

SENATE FINANCE COMMITTEE
March 21, 2008
9:16 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [9:16:13 AM](#).

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice-Chair
Senator Kim Elton
Senator Joe Thomas
Senator Fred Dyson

MEMBERS ABSENT

Senator Donny Olson

ALSO PRESENT

Senator Bill Wielechowski, Sponsor; Michelle Seideman, Staff, Senator Weilechowski; Tom Obermeyer, Staff, Senator Bettye Davis; Catherin Carter, Chief Nursing officer, Bartlett Hospital; Kayla Allied, Human Resource director, Bartlett Regional Hospital Kim Garnerero, Director, Division of Finance, Department of Administration;

PRESENT VIA TELECONFERENCE

Grey Mitchell, Director, Division of Labor Standards and Safety, Department of Labor and Workforce Development; Stacy Allen, Laborers Local 341; Pat Mylander, Eagle River; Barb Quaid, Anchorage; Pat Holloway, Anchorage; Lanetta Lundberg, Human Resources manager, Ketchikan General Hospital

SUMMARY

SB 28

"An Act relating to limitations on mandatory overtime for registered nurses and licensed practical nurses in health care facilities; and providing for an effective date."

Committee substitute for SB 28 25-LS0212/T was adopted and was heard and HELD in Committee for further consideration.

SB 201

"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."

Committee substitute for SB 201 25-LS1135/N was adopted.

SB 265

"An Act relating to drivers' licenses and identification cards issued to sex offenders and child kidnappers."

CSSB 265 (FIN) was REPORTED out of Committee with a "do pass" recommendation, new fiscal zero fiscal note from the Department of Administration, new fiscal note from the Department of Revenue, and previously posted fiscal notes #2 Department of Public Safety, #1 Department of Corrections.

SENATE BILL NO. 265

"An Act relating to drivers' licenses and identification cards issued to sex offenders and child kidnappers."

Co-Chair Stedman said there was discussion of melding the two sex offender bills together but that presented constitutionality concerns.

Senator Elton MOVED to REPORT CSSB 265(FIN) out of Committee with individual recommendations and attached fiscal notes.

There being NO OBJECTION, it was so ordered.

CSSB 265 (FIN) was REPORTED out of Committee with a "do pass" recommendation, new fiscal zero fiscal note from the Department of Administration, new fiscal note from the Department of Revenue, and previously posted fiscal notes #2 Department of Public Safety, #1 Department of Corrections.

[9:18:33 AM](#)

At EASE: [9:19:30 AM](#)

RECONVENE: [9:21:01 AM](#)

SENATE BILL NO. 201

"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."

[9:21:37 AM](#)

Senator Huggins MOVED to ADOPT Committee Substitute for SB 201, work draft 25-LS1135/N, as the working document before the committee.

Co-Chair Stedman OBJECTED for discussion purposes.

[9:22:04 AM](#)

SENATOR BILL WIELECHOWSKI, SPONSOR, said the suggestions from the last hearing were taken into consideration and incorporated in the Committee Substitute. He was satisfied with the draft Committee Substitute for SB 201, and noted that there has been no negative feedback on the bill or the changes to the bill.

MICHELLE SEIDEMAN, STAFF, SENATOR BILL WEILECHOWSI, explained the changes in CSSB 201:

The intent of this new CS is to provide additional macro-level information on the state's online checkbook website to provide Alaskans with a "bigger picture" view of state finances.

The bill presented to you at your last hearing simply called for an updated listing, on a monthly basis, of individual state expenditures and revenue deposits. The website envisioned by that draft would truly have been like a check register, which is essentially what the Administration has on-line now.

In response to recommendations made by Finance Committee members, this new CS calls for the inclusion of broader information on state finances. Specifically, it calls for:

- 1) a summary of state revenue and expenditures for the preceding fiscal year by source, function, department, and account.
- 2) a summary for the previous fiscal year of total general fund revenue vs. expenditures and total assets vs. liabilities;
- 3) year-end balances for major state funds;
- 4) and for the preceding 10 years, by fiscal year:
 - a. the number of full-time employees employed by the state
 - b. the total long-term debt owed by the state
 - c. total general fund expenditures, and
 - d. total general fund payroll.

It is important to note that the term "general fund" when used by accountants is not the same as when used by budgeters. As I understand it, the term "general fund" as used by accountants refers to all public monies and revenue coming into the state treasury not specifically authorized by statute to be placed in a special fund.

This can include federal funds.

If the committee wants any clarification on this terminology, Kim Garner with the Dept. of Administration is on-line and can provide it.

All of the macro-level information the new CS calls for is already contained in the Comprehensive Annual Financial Report or CAFR prepared by the state. This CS will simply require webmasters in the Department of Administration to lift existing text and graphics from the CAFR report.

The new CS makes this clear on page 2, line 2-4, and again by referencing the CAFR on page 2 to lines 24 and 25.

[9:25:05 AM](#)

The only additional change is on page 3, line 31, of the CS. After "state agencies," we have added the phrase "that use the central accounting system" so that those quasi-state agencies that do not use the central accounting system will not be required to report their financial transactions for inclusion in this website.

Agencies that fall in this category include, AHFC, AIDEA, the Alaska Permanent Fund Corporation, the Alaska Railroad Corporation, the University of Alaska, the Alaska Aerospace Development Corp., and the Alaska Energy Authority.

Unfortunately, if we were to include them, it would require huge expense and would be a major administrative undertaking. We are hopeful we will be able to include them in the future.

The changes made to CS do not result in an increase in the zero fiscal note for this bill.

[9:26:07 AM](#)

Senator Dyson asked about the definition of general funds and "other funds" and where they would be included in the report.

Ms. Seideman deferred to Ms. Garnero.

[9:27:16 AM](#)

KIM GARNERO, DIRECTOR, DIVISION OF FINANCE, DEPARTMENT OF ADMINISTRATION, clarified the question to mean the difference between the definition of "general fund" for budgeters and accountants. Co-Chair Stedman said the request was for a definition of general funds and "other funds". Ms. Garnero explained:

"Alaska's Constitution prohibits dedicating revenues which means, with very few exceptions, all revenues flow to the General Fund. The irony of the constitutional requirement is that it has resulted in a multitude of funding sources being identified and tracked for budgeting purposes; "other funds". When budgeters refer to general funds they are referring to the column on the spreadsheet that hasn't been identified as a specific fund source. This is a much more limited definition than accountants use. When accounts say general funds that includes a vast majority of revenues that flow into the state, specifically the 11100 fund which is where most of the state's business occurs; plus the 57 other sub-funds of the general fund. These sub-funds include the public education funds, the permanent fund dividend fund, the Alaska Capital income fund and Constitutional Budget Reserve. What is not General Fund to accountants are the 53 other special revenue funds, debt service funds, capital project funds, enterprise funds, internal service funds, pension and agency funds."

[9:28:54 AM](#)

Senator Dyson said that he understood "other funds" should be under the category of general funds. He asked if "other funds" included government receipts and inter-governmental transfers.

Ms. Garnero said for accountants, general funds include almost all revenue the state receives including all receipts supported services and the vast majority of federal funds. She reiterated that budgeters carve the funding sources out, as "funding sources" but they are accounted for almost exclusively in the general fund. She asked Senator Dyson what was meant by "inter-governmental transfers".

[9:31:41 AM](#)

Senator Dyson clarified: when one agency provides services to another with a transfer of funds from the recipient of the service to the provider. Ms. Garnero said those are generally accounted for as reimbursable services agreements.

The vast majority of those agreements are accounted for in the General Fund.

Senator Dyson asked if the reporting called for in the provision will use the accountants' definition of general funds. He felt their definition is far more accurate. Ms. Seideman said the intention is to follow the accountants' definition in order to include as much information as possible on the website.

Senator Dyson asked if the latest revenue forecast would be on the websites. Ms. Seideman said that there had not been plans to do that but, it was possible. She deferred to Ms. Garnero.

Co-Chair Stedman asked Ms. Garnero how the spring and fall forecasts would be integrated into the website. Ms. Garnero said the Department of Revenue (DOR) is responsible for the projections; Department of Administration (DOA) accounts for what has already occurred. Ms. Garnero believed they were already posted on the web.

[9:33:12 AM](#)

In response to Senator Dyson, Co-Chair Stedman said that the forecasts are posted and available to the public.

Ms. Garnero concluded that she is pleased with the interest in the audited financial statements of the state. She said the Division of Finance, DOA, had been awarded the certificate of achievement for excellent financial reporting by the Governments Finance Offices Association for the last four years. She said they welcome the opportunity to make the information more accessible to Alaskans by publishing it on a public information website.

[9:34:27 AM](#)

Co-Chair Stedman WITHDREW his OBJECTION to the adoption of the Committee Substitute for SB 201 25-LS1135/N.

There being NO further OBJECTION, Committee Substitute for SB 201 25-LS1135/N was adopted.

Co-Chair Hoffman MOVED to report CSSB 201 (FIN) out of Committee, with individual recommendations and the attached fiscal note.

There being NO further OBJECTION CSSB 201 (FIN) was REPORTED out of Committee with a "do pass" recommendation and a previously posted fiscal note #1 by the Department of Administration.

[9:36:31 AM](#)

In conclusion, Co-Chair Stedman observed that the discussion regarding "other funds" underlines the importance of looking beyond general fund sources to get the total view of state spending.

AT EASE: [9:37:32 AM](#)

RECONVENE: [9:41:47 AM](#)

SENATE BILL NO. 28

"An Act relating to limitations on mandatory overtime for registered nurses and licensed practical nurses in health care facilities; and providing for an effective date."

Senator Huggins MOVED to ADOPT work draft 25-LS0212/T for SB 28.

Co-Chair Stedman OBJECTED for discussion purposes.

[9:42:44 AM](#)

TOM OBERMEYER, STAFF, SENATOR BETTYE DAVIS, addressed the work draft. The main change was made on page 3, which makes accommodations for nurses at North Star Behavioral Systems that work very unusual schedules. He read from page 3, line 16, (7):

A nurse who agrees to work under a contract that requires the employer to provide full-time pay and benefits equivalent to the pay and benefits for a 40-hour workweek if the nurse works a weekend schedule of four eight-hour shifts, with not more than 16 consecutive hours on duty without a break of at least eight hours; in this paragraph, a "weekend" means the period that begins Friday at 5:00 pm and ends Monday at 8:00 am.

Exceptions in SB 28 provide for school nurses on field trips and nurses voluntarily working on aircrafts in medical transport. The bill also addresses reporting requirements and the limitations to working no more than 14 hours a day or 80 hours in a 14 day period.

[9:44:42 AM](#)

Co-Chair Stedman WITHDREW his OBJECTION.

There being NO further OBJECTION Committee Substitute for SB 28, 25-LS0212/T, was adopted.

Mr. Obermeyer said the main purpose of the bill is to protect patients who may be exposed to unsafe conditions due

to fatigued nurses. He also noted that the nurses have experienced a number of unresolved problems due to mandatory and voluntary overtime issues. It is the sponsor's belief that the lack of complaints is due to fear of retaliation.

GREY MITCHELL, DIRECTOR, DIVISION OF LABOR STANDARDS AND SAFETY, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT (testified via teleconference), noted the letter in the bill packet from the department (On File) describing the duties of the Wage and Hour Investigator, itemized in the fiscal note. He added that in January 2008 Department of Commerce, Community and Economic Development reported 8,538 registered nurses were licensed. In FY09 the expectation is that 9,065 nurses will be licensed. The rate of growth projected to 2014 is 31 percent. He informed the Committee that if just 1 percent of this group filed a complaint under the provision it could cover a full case load for one investigator.

[9:49:31 AM](#)

Co-Chair Stedman asked if the department supports the bill.

Mr. Mitchell said the department is neutral on the bill.

Senator Elton suggested that due to the uncertainty of the workload, the bill pass without a fiscal note. If workload increases, supplemental funds can be requested. Mr. Mitchell explained the fiscal note is an attempt to provide for funds now in anticipation of the increased workload. He felt that increasing workload without increasing staff could create a negative impact on other programs.

Senator Thomas asked Mr. Mitchell if the increase in workload would be for cases regarding potential coercion or the establishment of the amount of hours worked.

Mr. Mitchell explained that the number of hours worked is documented. The cases regarding coercion would require a significant amount of time to research, which would increase workload.

[9:52:37 AM](#)

Senator Thomas asked Mr. Mitchell what other industries work similar shifts; 14 hours or more in a shift.

Mr. Mitchell said there are many industries that work similar hours such as in construction and seafood processing. He said the long work hours happen in all industries to some extent.

[9:53:26 AM](#)

STACY ALLEN, LABORERS LOCAL 341 (testified via teleconference), strongly supported SB 28. She informed the committee of two situations requiring nurses to continue working under fatigue, creating unsafe working conditions. One nurse told her supervisor of her extended work hours and fatigue and she was informed that there was no other nurse to cover the shift. In another situation a nurse was required to work 100 hours in one month and within that time frame she was asked to work 22 hours straight. She reiterated Local Labor Union 341's strong support for SB 28.

PAT MYLANDER, EAGLE RIVER (testified via teleconference), in strong support of SB 28. She is a registered nurse at Alaska Regional Hospital. She explained that nurses are required to take one night a week of call, as well as one weekend a month. The weekend "on call" shift begins at 7 am on Saturday and ends at 7:30 am Monday morning. With current patient loads, a nurse can be called in 3 or 4 times in the weekend.

[9:56:27 AM](#)

BARB QUAID, ANCHORAGE (testified via teleconference), in strong support of SB 28, She provided examples of the challenges of working regularly scheduled hours and "on-call" hours back to back with no scheduled break in between.

PAT HOLLOWAY, ANCHORAGE (testified via teleconference), in strong support of SB 28. She described unsafe situations resulting from overworked nurses.

LANETTA LUNDBERG, HUMAN RESOURCES MANAGER, KETCHIKAN GENERAL HOSPITAL (testified via teleconference), testified in opposition to SB 28 explaining that there is no expectation of employees to work mandatory overtime at Ketchikan General Hospital. She said staffing coverage is managed by scheduling and posting shifts a minimum of 10 days prior to the following month. She said the staff understands the need to share in voluntary call. She added that "on-call" nurses are paid an hourly call when "on-call". If they are called in to work, they are paid time-and-a-half with a two hour minimum. She added that if an RN agrees to come in on their day off, they receive overtime pay even if they have not worked more than forty hours in a week. In conclusion, she said the nurses are part of a bargaining unit and mandatory overtime is not part of the contract and has never been a concern. She maintained that "SB 28 is a blanket provision that is unnecessary and places limitations and restrictions beyond reasonable."

[10:02:15 AM](#)

Senator Elton clarified Ms. Lundeborg's role as a human resource manager and that on call is voluntary. Ms. Carter

confirmed both points. Senator Elton asked if nurses ever say no when asked to be on call. Ms. Lundberg said nurses sometimes say no.

Senator Elton asked if a person can be called in who had just finished a 12 hour shift. Ms. Lundberg said that was not common and clarified that there are areas that experience "on-call" needs more than others, specifically the operating room.

[10:04:30 AM](#)

CATHERIN CARTER, CHIEF NURSING OFFICER, BARTLETT HOSPITAL, testified in opposition to SB 28. She maintained that there is already a significant amount of regulatory burdens on the hospital and implementation of unnecessary regulations could restrict hospital operations. In conclusion, she informed the Committee that the hospital just completed labor negotiations and the issue of mandatory overtime was never brought up.

[10:07:13 AM](#)

KAYLA ALLIED, HUMAN RESOURCE DIRECTOR, BARTLETT REGIONAL HOSPITAL, testified in opposition to SB 28.

[10:07:32 AM](#)

Senator Elton asked if other hospitals operate differently from Bartlett.

Ms. Carter said she has been a nurse for over 30 years. In that time she has not seen the mandatory overtime issue as a significant problem. Occasionally, there are extenuating circumstances when nurses are called upon to go beyond the call of duty. The main concern with the legislation is that it is so regulated that the rate of litigation could hamper the job at hand.

[10:09:42 AM](#)

Senator Thomas asked if there was a problem with 12 and 14 hour shifts. Ms. Carter said the majority of nurses work 12 hour shifts by choice. There are no scheduled 14 or 16 hour shifts, though there are times when "on call" the hours may total 14 or more hours. She noted that she had not heard any complaints regarding this.

[10:11:06 AM](#)

Senator Thomas asked Ms. Carter to explain the 12 hour shift work week. Ms. Carter said the nurses usually work three 12 hour shifts in a one-week period. Occasionally, nurses will choose to work four, 12-hour shifts. She said she has never

approved a schedule of more than four 12-hour shifts as she felt that would be a burden on a nurse's time.

Senator Dyson asked if the nurses prefer the three, 12 hour shifts. Ms. Carter said that was correct.

Co-Chair Stedman said there were six zero fiscal notes and one from the Department of Labor and Workforce Development for \$97,200 representing the cost of hiring a wage and hour investigator. He also reminded members that the letter from Department of Labor and Workforce Development explains the fiscal note, and is in the bill packet.

Committee substitute for SB 28 25-LS0212/T was adopted.

SB 28 was heard and HELD in Committee for further consideration.

ADJOURNMENT

The meeting was adjourned at 10:13 AM.