

**ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE**

March 1, 2007

1:32 p.m.

MEMBERS PRESENT

Senator Johnny Ellis, Chair
Senator Gary Stevens, Vice Chair
Senator Bettye Davis
Senator Con Bunde

MEMBERS ABSENT

Senator Lyman Hoffman

COMMITTEE CALENDAR

Confirmation Of Governor's Appointees:

Alcoholic Beverage Control Board - Shirley A Gifford
Alaska Workers' Compensation Appeals Commissioner - Stephan T. Hagedorn
Alaska Workers' Compensation Board - Mark A. Crutchfield, Gloria O'Neill, Janet L. Waldron, William K. Williams
CONFIRMATIONS ADVANCED

PREVIOUS COMMITTEE ACTION

No previous action to consider

WITNESS REGISTER

STEVE HAGEDORN, Risk Manager
Alaska Railroad Corporation
Anchorage

POSITION STATEMENT: Appointee to the Worker's Compensation Appeals Commission.

SHIRLEY GIFFORD, Retired
Soldotna AK

POSITION STATEMENT: Re-appointee to the Alcoholic Beverage Control Board (ABC).

GLORIA O'NEILL, CEO
Cook Inlet Tribal Council
Anchorage AK

POSITION STATEMENT: Appointee to the Alaska Workers' Compensation Board.

JANET WALDRON, Director
Human Resources
Harbor Enterprises, Inc.

POSITION STATEMENT: Appointee to the Alaska Workers' Compensation Board.

MARK CRUTCHFIELD, Business Manager
Alaska Millwrights and Machine Erectors - Local 1501
Anchorage AK

POSITION STATEMENT: Appointee to the Alaska Workers' Compensation Board.

ACTION NARRATIVE

CHAIR JOHNNY ELLIS called the Senate Labor and Commerce Standing Committee meeting to order at [1:32:51 PM](#). Members present were Senators Bunde, Davis, Stevens and Ellis.

Confirmation Hearing
Workers' Compensation Appeals Commission

[1:36:56 PM](#)

CHAIR ELLIS announced the committee would take up the Governor's appointees.

STEVE HAGEDORN, appointee to the Worker's Compensation Appeals Commission, was the first appointee.

CHAIR ELLIS thanked him for his willingness to serve and asked him for some highlights of his background and to tell them why he wanted to serve.

MR. HAGEDORN said he came to Alaska in 1971 and took his Army discharge here. He worked for the Alaska Railroad for the past 32 years as its risk manager. He already served on the Alaska Workers' Compensation Board for many years and has always been interested in workers' compensation issues.

SENATOR BUNDE asked if he felt the state's Workers' Compensation Program needed any changes.

MR. HAGEDORN replied that he thought that the system was working well. Approximately 24,000 claims were filed with the State of Alaska last year and very few came before the court - and now

the Commission. He recalled that he handled 300 - 350 hearings a year and about 50 of those dealt with either legal issues or an unusual claim.

CHAIR ELLIS said if there were no further comments, his name would be forwarded to the full body.

Confirmation Hearing
Alcoholic Beverage Control Board

1:39:00 PM

SHIRLEY GIFFORD, re-appointee to the Alcoholic Beverage Control Board (ABC), said she is a retired Chief of Police of the Soldotna Police Department after serving 28 years in law enforcement. She has already served the remainder of the term for Dwayne Udland's position on this Board from October 2005 until today and reapplied for the position when it came open.

CHAIR ELLIS thanked her for serving and asked her to comment on where the Board is going in the future.

MS. GIFFORD related that before being on the Board she already had a lot of experience with overseeing licenses, checking backgrounds and meeting with bar owners on violations being a part of the Anchorage police department. Being on the Board is a little different because she is responsible for controlling the manufacture, possession, sale and bartering of alcoholic beverages and for reviewing all the applications and meeting out sanctions for violations. To that extent it has been a learning process that she has enjoyed. She said the Board is a good one because it has a good mix - not all members think alike. She has is diligent about reading and studying her packet so she can be prepared for the meetings. She has vast experience with boards.

CHAIR ELLIS thanked her and noted complimentary letters in her packet. He hoped other members of the Board would follow her example.

1:43:00 PM

CHAIR ELLIS asked how transferring the Board from the Department of Revenue (DOR) to Department of Public Safety (DPS) to upgrade enforcement and compliance functions has worked. Some in the liquor and hospitality industry think it should go back to the DOR because of heavy-handed tactics. He didn't necessarily agree with them and supported reasonable professional enforcement of the state's laws.

MS. GIFFORD replied that she is biased toward enforcement and good public safety and thought it important to keep the Board under DPS.

I think enforcement is very very important. We have some pretty serious alcohol abuse throughout our state and it's critical for this to be regulated and overseen by communities and for us to listen to what those community issues are. To have the enforcement means that you're also going to have compliance. During the time I was Chief of Police in Soldotna I was very pleased with the level of compliance that we had here in the community and it took a community effort to have that and to establish good relationships with the bar owners. I absolutely believe in free enterprise and that people should be able to have their businesses.

You know, not having alcohol doesn't work and that's been proven out and so I think we need to have regulations and we need to have enforcement of the regulations. It not only makes people, the law abiding citizens who are going to follow the rules - it makes them feel pretty good, too, to know that they're in compliance and they're doing the right thing and they're not serving to minors. You know, kudos to the bar owners who make every effort to do that. If we don't have any enforcement, nobody recognizes that effort in taking care of our kids. There have been times I've been accused of being heavy handed and I've been accused of that by our chair and you know, he's a bar owner - and Mike Gordon is our chair - and I have a lot of respect for Mike and worked with him during the time I was in Anchorage and with his violations - and he was tenacious and he was responsible and he came in and talked with me when there were issues - and I would hope that all bar owners would follow his lead on that.

1:47:00 PM

CHAIR ELLIS asked her to have the Board review some of the procedures used by enforcement officers for professionalism.

MS. GIFFORD responded that was excellent advice and she would follow up on it.

CHAIR ELLIS went to a very complimentary letter from Gustavus on her efforts on their behalf from the mayor. However, it was also critical of some of the outdated information provided by the ABC Board staff about a local ballot measure for a package store. He said the point is that the ABC Board seemed ill-equipped to deal with small communities on "some of these contentious liquor issues." He asked for her thoughts on that.

MS. GIFFORD replied she was disappointed to see what had happened and hoped the Board would be more diligent in the future. She knows the staff of the ABC Board works very hard and a lot of issues before it aren't easy. She explained that the director wants to do the right thing and the Board is not a predictable group. It seems to be split, but not always exactly the same way. Some procedural issues need to be looked at within its staff and Board standards can be reviewed. She stated:

It's critical that they have up-to-date information. I don't know how that happened. That was a travesty right there that they were working so closely with the staff and trying so hard to do exactly the right thing, following the procedures. They're a new city; they want to do everything right.

I saw no hidden agendas with the representatives of Gustavus. I thought they were doing a great job. You know how I voted. I had hoped that we could back them up in what they were trying to do and just attack the other issue of having a package store in a different way. But, in my view, I think they were trying to do everything right and they just got slammed. I don't know how else to put it....My personal opinion is that we should have backed up the city, but I'm just one vote.

CHAIR ELLIS noted that the Board voted two or three times to deny the Council's request as "arbitrary, capricious, and unreasonable." It was protesting the issuance of the package store based on the lack of public safety and health care facilities that might have been impacted by an increase in the presence of alcohol in their community.

He wanted to use this as an example of the need for the Board to have training and greater sensitivity to small communities in general, not just rural communities. He has been told that the Board rejected the advice of its assigned legal counsel numerous

times for reasons that are not explained on the public record. This happened in cases other than the Gustavus case.

MS. GIFFORD responded that she would love to see that training. She thought the frustration level would decrease with it.

CHAIR ELLIS concluded and thanked her for serving. He said they would forward her name on to the full body.

1:56:00 PM

Alaska Workers Compensation Board

CHAIR ELLIS announced that that there were other appointees for the Alaska Workers' Compensation Board, but he had selected four names for the committee to review today. He started with Gloria O'Neill and asked her for background highlights and why she wanted to serve on the Board.

GLORIA O'NEILL, CEO, Cook Inlet Tribal Council, said she has been with the organization for 15 years. She works very closely with the Anchorage Museum Association and serves as Vice Chair; she also serves on a couple of national committees - one being the U.S. Census Board for Race and Ethnicity and another working with the Bureau of Indian Affairs' budget committee. She works a lot with people in developing resources to bring more opportunities to the community in general. She looks forward to contributing her experience to the Board and learning about the workers' compensation program.

CHAIR ELLIS thanked her for her willingness to serve. He asked if service on a state board was new to her. She replied no and that she had already served on the Alaska Mental Health Board.

CHAIR ELLIS said the committee would forward her name to the full body. He next asked Ms. Waldron to give the highlights of her background that lent themselves to service on this board.

2:00:00 PM

JANET WALDRON, appointee to the Workers' Compensation Board, said her background is in human resources management (PHR). She is familiar with working with workers' compensation from the management side. As an employer cost containment - looking at a balance between what the employee rights are versus what the fiscal requirements are - is a role she is very familiar with. She has enjoyed hearing a few cases so far. She enjoys the work. For background, she has worked in the oil and insurance industries and most of her HR background has been focused on the benefits arena working on the vendor side for the insurance

companies. She promised to resign from some other volunteer boards to be able to give enough time to this one.

CHAIR ELLIS asked how she strikes the balance between employer interests and labor.

MS. WALDRON replied that she listens a lot. There are always two sides to a story and an issue is before the Board for a reason. She evaluates the issues, looks at what has been done in the past, looks at the kind of precedents that are being set, and goes from there.

2:04:00 PM

MARK CRUTCHFIELD, Business Manager, Alaska Millwrights and Machine Erectors - Local 1501, said he has been in Alaska since 2000 and had been in this position since 2003. Before that he was a millwright working in the field; he has also worked in the power generation, oil and gas and conveyor industries.

He thought his background with labor relations would help further the Board's aims. He has a little different philosophy as far as most unions go. They try to work with their contractors and employers as partners rather than adversaries believing if they can work together, they can further the industry for everybody. He said he would carry that attitude forward to the Workers' Compensation Board. He said workers definitely need protection, but he emphasized the protection has to be fair.

CHAIR ELLIS said he appreciated Mr. Crutchfield's can-do attitude. He asked how often the Board's decisions are overturned on appeal.

MR. CRUTCHFIELD replied that he didn't know.

CHAIR ELLIS thanked him for his willingness to serve and said his name would be forwarded on. He invited Mr. Williams to testify next - mentioning that he was a former Representative in the Alaska Legislature.

2:08:00 PM

WILLIAM K. WILLIAMS, appointee to the Workers' Compensation Board, said he had been in the Union since 1963 and has worked with both employers and union groups in what they called a Joint Court Labor Relations Committee. He mentioned that his legislative experience and being co-chair of Finance would be a

good background for this Board and he also looked forward to doing something new.

CHAIR ELLIS thanked him for his willingness to continue serving and said he was confident he would bring his good qualities to this position.

SENATOR BUNDE quipped that dropping a cribbage board on the foot wouldn't be considered a workers' compensation claim.

[2:12:00 PM](#)

SENATOR STEVENS jested why he didn't fund the Kodiak Bridge when he was co-chair of Finance.

MR. WILLIAMS replied because it was already built.

CHAIR ELLIS thanked him again and said his name would be forwarded on to the full body for conformation. He said that there were other appointees, but he didn't think it was necessary to bring them all before the committee. He asked members to let him know if they had concerns about the others. That being said he stated that the other names would be forwarded on also. There being no further business to come before the committee, he adjourned the meeting at [2:13:53 PM](#).