

SENATE FINANCE COMMITTEE  
April 10, 2008  
5:51 p.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [5:51:34 PM](#).

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

Mike Pawlowski, Staff, Representative Kevin Meyer; Eddy Jeans, Director, Education Support Services, Department of Education and Early Development; Jesse Keal, Staff, Senator Elton; Brian Butcher, Public Affairs Director, Alaska Housing Finance Corporation Representative Peggy Wilson

PRESENT VIA TELECONFERENCE

Rodney Dial, Lieutenant, Alaska State Troopers, Department of Public Safety; Corey Aist, President, Alaska Search and Rescue Association; Chuck Springer, Former President, Alaska Search and Rescue Association

SUMMARY

CS HB 226(FIN)

"An Act extending the termination of the state training and employment program; requiring a review of the program; and providing for an effective date."

CSHB 226 (FIN) was SCHEDULED but not HEARD.

CSHB 152(FIN)

"An Act establishing a renewable energy grant fund and describing its uses and purposes; establishing a renewable energy grant recommendation program;

for the fiscal year ending June 30, 2009, authorizing the Alaska Energy Authority to distribute renewable energy grants and setting out the procedures to be followed to award those grants; establishing a state heating assistance program in addition to the federal heating assistance program; establishing an Alaska Renewable Energy Task Force; and providing for an effective date."

SCS CSHB 152 (FIN) was REPORTED out of Committee with a "do pass" recommendation and accompanying new fiscal notes from the Department of Commerce, Community and Economic Development, Department of Health and Social Services, and the Senate Finance Committee.

HB 373 "An Act extending specified public school bond debt reimbursement; and providing for an effective date."

SCS CSHB 373 (FIN) was REPORTED out of Committee with a "do pass" recommendation and accompanying previously published fiscal note from the Department of Education and Early Development.

CSHB 320(FIN)

"An Act relating to search and rescue training and search and rescue parties; requiring certain search and rescue volunteers to be considered state employees for purposes of workers' compensation coverage; and allowing political subdivisions to elect to provide workers' compensation insurance coverage for search and rescue personnel."

CSHB 320 (FIN) was REPORTED out of Committee with no recommendations and accompanying new fiscal noted from the Department of Administration and previously published fiscal notes from the Department of Administration, Department of Public Safety, and the Department of Labor and Workforce Development.

CSSS HB 294 (TRA)

"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."

SCS CSSS HB 152 (FIN) was REPORTED out of Committee with no recommendations and an

accompanying previously published zero fiscal note from the Department of Transportation.

CSHB 325(FIN)

"An Act relating to the teachers' and health care professionals' housing loan program in the Alaska Housing Finance Corporation; and providing for an effective date."

CSHB 325 (FIN) was REPORTED out of Committee with a "do pass" recommendation and a previously published zero fiscal note from the Department of Revenue.

CSHB 50(JUD)

"An Act relating to the Interstate Compact for the Placement of Children; establishing an interstate commission for the placement of children; amending Rules 4 and 24(b), Alaska Rules of Civil Procedure; and providing for an effective date."

CSHB 50 (JUD) was SCHEDULED but not HEARD.

CSHB 332(FIN) (title am)

"An Act defining an elementary school to include certain pre-elementary programs and relating to counting pre-elementary students in a school's average daily membership."

CSHB 332 (FIN) (title am) 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."

SCS HB 417 (FIN) was REPORTED out of Committee with no recommendations and accompanying previously published fiscal notes from the Alaska Court System, Office of Management and Budget, and the Legislative Affairs Agency.

[5:51:48 PM](#)

SENATE CS FOR CS FOR HOUSE BILL NO. 152(FIN)

"An Act establishing a renewable energy grant fund and describing its uses and purposes; establishing a renewable energy grant recommendation program; for the fiscal year ending June 30, 2009, authorizing the Alaska Energy Authority to distribute renewable energy grants and setting out the procedures to be followed to award those grants; establishing a state heating assistance program in addition to the federal heating assistance program; establishing an Alaska Renewable Energy Task Force; and providing for an effective date."

Co-Chair Stedman MOVED to ADOPT Amendment #8:

Page 2, line 31:

Delete "and will achieve a statewide balance of grant funds"

Page 3, line 3:

Delete "significant weight being given"  
Insert "the most weight being given to projects that service areas in which energy costs exceed energy costs in other areas of the state, and significant weight being given to a statewide balance of grant funds and"

Co-Chair Stedman OBJECTED for discussion.

[5:52:40 PM](#)

Co-Chair Stedman remarked that in rating and ranking different applicants attention is paid to the higher cost areas.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, Amendment # 8 was adopted.

[5:53:58 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment #9:

Page 1, line 1, following "establishing":

Insert "establishing a renewable energy fund and describing their uses and purposes;"

Page 2, line 27:

Following "energy":  
Insert "fund and"

Following "program.":  
Insert new subsections to read:  
"(a) A renewable energy fund is established as a separate fund to finance certain energy projects in Alaska.

(b) The authority shall administer the fund as a fund distinct from other funds of the authority. The fund consists of

(1) money appropriated to the fund by the legislature to provide grants for certain energy projects determined by the legislature;

(2) gifts, bequests, contributions from other sources, and federal money;

(3) interest earned on the fund balance; and

(4) investments to be managed by the Department of Revenue, which shall be the fiduciary of the fund under AS 37.10.071.

(c) The fund is not a dedicated fund."

Reletter the following subsections accordingly.

Page 2, line 28:  
Delete "(f)"  
Insert "(i)"

Page 3, line 11:  
Delete "(f)"  
Insert "(i)"

Page 3, line 16:  
Delete "(c), (d), and (e)"  
Insert "(f), (g), and (h)"

Page 3, line 20:  
Delete "(b)"  
Insert "(e)"

Page 3, line 30:  
Delete "(b)"  
Insert "(e)"

Page 4, line 4:  
Delete "(b)"  
Insert "(e)"

Page 4, line 25:  
Delete "(f)"  
Insert "(i)"

Page 4, following line 27:  
Insert a new subsection to read:  
"(k) The legislature may appropriate money for grants from the renewable energy project fund for renewable energy projects described in this section."

Reletter the following subsection accordingly.

Page 5, following line 1:  
Insert a new paragraph to read:

"(2) "fund" means the renewable energy fund;"

Renumber the following paragraphs accordingly.

Page 5, line 19:

Delete "AS 42.45.045(c) - (e)"

Insert "AS 42.45.045(f) - (h)"

Page 5, line 21:

Delete "AS 42.45.045(c) - (e)"

Insert "AS 42.45.045(f) - (h)"

Delete "sec. 2"

Insert "sec. 3"

Page 5, line 22:

Delete "AS 42.45.045(a), (b), and (f) - (l)"

Insert "AS 42.45.045(d), (e), and (i) - (l)"

Page 5, line 23:

Delete "sec. 2"

Insert "sec. 3"

Page 6, line 8:

Delete "AS 42.45.045(f)(1)"

Insert "AS 42.45.045(i)(1)"

Co-Chair Stedman OBJECTED for discussion.

Co-Chair Stedman noted that Amendment #9 establishes a renewable energy fund and describes the uses and purposes. After meeting with Legislative Finance it was decided that a holding mechanism was needed for the funds after appropriations. Amendment #9 describes how this is to be set up.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, Amendment #9 was adopted.

[5:55:00 PM](#)

Senator Olson MOVED to REPORT SCS CSHB 152 (FIN) out of Committee with individual recommendations and accompanying fiscal notes.

Co-Chair Stedman OBJECTED for discussion.

Senator Olson WITHDREW his MOTION to REPORT SCS CSHB 152 (FIN) out of Committee.

Co-Chair Stedman reviewed the accompanying fiscal notes.

[5:56:02 PM](#)

Co-Chair Stedman MOVED to ADOPT the four fiscal notes. There being NO OBJECTION, it was so ordered.

Co-Chair Stedman WITHDREW his OBJECTION.

Senator Olson MOVED to REPORT SCS CSHB 152 (FIN) out of Committee with individual recommendations and accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

SCS CSHB 152 (FIN) was REPORTED out of Committee with a "do pass" recommendation and accompanying new fiscal notes from the Department of Commerce, Community and Economic Development, Department of Health and Social Services, and the Senate Finance Committee.

AT EASE: [5:57:45 PM](#)

RECONVENED: [6:01:02 PM](#)

[6:01:07 PM](#)

HOUSE BILL NO. 373

"An Act extending specified public school bond debt reimbursement; and providing for an effective date."

Co-Chair Stedman reminded the Committee that this was the third hearing of the bill. He reviewed the committee substitute Version E that extended the school bond reimbursement program for one year instead of two years and that it amended the full value of ADM for the major maintenance grant fund program.

[6:01:20 PM](#)

Co-Chair Stedman remarked that the intent was to bring the bill back to the table and adopt a conceptual amendment.

Co-Chair Stedman MOVED to ADOPT a Conceptual Amendment on page, 7, line 4, to delete 2009 and insert 2010. There being NO OBJECTION, the conceptual amendment was adopted.

Co-Chair Stedman reviewed the fiscal note.

[6:02:49 PM](#)

MIKE PAWLOWSKI, STAFF, REPRESENTATIVE KEVIN MEYER, pointed out that an additional conceptual amendment was needed on page 6, line 27 to delete 2009 and insert 2010.

Co-Chair Stedman MOVED to ADOPT Conceptual Amendment on page 6, line 27 to delete 2009 and insert 2010. There being NO OBJECTION, it was so ordered.

Senator Olson inquired if the North Slope Borough could participate in the reimbursement program.

[6:03:50 PM](#)

EDDY JEANS, DIRECTOR, EDUCATION SUPPORT SERVICES, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT reported that the debt reimbursement program is open to any municipality that has the capacity to bond.

Senator Huggins MOVED to REPORT SCS HB 273 (FIN) out of Committee with individual recommendations and accompanying fiscal note.

SCS CSHB 373 (FIN) was REPORTED out of Committee with a "do pass" recommendation and an accompanying previously published fiscal note from the Department of Education and Early Development.

AT EASE: [6:05:57 PM](#)  
RECONVNEED:[6:06:58 PM](#)

CS FOR HOUSE BILL NO. 320(FIN)

"An Act relating to search and rescue training and search and rescue parties; requiring certain search and rescue volunteers to be considered state employees for purposes of workers' compensation coverage; and allowing political subdivisions to elect to provide workers' compensation insurance coverage for search and rescue personnel."

Co-Chair Stedman reviewed that this was a first hearing on the bill with the intent to hear from the bill sponsor, take public testimony and confirm the will of the Committee.

[6:07:25 PM](#)

Mike Pawlowski, Staff, Representative Kevin Meyer presented an overview of the bill history. Mr. Pawlowski explained that volunteers assisting state troopers in a search and rescue operation are not allowed or entitled to workers compensation and this bill seeks to rectify this wrong. He stressed that volunteers serve the state by rescuing people, and if the volunteer is hurt during a mission, they are not provided workers compensation. This bill would treat the volunteers as state employees and provide them some protection for their service. In Section 5 it would allow a municipality to extend similar coverage to the volunteers who are serving at the direction of a municipal search and rescue operation. He referred to support letter and emails from throughout the state.

[6:09:55 PM](#)

Co-Chair Stedman reviewed the three fiscal notes.

[6:10:16 PM](#)

Senator Elton pointed out that the City and Borough of Juneau does not have a state trooper therefore the municipality not the state would be forced to pick up the additional cost.

[6:11:10 PM](#)

Mr. Pawlowski expressed that the state could not be held responsible for search and rescue activities they did not control. The municipalities would need to step up when they are in control and provide for the additional cost.

[6:12:36 PM](#)

Senator Olson inquired if there would be any cost to the communities that are participating in many of these search and rescue operations.

Mr. Pawlowski replied that the cost would be incurred to the community if the community decided to provide workers compensation to the volunteers. If a state trooper was involved, then the state would pick up the cost.

Senator Olson inquired if the Alaska Municipal League had a position on this topic.

Mr. Pawlowski replied that the Alaska Municipal League has taken no official position since it was left up to the discretion of the municipalities.

[6:13:41 PM](#)

Senator Huggins questioned that when there is an aerial component in the search, such as a helicopter assist, would they also be covered under this bill.

Mr. Pawlowski confirmed it would be covered the state troopers had requested the participation of the aerial component.

[6:14:27 PM](#)

Senator Elton interjected that if the volunteer was a member of the Civil Air Patrol assisting the Air National Guard they would not be covered.

Mr. Pawlowski agreed that they are separate, but if the Department of Public Safety initiates the search and rescue operation, then it would be covered.

Co-Chair Hoffman inquired if those individuals who start on a search and rescue operation on the local level before a state trooper becomes involved would be covered.

Mr. Pawlowski responded that local searchers would not be covered until a state trooper became involved.

Co-Chair Hoffman inquired if the local individuals who continued the operation after the troopers were call would be covered.

[6:17:13 PM](#)

Mr. Pawlowski responded that if the troopers take over the mission and the local volunteers are on the trooper roster, then they would be covered.

Co-Chair Hoffman asked if that would require the state troopers to ask for their assistance or would they just sign up.

[6:18:13 PM](#)

Mr. Pawlowski deferred the questioned to Lt. Rodney Dial.

[6:18:40 PM](#)

RODNEY DIAL, LIEUTENANT, ALASKA STATE TROOPERS, DEPARTMENT OF PUBLIC SAFETY testified via teleconference and replied that when the state troopers are notified of a search and rescue the process of authorizing participants begins. If volunteer participants search against the advice and operational control of the state troopers, then they would not be covered. Mr. Dial cited that there are search and rescue rosters throughout the state for the state troopers to call in an emergency situation.

[6:21:13 PM](#)

Senator Elton believed that the new language in the bill states that the coverage will not begin until someone from the Commissioner or Commissioner Designee decides to organize the search. Senator Elton noted that often searches start before there is an official beginning. He asked for confirmation that if someone was injured before the official start then they would not be covered.

[6:22:14 PM](#)

Lt. Dial responded that injured searchers would receive coverage from Risk Management not workers compensation. If the state troopers were not notified of an ongoing search

and rescue operation then the searchers would have to take personal responsibility.

[6:23:19 PM](#)

Co-Chair Hoffman remarked that because the large areas in Alaska local community often initiates a search and rescue operation hours before the official troopers are notified or able to respond. He inquired how state troopers would take over the search and make it official.

[6:24:24 PM](#)

Lt. Dial responded that most local communities notify the official representatives in a timely manner about a search and rescue needs. He signified the importance of the local community to notify the state troopers even if someone is overdue so the troopers can cut a case number and make the action official. The responsibilities of the newly requested civilian position would be to coordinate and officially activate information coming into the department from local communities.

[6:25:46 PM](#)

Co-Chair Hoffman inquired if the department would take the initiative to sign up the local searchers so they would be covered.

[6:26:27 PM](#)

Lt. Dial responded that everyone asked by the department to help would be covered.

Co-Chair Hoffman asked if the department would authorize this.

Lt. Dial agreed that the department would authorize the individuals and the coverage would be automatic.

[6:27:06 PM](#)

COREY AIST, PRESIDENT, ALASKA SEARCH AND RESCUE ASSOCIATION testified via teleconference and spoke in support of the bill. He clarified that the spontaneous searchers who respond to a search and rescue operation are not necessarily covered under this bill until the state troopers are notified.

[6:28:42 PM](#)

CHUCK SPRINGER, FORMER PRESIDENT, ALASKA SEARCH AND RESCUE ASSOCIATION testified via teleconference and spoke in support of the bill. He cited that throughout Alaska local

trained searchers selflessly provide help to the Department of Public Safety in a time of need.

AT EASE: [6:30:04 PM](#)

RECONVENED: [6:31:40 PM](#)

Co-Chair Hoffman MOVED to REPORT CSHB 320 (FIN) out of Committee with individual recommendation and accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 320 (FIN) was REPORTED out of Committee with no recommendations and accompanying new fiscal noted from the Department of Administration and previously published fiscal notes from the Department of Administration, Department of Public Safety, and the Department of Labor and Workforce Development.

AT EASE: [6:32:23 PM](#)

RECONVENED: [6:37:48 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."

Senator Elton MOVED to ADOPT Amendment #1:

Page 1, Line 7, following "Facilities,"

Delete: in consultation

Insert: jointly

Page 1, Line 9, following "shall"

Insert: jointly with the Alaska Marine Transportation Advisory Board.

Page 2, Line 22, following "captain:"

Insert or

Page 2, Line 22, following "engineer"

Delete: ,or licensed seaman

Insert: who is not affiliated with the Alaska marine highway system.

Page 4, line 9, following "department"

Insert: and the governor

Page 4, line 9, following "for"

Delete: its

Insert: their

Page 4, line 10:

Insert: (d) The board may issue reports and recommendations.

(e) The board may receive such information from the department as the board deems necessary to carry out its duties.

Page 4, line 20, following "(2)"

Delete: three

Insert: four

Page 4, line 21, following "(3)"

Delete: five

Insert: four

Co-Chair Stedman OBJECTED for discussion.

Senator Elton MOVED to ADOPT a Conceptual Amendment to Amendment #1.

Co-Chair Stedman OBJECTED for discussion.

Senator Elton remarked that after discussions with the sponsor's staff the decision would be to strike all language above line five:

Page 1, Line 7, following "Facilities,"

Delete: in consultation

Insert: jointly

Senator Elton then added that on Line 7, "jointly with the Alaska Marine Transportation Advisory Board" to strike "jointly" and replace it with "in consultation."

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, Conceptual Amendment to Amendment #1 was ADOPTED.

[6:40:36 PM](#)

Senator Elton explained the changes to the bill listed in Amendment #1.

[6:44:04 PM](#)

Co-Chair Stedman WITHDREW his OBJECTION to Amendment #1.

Senator Elton felt compelled to remark that he wanted this amendment to go further but it is a better incremental step with hopefully more steps to come.

[6:44:39 PM](#)

REPRESENTATIVE PEGGY WILSON, the bill sponsor remarked that she approves of the final Amendment #1.

[6:45:16 PM](#)

Co-Chair Hoffman MOVED to REPORT SCS HB 294 (FIN) as amended with individual recommendations and accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SCS CSSS HB 152 (FIN) was REPORTED out of Committee with no recommendations and an accompanying previously published zero fiscal note from the Department of Transportation.

AT EASE: [6:45:44 PM](#)

RECONVENED: [7:00:45 PM](#)

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."

[7:01:02 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment #1:

SCS CSHB 417 (FIN), Draft Version 25-GH201\E.3, Wayne, 4\10\08 (10 pages, Copy on File)

Co-Chair Stedman OBJECTED for discussion.

Senator Elton described Amendment #1 as encapsulating the pervious bill heard by the Committee on the Salary Commission. He noted that it duplicates the previous bill with one exception. In the original bill that was heard and moved from Committee the bill had provided that the salary commission could review benefits. This has been changed to very narrowly define benefits so that it does not include the PERS issue. The bill sponsor of the original bill worked closely with the Senate President on the language.

[7:02:56 PM](#)

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, Amendment #1 was adopted.

Co-Chair Stedman MOVED to ADOPT Amendment #2.

Page 6, line 25:

Following "Section"

Insert "5, 11(a), 12(a), 14, and"

Following "Act"

Delete "takes"

Insert "take"

Co-Chair Stedman OBJECTED for discussion.

Senator Elton disclosed that Amendment #2 was recommended by the Department of Administration as a technical change to avoid a look-back provision.

[7:04:06 PM](#)

JESSE KEAL, STAFF, SENATOR ELTON responded that Amendment #2 is a technical fix without an immediate effect on the provisions that Section 16 of the original pay bill made retroactive through legal means.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, Amendment #2 was adopted.

[7:05:04 PM](#)

Co-Chair Hoffman MOVED to REPORT SCS HB 417 out of committee with individual recommendations and accompanying fiscal notes.

Co-Chair Stedman OBJECTED for discussion.

Co-Chair Stedman reviewed the attached previous fiscal notes.

AT EASE: [7:06:07 PM](#)  
RECONVENED: [7:06:58 PM](#)

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

SCS HB 417 (FIN) was REPORTED out of Committee with no recommendations and accompanying previously published fiscal notes from the Alaska Court System, Office of Management and bnd the Legislative Affairs Agency.

AT EASE: [7:07:28 PM](#)  
RECONVENED: [7:07:59 PM](#)

CS FOR HOUSE BILL NO. 325(FIN)

"An Act relating to the teachers' and health care professionals' housing loan program in the Alaska Housing Finance Corporation; and providing for an effective date."

[7:08:31 PM](#)

BRIAN BUTCHER, PUBLIC AFFAIRS DIRECTOR, ALASKA HOUSING FINANCE CORPORATION provided an overview of the bill which will repeal the sunset provision of the teacher's and

nurses' housing loan program and expand the program to teachers and health care professionals. This program allows 100 percent financing, which does not require a down payment, to assist entry level teachers and health care professionals become home owners where they may not otherwise have the opportunity. The ability to own a home is an important factor in recruiting and retaining teachers and health care professionals. This bill would extend the sunset for five more years and expand the program to teachers and health care professionals.

[7:10:34 PM](#)

Co-Chair Stedman reviewed the one zero fiscal note from the Department of Revenue.

Co-Chair Hoffman remarked that this bill refers to single family homes and wondered what would happen to the program if it was expanded to cover purchasing a duplex.

Mr. Butcher answered that this was always intended for the owner occupied single family and never intended for the purchase of an investment property.

[7:11:36 PM](#)

Co-Chair Hoffman MOVED to REPORT CSHB 325 (FIN) out of committee with individual recommendations and an accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 325 (FIN) was REPORTED out of Committee with a "do pass" recommendation and a previously published zero fiscal note from the Department of Revenue.

CS FOR HOUSE BILL NO. 50(JUD)

"An Act relating to the Interstate Compact for the Placement of Children; establishing an interstate commission for the placement of children; amending Rules 4 and 24(b), Alaska Rules of Civil Procedure; and providing for an effective date."

CSHB 50 (JUD) was SCHEDULED but not HEARD.

CS FOR HOUSE BILL NO. 332(FIN)(title am)

"An Act defining an elementary school to include certain pre-elementary programs and relating to counting pre-elementary students in a school's average daily membership."

CSHB 332 (FIN) (title am) was SCHEDULED but not HEARD.

CS FOR HOUSE BILL NO. 226(FIN)

"An Act extending the termination of the state training and employment program; requiring a review of the program; and providing for an effective date."

CSHB 332 (FIN) (title am) was SCHEDULED but not HEARD.

ADJOURNMENT

The meeting was adjourned at 7:12 PM