

SENATE FINANCE COMMITTEE
April 9, 2008
10:24 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [10:24:47 AM](#).

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Annette Kreitzer, Commissioner, Department of Administration; Kevin Brooks, Deputy Commissioner, Department of Administration; Bruce Ludwig, Business Manager, Alaska Public Employees Association/American Federation of Teachers; Darwin Peterson, Staff, Co-Chair Stedman; Rob Earl, Staff, Representative Mary Nelson; Representative Bob Lynn; Renee Limoge, Staff, Representative Anna Fairclough; Emily Beatley, Staff, Representative Jay Ramras; Representative Jay Ramras; Representative Beth Kerttula; Eleanor Wolfe, Staff, Representative Kurt Olson; Representative Mike Hawker; Representative Gabrielle LeDoux; Sonya Hymer, Staff, Representative Gabrielle LeDoux; Tom Wright, Staff, Representative Mike Chenault; Cliff Stone, Staff, Representative Peggy Wilson; Kathy Roemmich, Marine Transportation Advisory Board; Mary Siroky, Special Assistant, Department of Transportation and Public Facilities

PRESENT VIA TELECONFERENCE

Phillip Tschersich, Kodiak; Joe Dinnocenzo, Kodiak; Nick Sagalkin, Kodiak; Steve Thomsen, Kodiak; Jeff Wadley, Kodiak; Tony Price, Regulatory Commission of Alaska; Bob Murphy, Kodiak; Sarah Fisher-Goad, Deputy Director of Operations, Alaska Industrial Development and Export Authority and Alaska Energy Authority, Department of Commerce, Community and Economic Development; Bruce Zalnaraitis, Life Alaska; Dave Kensinger, Petersburg

SUMMARY

HB 2 "An Act relating to the vocational education account and appropriations from that account; and providing for an effective date."

CSHB 152(FIN)

"An Act establishing a renewable energy project account and a renewable energy fund and describing their uses and purposes."

CSHB 152(FIN) was heard and HELD in Committee for further consideration.

CSHB 252(STA)

"An Act requiring paid leave from employment for organ and bone marrow donation."

CSHB 252(STA) was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #6 by the Department of Administration and with fiscal note #7 by the Department of Commerce, Community and Economic Development.

CSSSHB 294(TRA) am

"An Act establishing the Alaska Marine Transportation Advisory Board and setting out its powers and duties; making conforming amendments; and providing for an effective date."

CSSS HB 294(TRA)am was heard and HELD in Committee for further consideration.

HB 296 "An Act extending the termination date of the Board of Parole; and providing for an effective date."

HB 296 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #2 by the Department of Corrections.

HB 334 "An Act extending the termination date of the Council on Domestic Violence and Sexual Assault; and providing for an effective date."

HB 334 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Public Safety.

CSHB 359(FIN)

"An Act relating to the term of probation for persons convicted of minor consuming or in possession or control of alcohol or repeat minor consuming or in possession or control of alcohol;

and relating to termination of probation for certain persons convicted of minor consuming or in possession or control of alcohol or repeat minor consuming or in possession or control of alcohol."

CSHB 359(FIN) was REPORTED out of Committee with "no recommendation" and with zero fiscal note #1 by the House Judiciary Committee and fiscal note #2 by the Court System.

HB 400 "An Act relating to a person who seeks medical assistance for a person experiencing a drug overdose."

HB 400 was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the Department of Administration.

HB 413 "An Act extending the termination date for the Real Estate Commission; and providing for an effective date."

HB 413 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Commerce, Community and Economic Development.

HB 2 was scheduled but not heard.

CSHB 417(FIN) am

"An Act relating to the compensation for certain public officials, officers, and employees not covered by collective bargaining agreements; relating to pay increments for longevity in state service; and providing for an effective date."

CSHB 417(FIN) am was heard and HELD in Committee for further consideration.

CSHB 419(FIN)

"An Act relating to state lease-purchases of equipment and other personal property; and providing for an effective date."

SCS CSHB 419(FIN) was REPORTED out of Committee with "no recommendation" and with zero fiscal note #1 by the House Finance Committee for the Department of Administration and zero fiscal note #2 by the House Finance Committee for the Office of the Governor.

CS HCR 13(FIN)

Establishing and relating to the Education Funding District Cost Factor Commission.

SCS HCR 13 (FIN) was REPORTED out of Committee with "no recommendation" and with zero fiscal note #2 by the House Finance Committee for the Legislature.

[10:25:57 AM](#)

CS FOR HOUSE BILL NO. 417(FIN) am

"An Act relating to the compensation for certain public officials, officers, and employees not covered by collective bargaining agreements; relating to pay increments for longevity in state service; and providing for an effective date."

Co-Chair Hoffman MOVED to ADOPT SCS CSHB 417(FIN), labeled 25-GH2011\E, Wayne, 4/6/08, as the working document before the Committee.

Co-Chair Stedman OBJECTED. He reported on a legal opinion which declared that the amendment added to the bill on the House Floor was a violation of the separation of powers doctrine.

Co-Chair Stedman WITHDREW his OBJECTION.

There being NO OBJECTION, SCS CSHB 417(FIN) was adopted.

[10:28:53 AM](#)

ANNETTE KREITZER, COMMISSIONER, DEPARTMENT OF ADMINISTRATION, commented that the bill is in front of the Committee to provide a cost of living adjustment of 5.5 percent, 3 percent, and 3 percent for fiscal years 2008, 2009, 2010, for non-covered state employees in the executive, legislative and judicial branches. Commissioners and other fully exempt executive branch employees currently on a salary override are not included in this legislation. The intent is to address the issues of recruitment and retention.

[10:30:28 AM](#)

KEVIN BROOKS, DEPUTY COMMISSIONER, DEPARTMENT OF ADMINISTRATION, addressed the positions set in statute and the sections of the bill:

Section 1 adjusts compensation for the commissioners for the limited entry commission.

Section 2 conforms language for the Alaska State Defense Force.

Section 3 changes the pay for the chief procurement officer in the Division of General Services.

Section 4 removes a statutory limitation on the appointment of deputy commissioners.

Section 5 readjusts the salary schedule for classified and partially exempt employees to reflect a cost of living adjustment effective July 1, 2007.

Section 6 provides for a 3 percent cost of living for FY 2009 and Section 7 does the same for FY 2010.

Section 8 makes changes to the current longevity step process for employees who reach Step F.

Section 9 addresses pay for Regulatory Commission of Alaska commissioners.

Section 10 repeal the current longevity step language.

Section 11 provides salary adjustments for certain exempt officers and employees of the executive branch.

Section 12 provides for judicial employees, including magistrates. Judges would not receive a retroactive adjustment.

Section 13 specifies that employees of the university are entitled to salary increases.

Section 14 is prospective language to address the steps.

Section 15 is transition language.

Sections 16 and 17 deal with retroactivity.

[10:37:59 AM](#)

Co-Chair Stedman addressed the three fiscal notes.

Co-Chair Hoffman voiced appreciation for the need to get beyond a frozen pay scale. He wondered if the bill would provide research information about which jobs are needed and how to fund them.

Ms. Kreitzer thought there was a bill that deals with elected officials' and commissioners' salaries. She shared historical information about the matchup. She did not object to Co-Chair Hoffman's suggestion of a salary survey.

Senator Elton emphasized that the bill does not increase legislators' pay.

[10:41:38 AM](#)

Senator Huggins requested more information about retroactivity. Mr. Brooks explained that retroactivity is applied where appropriate with non-covered employees. Senator Huggins asked what that costs. Ms. Kreitzer shared the intent to keep parity between the covered and non-covered employees. Mr. Brooks said the retroactive piece is in another appropriation bill.

RECESSED: [10:43:40 AM](#)

RECONVENED: [2:41:16 PM](#)

BRUCE LUDWIG, BUSINESS MANAGER, ALASKA PUBLIC EMPLOYEES ASSOCIATION/ALASKA FEDERATION OF TEACHERS, shared statistics about his organization's membership. He emphasized the difficulty of recruiting and retaining employees. He pointed out that only exempt and partially exempt employees will benefit from this bill. He thought it should be applied to 85 percent of employees instead of 8 percent.

[2:47:12 PM](#)

PHILLIP TSCHERSICH, KODIAK, spoke as a member of the supervisory unit with the Department of Fish and Game. He said he was disappointed with contract negotiations. He related the causes for poor retention rates in Alaska. He testified in support of HB 417 for all unionized and non-unionized employees.

[2:50:27 PM](#)

JOE DINNOCENZO, KODIAK, said he works for the Department of Fish and Game. He noted poor morale as recruitment and retention issues grew over the past 30 years. He testified in support of HB 417.

[2:52:04 PM](#)

NICK SAGALKIN, KODIAK, reported that he also works for the Department of Fish and Game. He agreed with the previous testimony and spoke in support of HB 417. He reported that a salary study in the Department of Fish and Game was completed.

[2:53:47 PM](#)

STEVE THOMSEN, KODIAK, agreed with the previous testifiers. He shared experience with negotiation issues such as retention. He testified in support of HB 417.

[2:54:52 PM](#)

JEFF WADLEY, KODIAK, an employee of the Department of Fish and Game, testified in support of HB 417.

[2:55:40 PM](#)

TONY PRICE, REGULATORY COMMISSION OF ALASKA, referred to Section 9 of the bill, which amends Regulatory Commission of Alaska Commissioner pay. He spoke of the expertise needed to make rate decisions and of the need to attract qualified applicants. He maintained that the level of pay for commissioners needed to be raised to range 30.

Senator Dyson asked if a range 27 is high enough to attract and retain desired employees. He requested clarification regarding the specifics of range 27. Mr. Price discussed steps A-F for range 27.

[2:59:56 PM](#)

BOB MURPHY, KODIAK, testified in support of HB 417 as it applies to unionized and non-unionized employees.

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ANNETTE KREITZER, COMMISSIONER, DEPARTMENT OF ADMINISTRATION, said Senator Dyson was correct in his conclusion about range 27. She explained that collective bargaining is a process. It is difficult when one piece is turned down. She described what led to arbitration with the union.

Senator Elton summarized his understanding of Section 9. He described scenarios where new commissioners could come in at varying salaries. Ms. Kreitzer thought it would free the Governor to offer a range of salaries in order to improve recruitment. Senator Elton thought there would be situations where inequity results. Ms. Kreitzer saw it differently. She reiterated that the intent was to provide more flexibility. Senator Elton listed occupations where recruitment is a problem. Ms. Kreitzer suggested that disparity in salaries is acceptable. Senator Elton requested more information about recruitment tactics and salaries.

[3:08:25 PM](#)

Senator Dyson asked for an explanation of step M. Ms. Kreitzer said that the salary schedule only goes through A-F because if it were to go to step N, it would not fit in the statute book. The language deals with that problem by saying that every two years there will be a 3.75 percent increase.

CSHB 417(FIN)am was HEARD and HELD in Committee for further consideration.

[3:09:38 PM](#)

CS FOR HOUSE BILL NO. 152(FIN)

"An Act establishing a renewable energy project account and a renewable energy fund and describing their uses and purposes."

Senator Elton MOVED to ADOPT SCS CSHB 152(FIN), labeled 25-LS0413\J, Kane, 4/8/08. There being NO OBJECTION, it was so ordered.

[3:10:29 PM](#)

DARWIN PETERSON, STAFF, CO-CHAIR STEDMAN, highlighted the changes in the new SCS. On page 1, there was a change in the title to accommodate the changes made in the bill. On page 1, line 9, the word "electrical" was removed. On page 2, line 19, the words "zero fuel costs" were removed. On page 2, line 21, the word "can" was previously "should". On page 2, lines 23-25, language was inserted to say that it is the intent of the legislature to appropriate \$50 million in capital funds per year for the next five years, which is the sunset date of the bill. On page 2, line 26, Section 2 was added. The previous section created the renewable energy fund. Mr. Peterson emphasized that this change was the most substantive change in the bill. The references to the fund were removed and, instead, a renewable energy grant recommendation program was created. On page 2, line 31, the words "achieve a statewide balance of grant funds" were added.

Mr. Peterson continued to explain that on page 3, line 5, a new subsection was added to require that the Alaska Energy Authority make recommendations to the legislature for grants to eligible renewable power projects. On page 3, lines 7-10, a new subsection says that the recommendations will be provided no later than 10 days after the first regular session of each legislative session. On page 3, line 12, after the words "the authority shall", the words "make recommendations to the legislature" were added.

Mr. Peterson related that page 4, line 11, deals with the make up of the advisory committee. It removes the Governor from the process so that the President of the Senate and the Speaker of the House will make all of the appointments. On page 4, lines 14 and 15, the word "electric" was inserted prior to the word "utilities". Page 4, lines 21 & 23, deals with appointments of a member of the House and of the Senate. The two appointments that were removed were from

non-profit environmental groups and non-profit consumer groups.

Mr. Peterson addressed page 5, line 10, after the word "animal" the words "or fish products" were inserted. Page 5, line 13, determines a five-year sunset. Page 5, Section 4, is a temporary law section that provides for grants to be made in FY 09. The Alaska Energy Authority would submit their list of recommendations to the Legislative Budget and Audit (LB & A) Committee up to \$50 million. LB & A would have 45 days to review those recommendations. Page 6, lines 7-9, is transition language that creates a tier for the appointments to the board.

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Senator Dyson asked why coal is not included. He referred to page 2, line 4, cost of fuels, and maintained that the cost of coal is also going up. He also said that coal could be included in line 21. He maintained that the list on page 5, line 9, was not renewable energy sources. He argued the merits of the inclusion of coal.

Mr. Peterson reported that the sponsor continues to object to the inclusion of coal. He called the list on page 5, line 9, energy sources, but not necessarily renewable energy sources.

Senator Dyson maintained that he does not understand the logic of the argument. Co-Chair Stedman suggested he make an amendment to the bill.

[3:18:48 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment 1:

Page 4, lines 11 - 12:

Delete "jointly by the speaker of the house of representatives and the president of the senate"

Insert "by the governor"

Co-Chair Stedman OBJECTED for discussion purposes. He explained that the amendment returns to the previous version of the bill where the governor appoints five members of the council.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

AT-EASE: [3:19:27 PM](#)

RECONVENED: [3:20:39 PM](#)

Co-Chair Hoffman MOVED to ADOPT Amendment 2:

Page 1, line 1:
Delete "and,"

Page 1, line 4, following "grants":
Insert "; establishing a state heating assistance program in addition to the federal heating assistance program; and providing for an effective date"

Page 2, line 25, following "in":
Insert "secs. 3 and 6 of"

Page 2, following line 25:
Insert a new bill section to read:
"* **Sec. 2.** AS 36.30.850(b) is amended by adding a new paragraph to read:
(46) contracts for delivery of home heating assistance under AS 47.25.626."

Renumber the following bill sections accordingly.

Page 5, following line 12:
Insert a new bill section to read:
"* **Sec. 4.** AS 47 is amended by adding new sections to read:

Article 3A. Alaska Heating Assistance Program.

Sec. 47.25.621. Alaska heating assistance program.

(a) The Alaska heating assistance program is established in the Department of Health and Social Services to provide expanded eligibility for Alaska residents for home heating assistance, to the extent funds are appropriated by the legislature for that purpose.

(b) The heating assistance program established under this section is in addition to the federal low-income heating and energy assistance provided under 42 U.S.C. 8621 - 8629 (Low-Income Home Energy Assistance Act of 1981), as amended, and implementing regulations.

Sec. 47.25.622. Duties. The department shall

(1) administer the Alaska heating assistance program provided under AS 47.25.621;

(2) adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the purpose of the program;

(3) coordinate payments among other heating assistance programs to avoid duplication of payments.

Sec. 47.25.623. Eligibility. An individual is eligible for home heating assistance payments under the Alaska home heating assistance program if the individual

(1) is a resident of the state;

(2) is physically present and resides in a home in the state when the home heating costs are incurred;

(3) has gross household income above 150 percent but that does not exceed 225 percent of the federal poverty guideline for Alaska set by the United States Department of Health and Human Services and revised under AS 42 U.S.C. 9902(2);

(4) meets other eligibility requirements specified in regulations adopted under AS 47.25.622.

Sec. 47.25.624. Appeal rights. Except as provided in AS 47.25.626(e), an individual who receives a determination from the department that denies, limits, or modifies home heating payments under AS 47.25.621 - 47.25.626, other than a determination based on insufficient funding of the program, may request a hearing before the department under regulations adopted by the department.

Sec. 47.25.625. Ability to recover or recoup improper home heating assistance payments. An individual is liable to the department for the value of assistance improperly paid under AS 47.25.623 if the improper payment was based on inaccurate or incomplete information provided by the individual. In a civil action brought by the state to recover from the individual the value of the assistance improperly paid, the state may recover from the individual the costs of investigation and prosecution of the civil action, including attorney fees as determined under court rules.

Sec. 47.25.626. Regional heating assistance program. (a) The department may develop a regional Alaska heating assistance program for the administration of AS 47.25.621 - 47.25.626 to provide home heating assistance in a uniform and cost-effective manner in a region of this state if an Alaska Native organization is authorized to implement a federally approved tribal family assistance plan that includes that region and has been awarded a tribal energy assistance grant for a program that includes that region under 42 U.S.C. 8623(d).

(b) The department may award contracts to implement a program developed under (a) of this section. A contract authorized for delivery of home heating assistance under a regional Alaska heating assistance program under this section is exempt from the competitive bid requirements of AS 36.30 (State Procurement Code). Subject to appropriation, a contract under this section must be in an amount that represents a fair and equitable share of the money appropriated for the Alaska heating assistance program under AS 47.25.621 - 47.25.626 to serve the state residents specified in (a) of this section. The authority

provided under this section to contract is in addition to the authority to contract in AS 47.05.015 or other law.

(c) The department may award a contract under this section only to an organization that

(1) has been awarded a tribal energy assistance grant under 42 U.S.C. 8623(d) for a program that includes that region;

(2) agrees to administer home heating assistance under AS 47.25.621 - 47.25.626 to state residents in the region; and

(3) agrees to implement an appeals process as described in (e) of this section.

(d) Records pertaining to recipients of home heating assistance under a contract awarded under this section are confidential and not subject to disclosure under AS 40.25.100 - 40.25.220.

(e) An organization that receives a contract under this section shall provide an appeals process to applicants for or recipients of home heating assistance covered by the contract awarded under this section. The appeals process must be the same as the method available under AS 47.25.624, except that the decision reached shall be considered a recommended decision to the department. Within 30 days after receiving a recommended decision, the department shall review the recommended decision and issue a decision accepting or rejecting the recommended decision. If the department rejects the recommended decision, the department shall independently review the record and issue its final decision. The final decision of the department on the matter is appealable to the courts of this state.

(f) If the department establishes a regional Alaska heating assistance program and awards a contract to provide home heating assistance under this section, a person applying for home heating assistance under AS 47.25.621 - 47.25.626 in the region of the state covered by the regional home heating assistance program may obtain home heating assistance from the department only through the organization designated by the department to serve the region."

Renumber the following bill section accordingly.

Page 5, line 20:
Delete "sec. 2"
Insert "sec. 3"

Page 5, line 21:
Delete "sec. 2"
Insert "sec. 3"

Page 5, line 23:
Delete "sec. 2"

Insert "sec. 3"

Page 6, line 8:
Delete "sec. 2"
Insert "sec. 3"

Page 6, following line 9:
Insert new bill sections to read:

"* **Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: RETROACTIVITY OF REGULATIONS.
Notwithstanding a contrary provision of AS 44.62.240, if the Department of Health and Social Services expressly designates in a regulation adopted under AS 47.25.622(2), enacted by sec. 4 of this Act, that the regulation applies retroactively to November 1, 2007, and is necessary to implement, interpret, make specific, or otherwise carry out AS 47.25.621 and 47.25.623, enacted by sec. 4 of this Act, the regulation may apply retroactively to November 1, 2007.

* **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY OF CERTAIN PROVISIONS OF THIS ACT.
AS 47.25.621 and 47.25.623, enacted by sec. 4 of this Act, are retroactive to November 1, 2007.

* **Sec. 10.** This Act takes effect immediately under AS 01.10.070(c)."

Co-Chair Hoffman OBJECTED.

ROB EARL, STAFF, REPRESENTATIVE MARY NELSON, explained Amendment 2:

Amendment #2 establishes the Alaska Heating Assistance Program within the Department of Health and Social Services (DHSS) to expand eligibility for Alaska residents for home heating assistance. The program is specifically in addition to the federal LIHEAP or Low-Income Home Energy Assistance Program. Thirty-three states currently contribute LIHEAP money in addition to the federal assistance dollars - Alaska is not yet one of them.

Currently, only Alaskans earning less than 150% of the federal poverty guideline for Alaska are eligible for the federal LIHEAP assistance program. Eligible households receive grants averaging \$780 per household per winter.

Amendment #2 will serve an estimated 3800 additional households state-wide with incomes between 150-225% of the poverty guideline.

This amendment is intended to give the Department the authority to provide a lump-sum, retroactive payment to eligible recipients to assist with heating costs incurred during the winter of 2007-2008.

Co-Chair Hoffman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

[3:22:52 PM](#)

Senator Elton MOVED to ADOPT Amendment 3:

Page, 5, lines 7-8 are amended to read:

(A) wind, solar, geothermal, hydrothermal, wave, tidal, river in-stream, or hydropower;

Co-Chair Stedman OBJECTED.

Senator Elton explained that the amendment takes away some of the ambiguity in the list of renewable energy resources beginning on page 5, line 7.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

Co-Chair Stedman reported that Amendment 4 was withdrawn by Senator Olson.

[3:24:58 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment 5:

Page 3, line 1:

Add "and matching funds," after "eligibility"

Page 3, lines 3 and 4:

After legislature, delete rest of line 3 and 4.

(1) develop a methodology for determining the order of projects that may receive assistance and will achieve a statewide balance of grant funds, including separate requirements for grant eligibility and matching funds, and adopt regulations identifying criteria to evaluate the benefit and feasibility of projects for which an applicant applies for support from the legislature [WITH SIGNIFICANT WEIGHT BEING GIVEN TO THE AMOUNT OF MATCHING FUNDS AN APPLICANT IS ABLE TO MAKE AVAILABLE].

Co-Chair Stedman OBJECTED.

SARAH FISHER-GOAD, DEPUTY DIRECTOR OF OPERATIONS, ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AND ALASKA ENERGY AUTHORITY, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, explained that the amendment clarifies

that matching funds should be required for the project. The intent is to avoid determining what a significant weight would be.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

[3:25:36 PM](#)

Senator Olson MOVED to ADOPT Amendment 6:

Page 1, line 1:
Delete "**and,**"

Page 1, line 4, following "**grants**":
Insert "**; and establishing an Alaska Renewable Energy Task Force**"

Page 1, line 8:
Delete "The"
Insert "For secs. 2, 3, 5, and 6 of this Act, the"

Page 2, line 25, following "in":
Insert "secs. 2 and 5 of"

Page 2, following line 25:
Insert a new subsection to read:
"(c) For sec. 4 of this Act, the legislature finds that
(1) energy issues are among the most critical issues in the state; and
(2) a thorough assessment of present and future state energy needs and requirements is necessary."

Page 5, following line 13:
Insert a new bill section to read:
"*** Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to read:
ALASKA RENEWABLE ENERGY TASK FORCE. (a) There is established in the legislative branch of state government the Alaska Renewable Energy Task Force. The task force consists of seven voting members appointed as follows:
(1) the speaker of the house of representatives shall appoint three members from the house of representatives;
(2) the president of the senate shall appoint three members from the senate; and
(3) the governor shall appoint one member.
(b) The chair of the task force shall be a legislative member selected by a majority vote of the members of the task force. The staff of the members who are legislators shall serve as staff to the task force.

(c) The task force shall prepare a report that includes

(1) an assessment of future statewide renewable energy needs; and

(2) recommendations for a statewide energy plan to fulfill the state's renewable energy needs.

(d) Members of the task force are entitled to transportation expenses and per diem allowances provided by law.

(e) The task force shall meet at least four times. The task force may meet in communities in the state that are using or considering sources of renewable energy.

(f) The task force shall submit written reports of its findings and recommendations to the legislature

(1) before March 1, 2009; and

(2) before March 1, 2010.

(g) The Alaska Renewable Energy Task Force is terminated on April 16, 2010."

Renumber the following bill section accordingly.

Page 6, following line 9:

Insert a new bill section to read:

"* **Sec. 7.** Sections 1(c) and 4 of this Act are repealed April 16, 2010."

Co-Chair Stedman OBJECTED.

Senator Olson explained the amendment rolls the CS for HB 404, as it came out of Community and Regional Affairs Committee, into HB 152. It establishes an Alaska Renewable Energy Task Force.

Co-Chair Stedman asked how long the task force would run. Senator Olson said two years.

Co-Chair Stedman REMOVED his OBJECTION. There being NO OBJECTION, it was so ordered.

[3:26:46 PM](#)

Senator Olson MOVED to ADOPT a Conceptual Amendment to allow Legislative Legal to conform language as needed.

There being NO OBJECTION, it was so ordered.

[3:27:46 PM](#)

Co-Chair Stedman noted a fiscal note which reflected a \$50 million appropriation to the Alaska Energy Authority. He asked if AEA anticipates the need for additional money to operate the program.

Ms. Sarah Fisher-Goad recommended that the appropriation be a capital expense, rather than an operating expense. She reported that she has provided a version J fiscal note, which changed the funding source to general fund away from the new renewable energy fund. With \$50 million worth of projects, there will be a need for additional outside consultants for project evaluation. The fiscal note reflects an additional \$100,000 for a consultant for FY 2009 and \$250,000 for FY 2010 - 2013.

Co-Chair Stedman MOVED to ADOPT new fiscal note CED, 4/9/08, 9:16 am.

AT-EASE: [3:29:40 PM](#)

RECONVENED: [3:32:23 PM](#)

There being NO OBJECTION, the fiscal note was adopted.

AT-EASE: [3:32:45 PM](#)

RECONVENED: [3:40:45 PM](#)

Senator Dyson MOVED to ADOPT Conceptual Amendment 7:

Page 2, line 4, after "natural gas" add ", clean coal"
Page 2, line 21, after "natural gas" add "and clean coal"
Page 3, line 15, after "projects" add "and clean coal"
Page 5, move lines 9 & 10 to a new subparagraph (5) Bio Mass Fuels
Renummer as necessary
Page 5, line 12, add "shallow gas"

Co-Chair Stedman OBJECTED.

Senator Dyson explained that the amendment brings consistency to the bill. Clean coal is added throughout the bill. Alaska has enough coal to supply all of North America for the next 400 years. Senator Dyson maintained that bio mass fuels are not renewable and should be in a new subparagraph.

[3:43:50 PM](#)

Senator Elton objected to the page 5, line 9, change in the conceptual amendment. He addressed the issue of renewable resources. He used fish waste as an example of a renewable resource. Senator Dyson said he didn't remove the category, just moved it to another area in the bill. He commented that stewardship was needed when considering renewable energy sources.

Co-Chair Stedman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Dyson

OPPOSED: Elton, Thomas, Stedman, Olson

The MOTION failed (1-4).

AT-EASE: [3:47:00 PM](#)

RECONVENED: [6:18:58 PM](#)

CSHB 152(FIN) was heard and HELD in Committee for further consideration.

[6:20:16 PM](#)

HOUSE BILL NO. 296

"An Act extending the termination date of the Board of Parole; and providing for an effective date."

REPRESENTATIVE BOB LYNN, Sponsor, explained the bill extends the Board of Parole for another eight years, as recommended by Legislative Audit. He shared the purpose and responsibility of the Board.

Co-Chair Stedman noted the fiscal note from the Department of Corrections for \$769,100 which is already included in the operating budget.

[6:22:17 PM](#)

Co-Chair Hoffman MOVED to REPORT HB 296 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 296 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #2 by the Department of Corrections.

[6:24:33 PM](#)

HOUSE BILL NO. 334

"An Act extending the termination date of the Council on Domestic Violence and Sexual Assault; and providing for an effective date."

RENEE LIMOGUE, STAFF, REPRESENTATIVE ANNA FAIRCLOUGH, explained the purpose of the bill was to extend the termination date of the Council on Domestic Violence and Sexual Assault.

Co-Chair Hoffman MOVED to REPORT HB 334 from Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 334 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Public Safety.

[6:25:49 PM](#)

CS FOR HOUSE BILL NO. 359(FIN)

"An Act relating to the term of probation for persons convicted of minor consuming or in possession or control of alcohol or repeat minor consuming or in possession or control of alcohol; and relating to termination of probation for certain persons convicted of minor consuming or in possession or control of alcohol or repeat minor consuming or in possession or control of alcohol."

EMILY BEATLEY, STAFF, REPRESENTATIVE JAY RAMRAS introduced the bill.

[6:26:50 PM](#)

REPRESENTATIVE JAY RAMRAS, Sponsor, explained that the bill was drafted as a betterment bill. The concept originated to help young people enter the military. Those convicted of minor consuming or in possession of alcohol and who are on probation cannot join the armed forces until they are 21. This bill would allow those persons to petition the court to be allowed to join the armed forces. He estimated that there are about 3,500 persons in this category. New probation terms have been established for first and second violations.

Senator Olson asked if any other states have this type of legislation. Ms. Beatley offered to find out.

Co-Chair Hoffman MOVED to REPORT CSHB 359(FIN) out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSHB 359(FIN) was REPORTED out of Committee with "no recommendation" and with zero fiscal note #1 by the House Judiciary Committee and fiscal note #2 by the Court System.

[6:29:30 PM](#)

HOUSE BILL NO. 400

"An Act relating to a person who seeks medical assistance for a person experiencing a drug overdose."

REPRESENTATIVE BETH KERTTULA, Sponsor, explained that the bill is to encourage people to dial 911 to save the life of someone who may be suffering from a drug overdose. She referred to a constituent's story which led to the drafting of the bill. She described the mitigating circumstances.

Co-Chair Stedman requested a definition for "mitigating factor". Representative Kerttula explained that after a trial if there was a conviction on a drug-related offense, and the defendant did make an attempt to help the person suffering the overdose, then the judge can take that into account when sentencing.

[6:31:25 PM](#)

Co-Chair Stedman concluded that there would still be an arrest made, but the mitigating factors could be considered when sentencing. Representative Kerttula agreed.

Senator Elton MOVED to REPORT HB 400 out of Committee with individual recommendations and accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 400 was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the Department of Administration.

AT-EASE [6:33:00 PM](#)

RECONVENE [6:33:43 PM](#)

HOUSE BILL NO. 413

"An Act extending the termination date for the Real Estate Commission; and providing for an effective date."

ELEANOR WOLFE, STAFF, REPRESENTATIVE KURT OLSON, stated that the bill was introduced at the request of Department of Commerce, Community and Economic Development and the Legislative Budget and Audit Committee. It extends the termination date of the Real Estate Commission to June 30, 2016.

Co-Chair Stedman noted one fiscal note by Department of Commerce, Community and Economic Development.

Co-Chair Hoffman MOVED to REPORT HB 413 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 413 was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Commerce, Community and Economic Development.

AT-EASE: [6:35:43 PM](#)

RECONVENED: [6:36:27 PM](#)

CS FOR HOUSE CONCURRENT RESOLUTION NO. 13(FIN)

Establishing and relating to the Education Funding District Cost Factor Commission.

REPRESENTATIVE MIKE HAWKER, Sponsor, explained that the bill was proposed by the joint legislative education funding task force. He shared the history of the task force and its conclusions. The bill charges a task force to work with the legislature, the governor, departments, and resources to develop a methodology for modeling and updating cost factors.

[6:39:33 PM](#)

Co-Chair Stedman noted the fiscal notes.

Senator Elton asked what the purpose of the task force was. Representative Hawker emphasized that the language in the bill was very important. It was specifically "established for the purpose of examining school cost differentials and creating a valid and durable model that can be updated to accurately reflect the costs of providing education".

Senator Thomas referred to line 16, page 1, and lines 1 and 2 on page 2, as the specific charges. Representative Hawker said that is correct.

Senator Huggins referred to page 2, line 16, "no longer a state legislator". Representative Hawker thought that wording was changed in the proposed amendment.

[6:42:07 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment 1:

Page 1, line 11:
Before "2002," insert: "1983 - 1985, 1999"

Page 1, line 16:
Following "established," insert: "on January 20, 2009,"

Page 2, lines 15 - 16:
Delete, "a member may continue to serve even if the member is no longer a state legislator,"

Page 2, following line 16:

Insert, "FURTHER RESOLVED that the commission may submit a preliminary report of its findings and a draft model to the governor and the legislature before September 30, 2009; and be it"

Co-Chair Stedman OBJECTED.

Co-Chair Stedman explained that the amendment on page 1, line 11, inserts "1983-1985, 1999" before "2002". Page 2, lines 15 and 16 deletes "a member may continue to serve even if the member is no longer a state legislator;". The amendment also states that the commissioner may submit a preliminary report of its findings and a draft model to the governor and the legislature before September 30, 2009.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

[6:43:18 PM](#)

Co-Chair Hoffman MOVED to REPORT SCS HCR 13(FIN) out of Committee with individual recommendations the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SCS HCR 13(FIN) was REPORTED out of Committee with "no recommendation" and with zero fiscal note #2 by the House Finance Committee for the Legislature.

[6:44:11 PM](#)

CS FOR HOUSE BILL NO. 252(STA)

"An Act requiring paid leave from employment for organ and bone marrow donation."

REPRESENTATIVE GABRIELLE LEDOUX, Sponsor, explained that the bill grants paid leave to state employees for up to 80 hours in order to make an organ donation or bone marrow donation. The bill has 11 co-sponsors and 6 zero fiscal notes.

Co-Chair Stedman noted only two zero fiscal notes.

[6:45:42 PM](#)

Senator Olson asked if any states have similar legislation. Representative LeDoux replied that thirty states have similar laws; 23 apply only to state employees.

BRUCE ZALNARAITIS, LIFE ALASKA, testified in support of HB 252.

Senator Huggins asked if any organization are opposed to the bill.

SONYA HYMER, STAFF, REPRESENTATIVE GABRIELLE LEDOUX, said she was not aware of any. Positive statements were received from the National Marrow Donor Program, Life Alaska, and Blood Bank of Alaska.

[6:47:54 PM](#)

Senator Elton MOVED to REPORT CSHB 252(STA) from Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSHB 252(STA) was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #6 by the Department of Administration and with zero fiscal note #7 by the Department of Commerce, Community and Economic Development.

AT-EASE: [6:48:34 PM](#)

RECONVENED: [6:50:05 PM](#)

CS FOR HOUSE BILL NO. 419(FIN)

"An Act relating to state lease-purchases of equipment and other personal property; and providing for an effective date."

Senator Huggins MOVED to ADOPT SCS CSHB 419(FIN), labeled 25-LS1567\V, Cook, 4/9/08, as the working draft before the Committee. Co-Chair Stedman OBJECTED.

TOM WRIGHT, STAFF, REPRESENTATIVE MIKE CHENAULT, explained that the new CS mirrors the bill that passed from the House. Section 1 clarifies that lease-purchase agreements must be for real property. Section 2 deals with lease-purchase of personal property. It allows all agencies to enter into lease-purchase agreements. If the agreement is worth over \$100,000 notice must be given.

Mr. Wright related that Section 3 says that by January 15 of each year each agency, through OMB, has to submit a report of every lease-purchase agreement.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, SCS CSHB 419 (FIN) was adopted.

Co-Chair Stedman commented on a concern about the restrictiveness of the bill. As a compromise, the House version of the bill was adopted. There will be an on-going opportunity to review the outcome of the bill and a chance to tighten it up if necessary.

Senator Huggins asked if the sponsor supports the bill as it is. Mr. Wright said he did. He further explained the cap option, which was not incorporated in the bill. The issue will be revisited as needed.

[6:54:38 PM](#)

Senator Thomas MOVED to REPORT SCS CS HB 419(FIN) from Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SCS CSHB 419(FIN) was REPORTED out of Committee with "no recommendation" and with zero fiscal note #1 by the House Finance Committee for the Department of Administration and zero fiscal note #2 by the House Finance Committee for the Office of the Governor.

AT-EASE: [6:55:22 PM](#)

RECONVENED: [6:56:38 PM](#)

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 294(TRA) am

"An Act establishing the Alaska Marine Transportation Advisory Board and setting out its powers and duties; making conforming amendments; and providing for an effective date."

CLIFF STONE, STAFF, REPRESENTATIVE PEGGY WILSON, explained that the bill started off as a quasi-independent authority board. A compromise was worked out with the House Transportation Committee and the Alaska Marine Transportation Advisory Board (AMTAB). The bill sets the Board into statute.

Mr. Stone walked the Committee through the bill. On page 1, the Department of Transportation and Public Facilities now has to consult with AMTAB. On page 2, the board makeup has been increased from 9 to 11 members in order to broaden the scope and create more advocates. On line 22, it was not the intent of the bill sponsors to create the impression that there were two union seats on the board. The Governor's office now understands the intent to have one position include someone with Coast Guard, Navy, or Merchant Marine experience.

[7:01:24 PM](#)

Mr. Stone noted that at least one member from the Ketchikan Gateway Borough must be included on the board, and two members who are residents of areas not served by the Alaska marine highway also must be on the board. He explained that after the commissioner of the transportation and public

facilities has considered one or more candidates for the position of director or deputy commissioner of the Alaska marine highway system, the commissioner shall confer with the board about the position.

Mr. Stone highlighted the most popular part of the bill, "the board may establish volunteer regional advisory committees". The sponsors included this language to broaden the users of the marine highway system. There is language that a current AMTAB board member could be reappointed to the board.

Mr. Stone said there was a zero fiscal note.

Co-Chair Stedman asked how the rotation of the board works. Mr. Stone referred to Section 3 of the bill to explain initial appointments and length of service. Co-Chair Stedman commented that the seats are three-year terms and there is a staggered start up.

Senator Huggins referred to page 3, line 15, and asked if any consideration was given for the location of the meetings. Mr. Stone said none was given.

[7:04:30 PM](#)

Senator Elton had concerns about continuity throughout the bill. He asked about Section 1, page 1, the initial long-range plan. He wondered if the board would be involved in the update of the plan. He referred to page 3, line 30, where it says the commissioner shall confer with the board regarding the candidates. He voiced concern about the wording. On page 4, line 9, he addressed the wording "submit that plan to the department for its consideration". He voiced concerns about "lack of teeth" in the bill.

[7:07:25 PM](#)

Senator Olson referred to the bottom of page 2, where a member of the Ketchikan borough is included. He asked why Ketchikan was singled out. Mr. Stone noted subsections A-E had specific seats for those communities. The sponsors felt it important to single out Ketchikan because it is a gateway to Alaska.

[7:08:49 PM](#)

DAVE KENSINGER, PETERSBURG, stressed the importance of having a board that provides important policy direction to the marine highway system. He testified in support of the bill.

[7:10:53 PM](#)

KATHY ROEMMICH, MARINE TRANSPORTATION ADVISORY BOARD, testified in support of the bill. She said she prefers to see it for three years. The bill would provide a solid foundation. She especially liked the fact that it includes people in other parts of the state not located on the marine highway. She thought that having more communities involved would be a very positive thing.

7:13:50 PM

MARY SIROKY, SPECIAL ASSISTANT, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, stated that the bill meets the needs of DOT.

Senator Huggins wondered about the effective date of five years for the board. Ms. Siroky thought that the department would work with the AMTAB no matter how the bill was worded.

CSSS HB 294(TRA) am was heard and HELD in Committee for further consideration.

HOUSE BILL NO. 2

"An Act relating to the vocational education account and appropriations from that account; and providing for an effective date."

HB 2 was scheduled but not heard.

ADJOURNMENT

The meeting was adjourned at 7:15 PM.