

**ALASKA STATE LEGISLATURE  
HOUSE STATE AFFAIRS STANDING COMMITTEE**

April 5, 2008  
11:10 a.m.

**MEMBERS PRESENT**

Representative Bob Lynn, Chair  
Representative Bob Roses, Vice Chair  
Representative John Coghill  
Representative Kyle Johansen  
Representative Craig Johnson  
Representative Andrea Doll  
Representative Max Gruenberg

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 202

"An Act relating to expenditures in aid of or to implement the provisions of the federal Real ID Act."

- MOVED HCS SB 202(STA) OUT OF COMMITTEE

CS FOR SENATE BILL NO. 201(FIN)

"An Act relating to the establishment and maintenance of an Internet website providing public finance information; and identifying the information to be available on the Internet website."

- MOVED CSSB 201(FIN) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 202

SHORT TITLE: PROHIBIT STATE SPENDING FOR REAL ID ACT

SPONSOR(s): SENATOR(s) WIELECHOWSKI

01/16/08	(S)	PREFILE RELEASED 1/4/08
01/16/08	(S)	READ THE FIRST TIME - REFERRALS
01/16/08	(S)	STA, JUD
02/14/08	(S)	STA AT 9:00 AM BELTZ 211
02/14/08	(S)	Heard & Held
02/14/08	(S)	MINUTE(STA)

02/19/08 (S) STA RPT 2DP 1DNP 1AM  
 02/19/08 (S) DP: MCGUIRE, FRENCH  
 02/19/08 (S) DNP: BUNDE  
 02/19/08 (S) AM: STEVENS  
 02/19/08 (S) STA AT 9:00 AM BELTZ 211  
 02/19/08 (S) Moved SB 202 Out of Committee  
 02/19/08 (S) MINUTE(STA)  
 02/27/08 (S) JUD AT 1:30 PM BELTZ 211  
 02/27/08 (S) Heard & Held  
 02/27/08 (S) MINUTE(JUD)  
 03/19/08 (S) JUD AT 1:30 PM BELTZ 211  
 03/19/08 (S) Moved SB 202 Out of Committee  
 03/19/08 (S) MINUTE(JUD)  
 03/21/08 (S) JUD RPT 5DP  
 03/21/08 (S) DP: FRENCH, WIELECHOWSKI, HUGGINS,  
 MCGUIRE, THERRIAULT  
 03/25/08 (S) TRANSMITTED TO (H)  
 03/25/08 (S) VERSION: SB 202  
 03/26/08 (H) READ THE FIRST TIME - REFERRALS  
 03/26/08 (H) STA, FIN  
 04/05/08 (H) STA AT 11:00 AM CAPITOL 106

BILL: SB 201

SHORT TITLE: PUBLIC FINANCE WEBSITE

SPONSOR(s): SENATOR(s) WIELECHOWSKI

01/16/08 (S) PREFILE RELEASED 1/4/08  
 01/16/08 (S) READ THE FIRST TIME - REFERRALS  
 01/16/08 (S) STA, FIN  
 01/31/08 (S) STA AT 9:00 AM BELTZ 211  
 01/31/08 (S) Heard & Held  
 01/31/08 (S) MINUTE(STA)  
 02/12/08 (S) STA AT 9:00 AM BELTZ 211  
 02/12/08 (S) Moved CSSB 201(STA) Out of Committee  
 02/12/08 (S) MINUTE(STA)  
 02/13/08 (S) STA RPT CS 3DP 2NR SAME TITLE  
 02/13/08 (S) DP: MCGUIRE, FRENCH, STEVENS  
 02/13/08 (S) NR: GREEN, BUNDE  
 02/21/08 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 02/21/08 (S) Heard & Held  
 02/21/08 (S) MINUTE(FIN)  
 03/21/08 (S) FIN RPT CS 5DP SAME TITLE  
 03/21/08 (S) DP: STEDMAN, ELTON, THOMAS, DYSON,  
 HUGGINS  
 03/21/08 (S) FIN AT 9:00 AM SENATE FINANCE 532  
 03/21/08 (S) Moved CSSB 201(FIN) Out of Committee  
 03/21/08 (S) MINUTE(FIN)

03/27/08 (S) TRANSMITTED TO (H)  
03/27/08 (S) VERSION: CSSB 201(FIN)  
03/28/08 (H) READ THE FIRST TIME - REFERRALS  
03/28/08 (H) STA, FIN  
04/05/08 (H) STA AT 11:00 AM CAPITOL 106

**WITNESS REGISTER**

SENATOR BILL WIELECHOWSKI  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced SB 202 as prime sponsor;  
testified as prime sponsor of SB 201.

PATRICK DALTON  
Delta Junction, Alaska

**POSITION STATEMENT:** Testified on behalf of himself in support  
of SB 202.

ZEFFORAH DALTON  
Delta Junction, Alaska

**POSITION STATEMENT:** Testified during the hearing on SB 202.

KEVIN BROOKS, Deputy Commissioner  
Department of Administration  
Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on SB 202.

WHITNEY BREWSTER, Director  
Division of Motor Vehicles  
Department of Administration  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on SB 202.

MICHELLE SYDEMAN, Staff  
Senator Bill Wielechowski  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented SB 201 on behalf of Senator  
Wielechowski, prime sponsor.

CHRIS NELSON  
Alaskans for Tax Reform  
Juneau, Alaska

**POSITION STATEMENT:** Testified on behalf of Alaskans for Tax  
Reform in support of SB 201.

KIM GARNERO, Director  
Division of Finance  
Department of Administration  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on SB 201.

**ACTION NARRATIVE**

**CHAIR BOB LYNN** called the House State Affairs Standing Committee meeting to order at [11:10:37 AM](#). Representatives Roses, Coghill, Johansen, Johnson, Doll, and Lynn were present at the call to order. Representative Gruenberg arrived as the meeting was in progress.

SB 202-PROHIBIT STATE SPENDING FOR REAL ID ACT

[11:11:52 AM](#)

CHAIR LYNN announced that the first order of business was SENATE BILL NO. 202, "An Act relating to expenditures in aid of or to implement the provisions of the federal Real ID Act."

[11:11:57 AM](#)

SENATOR BILL WIELECHOWSKI, Alaska State Legislature, introduced SB 202 as prime sponsor. He said the proposed legislation would prevent the state from spending money to implement the [federal] Real ID Act. He said there were some concerns as to whether or not HB 202 would impact the good business practices of the Division of Motor Vehicles and may impact other bills before the legislature.

[11:13:11 AM](#)

REPRESENTATIVE ROSES moved to adopt the proposed HCS (House committee substitute) for SB 202, Version 25-LS1145\M, Luckhaupt, 4/1/08, as a work draft. There being no objection, Version M was before the committee.

SENATOR WIELECHOWSKI stated, "To the extent that other ... legal presence bills are not implemented solely for the purpose of meeting the requirements of Real ID, then this bill has absolutely no impact on those." Furthermore, he said HB 202 would have no impact on the ability of the Division of Motor Vehicles to implement good business practices. Digital identification (ID) cards would still be permitted.

SENATOR WIELECHOWSKI related that there is a shared concern regarding the sharing of data with other states and the security risk that doing so may expose Alaskan citizens to. He said, "That's the essence of what this goes to." Another issue the bill addresses is state sovereignty and responding to the federal government dictating to Alaska how its driver's license and ID card should look.

[11:14:44 AM](#)

SENATOR WIELECHOWSKI, in response to Representative Doll, said federal law is under siege; 36 states have said no to the Real ID Act. There is every expectation that the federal government will back off, but if it does not, all states must comply by December of 2009.

[11:16:10 AM](#)

REPRESENTATIVE COGHILL said he has struggled with the idea of having a straight-out prohibition of using any money, and he said he thinks lining out what the requirement would be would create a much larger bill. He stated for the record that his expectation is that the legislature would be able to make a judgment call as to what the requirements would be.

SENATOR WIELECHOWSKI confirmed that would be the case. He said there has been a lot of discussion in the Senate on this issue, because the Senate does not want to do anything to impede the good business practices of DMV, for example, the technological advances that would make licenses more secure. He said listing what can and cannot be complied with is "a dangerous route." He concluded, "So, I think this is a very fair compromise that the chair has worked out."

[11:17:28 AM](#)

CHAIR LYNN, in response to a question from Representative Johansen, indicated that [Version M] came primarily from his office after speaking with the bill sponsor.

SENATOR WIELECHOWSKI confirmed that the chair came to his office with concerns that the legislature not "hamstring" the Division of Motor Vehicles. He said this issue was broached by the Senate, and the states of Maine, Montana, and Washington - who have similar pieces of legislation - were contacted. Those states did not list specific items and said that has had

absolutely no impact on their ability to have good business practices. He said Alaska's legislation actually goes further to give "wiggle room" to keep from preventing good business practices of DMV.

SENATOR WIELECHOWSKI, in response to Representative Johansen, said there is no "funding hammer" involved, which is a problem. The Real ID Act will cost the state tens of billions of dollars, and the federal government will provide only about \$80 million total in funding for the states. He reviewed that the Real ID Act requirements are that a Real ID must be shown any time a person enters a federal building or boards an airplane; therefore, the federal government could tell a person [without that ID] that he/she must be subjected to "secondary security" in order to enter a federal building or board a plane.

[11:20:01 AM](#)

REPRESENTATIVE JOHNSON interpreted that Version M guts the intention of the bill by specifying, "A state agency may not expend funds", then using the term, "solely for the purpose of". He said, "A good bureaucrat could find two reasons to do something - one being Real ID and one being anything else."

[11:21:00 AM](#)

SENATOR WIELECHOWSKI said he had the same concerns, but talked to several attorneys who are helping out nationwide regarding the Real ID Act, and they support SB 202 and feel comfortable with the language. He added that he would rather have the language of the first draft, but thinks Version M is a fair compromise.

[11:21:34 AM](#)

REPRESENTATIVE COGHILL talked about the extremes of allowing the federal government to issue a federal ID and letting Alaska make a state license that turns into a federal passport. He said he would like the state to be able to implement aspects of the Real ID Act.

REPRESENTATIVE JOHNSON stated, "I still think if I'm a good bureaucrat, I could implement anything in Real ID I wanted to just by saying it's also for something else." He offered examples.

11:24:09 AM

CHAIR LYNN stated that he has concerns about the Real ID Act "from the other side of the coin." He indicated that [Version M] is the draft that was arrived at in an attempt to see the bill moved out of committee.

SENATOR WIELECHOWSKI reiterated that his concerns had been the same as Representative Johnson's, and he outlined the thought process involved in arriving at an acceptable draft:

The policy is clearly there; we passed the resolution [that shows] we don't want to spend money as a state on Real ID. Now, if the federal government decides to give us money for Real ID, ... the way the grants are written, ... the federal government would give us a grant and say, "This grant is for the purpose of implementing Real ID; it's for 'x,' 'y,' 'z.'" And so, under this bill, ... people back in [Washington, D.C.] who specialize in this ... say we would not be able to expend those funds to do that. So, there's a block.

Then you've got the state with a state statute, and with a resolution, saying, "No money for Real ID." So, that's a second block. And then ... we have the appropriation power. So, I think a finance committee that went ahead and implemented money to go ahead and enact a Real ID law, they'd probably have a lot of angry phone calls from people out there. And I didn't try to get people to call in today, but I can tell you that in the committees that I've sat on in the past on this issue, there are people [that] are very concerned about this.

So, I think this does provide adequate protection, and I'm satisfied with it.

11:26:25 AM

REPRESENTATIVE JOHANSEN, regarding Representative Coghill's comments, questioned if the bill would tie the state's hands from choosing to use portions of the Real ID Act that it likes because the language specifies that a state agency may not spend money solely for the purpose of "implementing or aiding in the implementation of, the requirements of the federal Real ID Act".

REPRESENTATIVE COGHILL explained that there are "two ways to look at it." One is when Alaska decides for itself which procedures it wants, wherein some procedures may be the same, and the other is "a top down mandate from the feds."

[11:29:14 AM](#)

REPRESENTATIVE DOLL said some states have opted out of the Real ID Act through legislation, while others have opposed it. She asked how the proposed legislation would be categorized.

SENATOR WIELECHOWSKI confirmed that SB 202 would mean Alaska was opting out.

[11:30:12 AM](#)

PATRICK DALTON testified on behalf of himself in support of SB 202. He described the ways in which the Real ID Act is poor. First, he said, it "trashes" individual rights, including the right of privacy, the right to be free from unreasonable searches and seizures without warrant and probable cause, and the right to practice religion freely. Second, he said the Real ID Act is poor in relation to states' rights, on which Mr. Dalton said the committee is focusing currently. Third, he said is the overlooked issue of national sovereignty. Mr. Dalton explained that he thinks the Real ID Act is stripping the nation of its sovereignty. He said if more people realized that, then there would be an increasing amount of people against the Act.

MR. DALTON speculated that the idea for the Real ID Act began within the United Nations. He related that all 27 European nations have agreed to implement similar measures. He stated, "So, really this is a United Nations global umbrella that we're submitting ourselves to if we go along with this." He urged the committee to consider that "what we're doing is we're falling into the first part of a global government if we accept the Real ID [Act]."

[11:33:25 AM](#)

ZEFFORAH DALTON echoed the testimony of Mr. Dalton that the Real ID Act violates certain rights relating to freedom of religion, freedom from search without cause, and the right of privacy, states' rights, and sovereignty. Regarding the Real ID Act, she concluded, "It's not a national ID; it's a global ID."

[11:34:11 AM](#)

REPRESENTATIVE GRUENBERG noted that he had just come from an Administrative Regulation Review (ARR) meeting dealing with the legality of a regulation that the Division of Motor Vehicles (DMV) has put forth. The question is whether or not DMV can, without statutory authority, require social security numbers. He noted that litigation was taking place regarding that issue. He said "the bill" was cited in that discussion and the term "funds" was used to mean federal funds. Representative Gruenberg asked the sponsor if the term "funds" in the bill relates to state funds, federal funds, or both, and if specification is needed.

[11:35:48 AM](#)

SENATOR WIELECHOWSKI said his intent is that "funds" mean both state and federal funds. He said the issue was discussed with the bill drafter, and he offered his understanding that "expending funds means any funds."

[11:36:22 AM](#)

REPRESENTATIVE GRUENBERG said he would like an amendment that clarifies that language.

SENATOR WIELECHOWSKI said he thinks the language is clear the way it is.

REPRESENTATIVE GRUENBERG explained that he does not want anybody to think the bill refers to only federal funds.

[11:36:59 AM](#)

REPRESENTATIVE GRUENBERG moved to adopt Amendment 1, as follows:

On page 1, line 6, between "expend" and "funds":  
Insert "state or federal"

REPRESENTATIVE JOHNSON asked if the committee was still hearing public testimony.

CHAIR LYNN confirmed that public testimony was still open, and he asked Representative Gruenberg to hold Amendment 1.

CHAIR LYNN closed public testimony.

[11:38:07 AM](#)

KEVIN BROOKS, Deputy Commissioner, Department of Administration, regarding a previous point raised regarding the use of funds, said he also was at the ARR meeting and heard the chair refer to funds as being federal; however, he said the administration understands that "funds" means [state and federal funds].

REPRESENTATIVE GRUENBERG [withdrew Amendment 1].

MR. BROOKS continued. He stated that there are certain things that DMV does that make good business sense. Overall, the goal is to ensure that when a license is issued to someone, he/she is who he/she claims to be. He said there are "many things that we do that you could find in the regulations that have been promulgated on the Real ID Act," such as using digital photos instead of Polaroid photos. Another important issue is ensuring that people have a legal presence in the state. He stated that "we" don't want to be precluded from doing something that is a good idea. He indicated that Version M allows for that.

CHAIR LYNN said, "And so, you'd want to have good practices, whether it's what we do here, or Real ID, or whatever - as long as the state agrees."

MR. BROOKS confirmed that is right.

[11:41:01 AM](#)

REPRESENTATIVE DOLL asked if the practices that the state is involved in will also meet the federal government's requirements.

MR. BROOKS responded that there is no single practice that will make the state compliant with the Real ID Act. In response to a follow-up comment by Representative Doll, he stated his belief that [adopting new practices] will be done by point-by-point compliance. He said data sharing, for example, is a point "that we probably are always going to have some heartburn about."

[11:42:49 AM](#)

WHITNEY BREWSTER, Director, Division of Motor Vehicles, Department of Administration, concurred with the comments of Mr. Brooks and offered to answer questions of the committee.

[11:43:43 AM](#)

REPRESENTATIVE JOHNSON asked, "Is there anything in the Real ID Act that couldn't be considered dual purpose?" For example, a requirement to have a photo ID, which then could also be used for criminal investigation, or using a birth certificate requirement to obtain a license to also prove a person is a citizen.

[11:44:22 AM](#)

MR. BROOKES deferred to Ms. Brewster.

[11:44:40 AM](#)

MS. BREWSTER responded that requiring verification with other states electronically "would be solely for Real ID." She added, "I can't think of, at this time, any other purpose for that ...."

[11:45:19 AM](#)

REPRESENTATIVE JOHNSON asked, "Couldn't you want to verify that someone didn't live in another state for an election's purpose?"

MS. BREWSTER replied, "I don't know that the Division of Elections verifies that information through the DMV."

REPRESENTATIVE JOHNSON posited that the division could do so.

MS. BREWSTER conceded that it would be possible.

REPRESENTATIVE JOHNSON concluded, "So then, it wouldn't be solely for the purpose of Real ID." He stated, "I can't see a single reason in the Real ID Act that is solely for Real ID, and therefore [it] can be used for another purpose. And I think this bill, basically, does nothing to prevent the Real ID Act from being implemented."

CHAIR LYNN remarked that Senator Wielechowski would not be sponsoring the bill if that were the intent.

[11:46:36 AM](#)

REPRESENTATIVE JOHNSON, after ascertaining that it was the intent of Chair Lynn to move the bill out of committee, reiterated his concerns about Version M, warning that it would not have the end result desired by the committee or expected by the public.

[11:47:52 AM](#)

REPRESENTATIVE ROSES moved to report HCS SB 202, Version 25-LS1145\M, Luckhaupt, 4/1/08, out of committee with individual recommendations and the accompanying fiscal notes.

[11:48:00 AM](#)

REPRESENTATIVE JOHNSON, in response to a query from Chair Lynn, stated that he would not object to the motion, since he does not think it would "do any good," and since he had already stated his opinion for the record.

[11:48:16 AM](#)

CHAIR LYNN announced that there being no further objection, HCS SB 202(STA) was reported out of the House State Affairs Standing Committee.

[11:48:22 AM](#)

The committee took an at-ease from [11:48:32 AM](#) to [11:50:37 AM](#).

SB 201-PUBLIC FINANCE WEBSITE

[11:50:49 AM](#)

CHAIR LYNN announced that the last order of business was CS FOR SENATE BILL NO. 201(FIN), "An Act relating to the establishment and maintenance of an Internet website providing public finance information; and identifying the information to be available on the Internet website."

[11:51:07 AM](#)

MICHELLE SYDEMAN, Staff, Senator Bill Wielechowski, Alaska State Legislature, presented SB 201 on behalf of Senator Wielechowski, prime sponsor. She paraphrased her written introduction, which read as follows [original punctuation provided]:

The intent of SB 201, the Alaska Open Government Act, is to mandate creation of a free, searchable website that provides Alaskans with easy access to detailed information on state spending.

Such a website will foster better understanding of state operations and, ultimately, ensure that funding is directed to the state's most important needs.

Creation of similar websites is occurring across the country.

In 2006, President Bush signed the Federal Funding Accountability and Transparency Act. This Act calls for the creation of a searchable website for federal contracts and grants of more than \$25,000. The website recently went on-line at [www.federalspending.gov](http://www.federalspending.gov).

Interestingly, this legislation was introduced years ago by a bipartisan team of four U.S. senators, including senators John McCain and Barack Obama.

Last year, five states -- Kansas, Texas, Oklahoma, Minnesota, and Hawaii -- passed legislation mandating the creation of on-line databases with comprehensive information on their state's expenditures.

Efforts are underway in 17 other states to pass so-called "taxpayer transparency acts," including New Mexico, Colorado, Washington, and North Dakota.

A national consensus is emerging, supported by advocates from both ends of the political spectrum--from Ralph Nadar to Grover Norquist--that taxpayers should be able to easily track and help direct government spending.

Real accountability and good decision-making require an informed public, a public with access to information on government spending at their finger tips.

While Senator Wielechowski first learned about the benefits of "taxpayer transparency acts" at a National Conference of State Legislatures meeting last August, this is an issue that Governor Palin has also embraced.

The senator applauds her for the commitment made by her Administration to begin implementation of such a system.

This bill would put the requirement for a free, publicly searchable database in statute, so that all future governors will show the same commitment to transparency and accountability.

This is good public policy, worthy of being enshrined in statute.

SB 201 also provides guidance as to the type of information that a public finance website should contain. While the Administration's current website can best be described as an "on-line checkbook," this bill calls for inclusion of information that will provide a context for daily expenditures.

For example it calls for a listing of total state expenditures over the past 10 years and a comparison of revenues received versus funds expended.

It also requires an accounting, which can be in the form of a simple bar chart, of the total number of state employees over each of the past 10 years.

This information is currently available in other state publications, but will be compiled on-line and presented in clear manner for all Alaskans to understand.

The fiscal note for accomplishing this is zero, as it can be accomplished by existing webmasters and finance staff.

In closing, we ask for your support of SB 201 and the right of all Alaskans to easily accessible and detailed information on how their dollars are being spent.

[11:55:02 AM](#)

MS. SYDEMAN, in response to a question from Representative Doll, said most state expenditures over \$1,000 would be listed.

[11:55:41 AM](#)

REPRESENTATIVE JOHANSEN said he would be extremely surprised if the Department of Administration (DOA) could do anything without

requesting money for it. He warned, "And if it's not in this fiscal note, I can almost guarantee you that when we get the operating budget next year, there'll be something in there to implement this." He said he would pay extreme attention to this issue, and he said he would like to hear from the administration how it plans to "accomplish this without spending one dime."

[11:56:21 AM](#)

REPRESENTATIVE GRUENBERG directed attention to the reference in the bill to the amount of \$1,000, found on page 4, line 10. He said while that language limits expenditures greater than \$1,000, it does not seem to limit income sources over \$1,000. He asked if it is the sponsor's intent to require only category receipts, or "are you going to do every little \$20 dollar[s]?" He suggested having \$1,000 "on that, too" to avoid being "inundated with stuff."

[11:57:22 AM](#)

MS. SYDEMAN stated her understanding that the proposed online checkbook component would be updated on a monthly basis; therefore, all the monthly funds received would be aggregated on a monthly basis into certain categories. She suggested that Ms. Garnero might be able to offer a better answer.

[11:58:46 AM](#)

CHRIS NELSON, Alaskans for Tax Reform, testified on behalf of Alaskans for Tax Reform in support of SB 201. He noted that Americans for Tax Reform, in Washington, D.C., also supports the proposed legislation. He echoed that this measure is being considered in other states. He said information in Alaska is available but difficult to find. He said putting together a single, searchable web portal will streamline the research process, resulting in people's increased involvement in their state government.

[11:59:35 AM](#)

REPRESENTATIVE GRUENBERG mentioned a report card related to state governments, and he said he thinks the proposed bill will increase Alaska's marks for getting information available to the public.

MR. NELSON concurred that the passage of the proposed bill would result in Alaska's getting high marks from people who evaluate

the efficiency of state government and "its commitment to making information available." Furthermore, he suggested that even higher marks would come from members of the public who "have honest questions, but really don't know where to go to find the answers." The bill would provide a web portal with access to more information, which "will help ensure a more informed, and therefore more active, electorate, and a more active population."

[12:01:23 PM](#)

REPRESENTATIVE GRUENBERG directed attention to language in Section 5 of the bill, which read, "the list shall be updated monthly or annually, as specified." He asked if the sponsor means "as specified in the Act, here."

MS. SYDEMAN answered yes. She explained that there are certain types of information that would be provided annually - the "bigger picture ... snapshots" - to help provide a context. Then the ongoing checkbook would be updated monthly.

REPRESENTATIVE GRUENBERG explained that he would like it stated for the record that "as specified" means in the Act, rather than "by some agency."

MS. SYDEMAN responded, "In the Act."

[12:02:18 PM](#)

REPRESENTATIVE JOHNSON directed attention to page 3, lines [7-8], which read:

- (2) expenditures for the preceding month, including
  - (A) the name and location of any person to whom payment was made;

REPRESENTATIVE JOHNSON asked if that would include welfare and child enforcement checks, which could "possibly render someone capable of tracking someone to do them harm."

[12:02:51 PM](#)

SENATOR WIELECHOWSKI, Alaska State Legislature, testifying as prime sponsor of SB 201, explained that those expenditures are excluded, as shown in Section 3, on page 4, line 14.

12:03:22 PM

REPRESENTATIVE GRUENBERG questioned if there might be another type of payment to an individual that would not be categorized as state or federal assistance, for example, a permanent fund dividend payment. He said he thinks Representative Johnson has touched upon an important point - the consideration to protect people from, for example, stalkers.

12:03:50 PM

REPRESENTATIVE JOHANSEN directed attention to page 4, lines 3-7, which read as follows:

(d) Nothing in this section requires disclosure of information that is confidential under state or federal law. However, the Department of Administration shall provide aggregated or summarized information describing confidential revenue and expenditures if the aggregated or summarized information continues to protect confidentiality.

REPRESENTATIVE JOHANSEN asked, "Would that protect the confidentiality of information?"

SENATOR WIELECHOWSKI answered yes. He offered his belief that permanent fund dividend information has already been made confidential in statute.

REPRESENTATIVE JOHNSON asked if a private contractor with the state could say he/she does not want payments released because of confidentiality problems.

12:04:23 PM

MS. SYDEMAN said the Department of Law is currently reviewing "the 20 different categories of information" to determine which types would be considered confidential and which would not. She offered her understanding that a person would have to "have solid legal ground" to argue that certain information should be kept confidential.

REPRESENTATIVE JOHNSON described "the constitution" as being solid, legal ground, guaranteeing him the "right to confidentiality."

CHAIR LYNN queried, "But this does not really identify anybody by name, does it?"

MULTIPLE UNIDENTIFIED VOICES confirmed that the bill does exactly that.

[12:05:54 PM](#)

SENATOR WIELECHOWSKI explained, for example, that a contractor who takes a bid out with the state would be listed. He said that is exactly his intent. He clarified, "You lose your right to privacy the moment you enter in your contract with the state." He reiterated that the citizens of the state have a right to find out what the state is spending money on.

REPRESENTATIVE JOHNSON said he does not think legal opinion would trump the Constitution of the State of Alaska. He said he thinks a contractor may have some grounds to have his/her privacy protected, unless he/she signs that right away. He added, "And I'm pretty sure that you can't contract away your constitutional right."

SENATOR WIELECHOWSKI confirmed that a person has - through the Constitution of the State of Alaska - a right of privacy; however, the citizens also have the right to find out what their state is spending money on. If the state is spending money on public contracts, then that information is public. He pointed out that citizens currently have that right and can file a freedom of information request; the bill does not change that public aspect of the information, but only proposes to compile it into one, concise database.

CHAIR LYNN indicated that the state's money is the people's money.

[12:07:02 PM](#)

REPRESENTATIVE GRUENBERG told Representative Johnson that a person can contract away his/her state rights by means of "Miranda warnings."

[12:07:22 PM](#)

SENATOR WIELECHOWSKI, in response to Representative Johansen, reconfirmed that the bill would not expand the amount of information obtained by the state. In response to Chair Lynn, he said the perfect example has to do with the operating and

capital budgets of the state. He explained that it is difficult to find items in the budget, and SB 201 proposes to create a searchable database to help locate those items.

12:09:09 PM

KIM GARNERO, Director, Division of Finance, Department of Administration, in response to Representative Gruenberg's prior question as to how revenues would be presented on the proposed web site, related that while expenditures would show who was paid, revenues would not show who [the state] got the money from, but would show "the flavor of money by the account code."

REPRESENTATIVE GRUENBERG asked, "And it will be large aggregates?"

MS. GARNERO answered, "Absolutely aggregate."

REPRESENTATIVE JOHANSEN asked what the cost to other states has been to run this program.

MS. GARNERO recollected that State of Missouri has spent over \$100,000 to create a database; however, she said the State of Alaska would be using a simpler version on Excel, which is a tool already available to the state. She said, "I have had no complaints from any of the people I've talked to - on what we've posted on the web site so far - that they've not been able to access the information."

MS. GARNERO related that the state now uses a version which provides a "checkbook detail," and the proposed legislation would add on to that. She mentioned an annual financial report, and said:

Publishing those -- this is already on the web as a document as a whole. Publishing in this public finance (indisc. -- coughing) is no additional cost.

MS. GARNERO said the division has been working on its data warehouse - called, "the Alaska Date Enterprise Reporting System" - since July of 2006, and would not have been able to produce its Excel spreadsheets without that new system.

12:11:38 PM

REPRESENTATIVE JOHANSEN said his pet peeve is redundancy. He asked if it would be possible, if the bill passes and all the

information becomes available on a single web site, to avoid creating two or three separate reports relating to the same information. He used the Alaska Department of Fish & Game in an example.

[12:13:07 PM](#)

MS. GARNERO replied that the information that the division is publishing on the web site is coming from its statewide accounting system. She said, "If [these] tickets generate a revenue, which I don't know if they do or not, then those revenues would be reflected in our statewide accounting system. We'd publish from there; it would have nothing to do with [the Alaska Department of] Fish & Game." Regarding the annual financial report, she said the division delivers a copy to every legislator's office each January. She asked if value was obtained by having a hard copy of that report.

[12:14:05 PM](#)

REPRESENTATIVE GRUENBERG stated that he finds value in having a hard copy and wants the division to continue to disperse them.

[12:14:18 PM](#)

MS. GARNERO noted that the division prints fewer than 400 copies.

[12:14:29 PM](#)

REPRESENTATIVE JOHANSEN said he does not want to get specific about the publications; he clarified that he just wants to know whether the proposed web site can "supplant other forms of getting the information to the public."

[12:15:09 PM](#)

MS. GARNERO responded that the division would not add employees to produce the proposed web site, and she said she doubts "it will be freeing anybody up." She stated, "It's a publication of existing information on a public finance web site."

[12:15:32 PM](#)

CHAIR LYNN closed public testimony.

[12:15:41 PM](#)

REPRESENTATIVE GRUENBERG moved to report CSSB 201(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSB 201(FIN) was reported out of the House State Affairs Standing Committee.

[12:16:25 PM](#)

REPRESENTATIVE JOHANSEN, in response to a request from the chair, offered a report of the latest discussion by the House State Affairs Standing Committee's subcommittee reviewing bills related to conflict of interest issues.

CHAIR LYNN asked whether either the subcommittee or other members of the House State Affairs Standing Committee should work on the issue during interim.

REPRESENTATIVE JOHANSEN replied, "Mr. Chairman, if you want to do something with it, feel free; I'm not going to spend one more second on it."

[12:17:10 PM](#)

REPRESENTATIVE GRUENBERG proffered, "If it's the chair's wish to pursue this matter, we have done some work on it in my office, and I'm at your disposal."

REPRESENTATIVE JOHANSEN said, "As an aside, I will continue to retain control of those on the subcommittee."

CHAIR LYNN offered an update regarding the issue of Darfur, on which the committee had heard a bill that Chair Lynn sponsored. He noted that he had sent a letter to Mike Burns of the Permanent Fund Corporation, and the letter was distributed to the committee. He said the committee would be considering this issue during the interim.

[12:18:12 PM](#)

REPRESENTATIVE GRUENBERG said he knows there is an equivalent Senate bill regarding Darfur.

[12:19:05 PM](#)

CHAIR LYNN noted that this may be the last committee meeting of regular session, and he thanked the committee members for their hard work.

**ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at [12:19:10 PM](#).