and yet protect Alaska. There is a need to balance the needs of the infrastructure with those of the rate payers. She testified in support of HCR 8, which sets up a task force. A task force was set up in 2002, which never met. Ms. Giard looked at this legislation as an opportunity to work together.

[9:49:54 AM](#)

SALLY SADDLER, LEGISLATIVE LIAISON, DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, said zero fiscal notes would be forthcoming.

Vice Chair Stoltze asked who would absorb expenses of the executive branch. Ms. Saddler reported it would be administrative branch funds, not RCA.

[9:51:13 AM](#)

Representative Hawker referred to a memo from the governor's chief of staff which states that the governor would select the commission chair. He pointed out that the bill does not provide for that. He asked if it would be problematic if the members elect the chair.

Representative Olson reported that HB 209 would address that issue.

Representative Hawker read from the memo regarding the governor's preferences. Representative Olson said HB 110 deals with the sunset date; HB 209 deals with the board appointment and timelines. Representative Hawker noted an inconsistency. Ms. Saddler said the administration is comfortable with this approach of two bills and a resolution.

Representative Joule said the resolution speaks of a task force and the memo speaks to a commission. Representative Olson noted that the administration supports the resolution.

[9:54:50 AM](#)

Representative Foster MOVED to REPORT CSHCR 8 (L&C) out of Committee with individual recommendations and the accompanying fiscal note.

Representative Gara OBJECTED for discussion purposes. He commented on Ms. Giard's expertise.

Representative Gara WITHDREW his objection. There being NO further OBJECTION, it was so ordered.

CSHCR 8 (L&C) was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Legislature.

ADJOURNMENT

The meeting was adjourned at 9:56 AM.