

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

March 18, 2008

2:04 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 297

"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."

MOVED CSSB 297(L&C) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 65(FIN)

"An Act relating to breaches of security involving personal information, credit report and credit score security freezes, protection of social security numbers, care of records, disposal of records, identity theft, credit cards, and debit cards, and to the jurisdiction of the office of administrative hearings; amending Rules 60 and 82, Alaska Rules of Civil Procedure; and providing for an effective date."

MOVED SCS CSHB 65(L&C) OUT OF COMMITTEE

SENATE BILL NO. 263

"An Act relating to the State Board of Registration for Architects, Engineers, and Land Surveyors; and relating to an exemption for persons certified by the National Institute for Certification in Engineering Technologies who are engaged in the design of fire detection and suppression systems from registration as architects, engineers, land surveyors, or landscape architects."

HEARD AND HELD

SENATE BILL NO. 179

"An Act requiring family health care insurance coverage for dependent children who are less than 26 years of age."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 297

SHORT TITLE: NONUNION PUBLIC EMPLOYEE SALARY & BENEFIT

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

03/03/08	(S)	READ THE FIRST TIME - REFERRALS
03/03/08	(S)	FIN
03/06/08	(S)	L&C REFERRAL ADDED BEFORE FIN
03/11/08	(S)	L&C AT 1:30 PM BELTZ 211
03/11/08	(S)	Heard & Held
03/11/08	(S)	MINUTE(L&C)
03/15/08	(S)	L&C AT 4:00 PM BELTZ 211
03/15/08	(S)	Heard & Held
03/15/08	(S)	MINUTE(L&C)
03/18/08	(S)	L&C AT 1:30 PM BELTZ 211

BILL: HB 65

SHORT TITLE: PERSONAL INFORMATION & CONSUMER CREDIT

SPONSOR(s): REPRESENTATIVE(s) COGHILL, GARA

01/16/07	(H)	PREFILE RELEASED 1/5/07
01/16/07	(H)	READ THE FIRST TIME - REFERRALS
01/16/07	(H)	L&C, JUD, FIN
01/31/07	(H)	L&C AT 3:00 PM CAPITOL 17
01/31/07	(H)	<Bill Hearing Canceled>
03/28/07	(H)	L&C AT 3:00 PM CAPITOL 17
03/28/07	(H)	Heard & Held
03/28/07	(H)	MINUTE(L&C)
04/04/07	(H)	L&C AT 3:00 PM CAPITOL 17
04/04/07	(H)	<Bill Hearing Canceled>
04/16/07	(H)	L&C AT 10:00 AM CAPITOL 17
04/16/07	(H)	Scheduled But Not Heard
04/20/07	(H)	L&C AT 3:00 PM CAPITOL 17
04/20/07	(H)	Heard & Held
04/20/07	(H)	MINUTE(L&C)
04/23/07	(H)	L&C AT 3:00 PM CAPITOL 17
04/23/07	(H)	Moved CSHB 65(L&C) Out of Committee
04/23/07	(H)	MINUTE(L&C)
04/24/07	(H)	L&C RPT CS(L&C) 2DP 3NR 1AM
04/24/07	(H)	DP: GATTO, NEUMAN
04/24/07	(H)	NR: BUCH, LEDOUX, OLSON
04/24/07	(H)	AM: GARDNER

05/02/07 (H) JUD AT 1:00 PM CAPITOL 120
 05/02/07 (H) Heard & Held
 05/02/07 (H) MINUTE(JUD)
 05/05/07 (H) JUD AT 8:00 AM CAPITOL 120
 05/05/07 (H) Moved CSHB 65(JUD) Out of Committee
 05/05/07 (H) MINUTE(JUD)
 05/07/07 (H) JUD RPT CS(JUD) NT 4DP 2AM
 05/07/07 (H) DP: HOLMES, LYNN, COGHILL, RAMRAS
 05/07/07 (H) AM: DAHLSTROM, SAMUELS
 01/23/08 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 01/23/08 (H) Heard & Held
 01/23/08 (H) MINUTE(FIN)
 02/13/08 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 02/13/08 (H) Heard & Held
 02/13/08 (H) MINUTE(FIN)
 02/18/08 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 02/18/08 (H) Heard & Held
 02/18/08 (H) MINUTE(FIN)
 02/19/08 (H) FIN AT 1:30 PM HOUSE FINANCE 519
 02/19/08 (H) Moved CSHB 65(FIN) Out of Committee
 02/19/08 (H) MINUTE(FIN)
 02/21/08 (H) FIN RPT CS(FIN) NT 4DP 5NR
 02/21/08 (H) DP: HAWKER, CRAWFORD, GARA, NELSON
 02/21/08 (H) NR: KELLY, THOMAS, STOLTZE, MEYER,
 CHENAULT
 02/27/08 (H) TRANSMITTED TO (S)
 02/27/08 (H) VERSION: CSHB 65(FIN)
 02/29/08 (S) READ THE FIRST TIME - REFERRALS
 02/29/08 (S) L&C, JUD, FIN
 03/04/08 (S) L&C AT 1:30 PM BELTZ 211
 03/04/08 (S) Heard & Held
 03/04/08 (S) MINUTE(L&C)
 03/13/08 (S) L&C AT 1:30 PM BELTZ 211
 03/13/08 (S) Scheduled But Not Heard
 03/15/08 (S) L&C AT 4:00 PM BELTZ 211
 03/15/08 (S) Heard & Held
 03/15/08 (S) MINUTE(L&C)
 03/18/08 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 263

SHORT TITLE: ARCHITECTS, ENGRS, SURVEYORS BD/EXEMPTION
 SPONSOR(S): SENATOR(S) THOMAS

02/08/08 (S) READ THE FIRST TIME - REFERRALS
 02/08/08 (S) L&C
 03/18/08 (S) L&C AT 1:30 PM BELTZ 211

BILL: SB 179

SHORT TITLE: DEPENDENT HEALTH INSURANCE; AGE LIMIT

SPONSOR(S): SENATOR(S) DAVIS

05/14/07 (S) READ THE FIRST TIME - REFERRALS
05/14/07 (S) L&C, HES, FIN
03/18/08 (S) L&C AT 1:30 PM BELTZ 211

WITNESS REGISTER

KAREN LIDSTER
Staff to Representative John Coghill
Alaska State Capitol
Juneau, AK
POSITION STATEMENT: Commented on HB 65.

MAEGAN FOSTER
Staff to Representative Les Gara
Alaska State Capitol
Juneau, AK
POSITION STATEMENT: Commented on HB 65.

ED SNIFFEN, Assistant Attorney General
Department of Law (DOL)
Anchorage, AK
POSITION STATEMENT: Supported the changes in SCS CSHB 65 ()
version N.

AUDREY ROBINSON
Reed Elsevier, parent company of LexisNexis
Washington, D.C.
POSITION STATEMENT: Did not support CSHB 65(FIN).

JON BURTON
ChoicePoint
Washington, D.C.
POSITION STATEMENT: Did not support CSHB 65(FIN).

GAIL HILLEBRAND
Consumer's Union
No address provided
POSITION STATEMENT: Supported the CSHB 65(L&C).

DANA OWEN
Staff to Senator Ellis
Alaska State Capitol
Juneau, AK

POSITION STATEMENT: Commented on SCS CSHB 65(L&C) version N.

SENATOR JOE THOMAS
Alaska State Capitol
Juneau, AK

POSITION STATEMENT: Sponsor of SB 263.

CRAIG FREDEEN, Mechanical Engineer member
Board of Architects, Engineers and Land Surveyors
Anchorage, AK

POSITION STATEMENT: Supported CSSB 263(L&C), version C.

KELLY NICOLELLO, Assistant State Fire Marshal
Department of Public Safety (DPS)
Anchorage, AK

POSITION STATEMENT: Supported CSSB 263(L&C).

PAT THOMPSON
Simplex Grinnell
Anchorage, AK

POSITION STATEMENT: Supported CSSB 263(L&C).

THOMAS OBERMEYER
Staff to Senator Davis
Alaska State Capitol
Juneau, AK

POSITION STATEMENT: Sponsor of SB 179.

ACTION NARRATIVE

CHAIR JOHNNY ELLIS called the Senate Labor and Commerce Standing Committee meeting to order at [2:04:47 PM](#). Present at the call to order were Senators Davis, Stevens, Hoffman, and Ellis.

SB 297-NONUNION PUBLIC EMPLOYEE SALARY & BENEFIT

[2:06:23 PM](#)

CHAIR ELLIS announced SB 297 to be up for consideration. He said the committee had adopted CSSB 297(L&C), version E.

SENATOR STEVENS asked if section 20 was still in there.

CHAIR ELLIS answered yes.

SENATOR STEVENS said it seems to bypass the collective bargaining system.

SENATOR BUNDE joined the committee.

SENATOR DAVIS moved to report CSSB 297(L&C) from committee with individual recommendations and attached fiscal notes.

SENATOR BUNDE objected because section 20 was still in the bill.

A roll call vote was taken. Senators Davis, Hoffman and Ellis voted yea; Senators Bunde and Stevens voted nay; so CSSB 297(L&C) moved from committee.

CSHB 65(FIN)-PERSONAL INFORMATION & CONSUMER CREDIT

[2:09:48 PM](#)

CHAIR ELLIS announced CSHB 65(FIN) to be up for consideration; version SCS CSHB 65(L&C), 25-LS0311\N was before the committee. He noted the committee received some correspondence from Yahoo relating to the notification section of the bill and Representative Coghill thought that concern had been addressed in the CS; he had been informed that was not the case. Ms. Bannister, the legislative drafter, was working on language, but it wouldn't be ready for this committee. So once it was done, that would "be punted on" to the Judiciary Committee.

KAREN LIDSTER, staff to Representative John Coghill, co-sponsor of HB 65, said that the sponsor wanted to address the Yahoo notification issues. She went on to the sectional analysis of version N. On page 15, line 17, under the subject of exemptions, "consumer credit reporting agency" was deleted and "a person" was inserted to correct a technical reference.

[2:13:18 PM](#)

On page 16, line 17, "security freeze" language was clarified so that if a consumer decides to freeze his credit report, all of it is frozen, not just a part. On page 17, lines 21-22, language was inserted at the request of the Recorder's Office that it could accept documents for recording and could give out copies of documents that had previously been recorded. They did not want to be in a position of providing information this bill says they can't. So "request or collect" was deleted and "communicate or otherwise make available to the general public" was inserted. Language on page 17, line 23, just clarifies the employees' job duties relating to a recorded document by inserting "communicating or otherwise making available".

[2:14:55 PM](#)

CHAIR ELLIS said DNR requested this and the private sector people were concerned that the amended language would apply more broadly than just to the DNR. He asked if that was correct.

MS. LIDSTER replied that this language could probably apply to other divisions, but DNR specifically requested it so it could disclose previously recorded information. Everyone thought it would be tighter to insert it in the use of social security number section as well. DNR is happy with this language.

MS. LIDSTER referred to section 45.48.410 on page 18 where lines 11-15 were inserted into the social security number section to allay vendor concerns that wording in the bill would prevent them from providing information they believe they were allowed to provide under the Gramm-Leach-Bliley Act (GLBA) and the Fair Credit Reporting Act (FCRA). This language tries to regulate them to protect Alaska residents, but vendors are still not totally happy with it. The sponsor said he had made significant concessions in this area. A couple of words concerning those who are not regulated by the GLBA or the FCRA still need to be worked out.

CHAIR ELLIS asked if this language strikes a balance.

MS. LIDSTER answered that according to the sponsor, it strikes a balance.

CHAIR ELLIS asked if Mr. Sniffen helped Terry Bannister draft this language.

MS. LIDSTER answered yes. She continued on to page 18, lines 29-31, where a new section was added - subsection (2) talks about people regulated by the GLBA "for a purpose authorized by that act" and on page 19, line 1, a new subsection (3) refers to people regulated by the FCRA. Under the disclosure section of the social security numbers on page 19, it talks about the third party that is regulated by the FCRA; the GLBA was not added here because that was in subparagraph (3).

MAEGAN FOSTER, staff to Representative Gara, co-sponsor of HB 65, said her office is comfortable with the changes.

ED SNIFFEN, Assistant Attorney General, Department of Law (DOL), supported the changes in version N.

AUDREY ROBINSON, Reed Elsevier, parent company of LexisNexis, appreciated the work the committee and sponsors had done, but

said the new language still doesn't address their concerns. Unfortunately it might be just a one to two word issue, but the assumptions don't quite get to their uses. Unfortunately the GLBA refers to financial institutions and that is particularly who is regulated by the act; however use of social security numbers falls within the purview of that act. While LexisNexis is compliant with GLBA, they aren't technically regulated under it (their uses are). LexisNexis' misuse of social security numbers would still fall within the boundaries of the FCC to prosecute. The conjunction language saying both "be regulated by" and "purposes regulated by" are the rub. A fix could be made simply by changing an "and" to an "or" for them to continue serving Alaskans (for asset location, location of missing children, checking to make sure a person opening a bank account isn't a terrorist).

[2:25:28 PM](#)

MS. ROBINSON also mentioned on page 19, line 28, of version N, subparagraph (3) has the former GLBA language that was changed in 45.48.410 and 45.48.420 and she asked for conformity purposes that be changed to reflect the newer language.

CHAIR ELLIS asked if the sponsors thought that updating was wise to do.

MS. LIDSTER replied it would be no problem.

[2:27:05 PM](#)

JON BURTON, ChoicePoint, echoed LexisNexis comments. He was encouraged that the sponsors recognized the federal issues. The other issue that remains outstanding is "expressly" versus "not expressly". He promised to do everything on his end to work within the framework the sponsors have set up to reach a solution.

GAIL HILLEBRAND, Consumer's Union, supported the CS. She said the change on page 19 was purely technical and the concept of the broader exemptions retain the integrity of saying this is not a free pass from federal law because federal law really doesn't govern conduct. Instead, it's when federal law, both authorizes conduct and regulates the people who engage in it that the state law would defer to federal law and that is a reasonable place to draw the line.

[2:29:59 PM](#)

SENATOR STEVENS moved to adopt SCS CSHB 65(L&C), version N. There were no objections and it was so ordered.

CHAIR ELLIS announced Amendment 1 to be up for consideration.

25-LS0311\N.1
Bannister

AMENDMENT 1

OFFERED IN THE SENATE

TO: SCS CSHB 65(), Draft Version "N"

Page 3, line 4, following "if":

Insert "the information collector's primary method of communication with the state resident is by electronic means, or if"

DANA OWEN, staff to Senator Ellis, explained that Yahoo's concern was that some vendors communicate strictly through email and this language would allow them to notify customers of a breach of confidentiality by email if that is their primary way of communication.

MS. LIDSTER said Representative Coghill supported the amendment.

CHAIR ELLIS moved to adopt Amendment 1. There were no objections and it was adopted.

CHAIR ELLIS announced consideration of conceptual Amendment 2, the technical update on page 19 suggested by Ms. Robinson.

CHAIR ELLIS moved to adopt Amendment 2. There were no objections and it was so ordered.

[2:34:29 PM](#)

SENATOR STEVENS moved to report SCS CSHB 65(L&C) from committee with individual recommendations and attached fiscal notes. There were no objections and it was so ordered.

SB 263-ARCHITECTS, ENGRS, SURVEYORS BD/EXEMPTION

[2:35:18 PM](#)

CHAIR ELLIS announced SB 263 to be up for consideration.

SENATOR JOE THOMAS, sponsor of SB 263, explained that this measure makes two modest changes to existing statute. First, it allows the governor to appoint a petroleum or chemical engineer to the board if a mining engineer is not available to serve. He

explained that sometimes in the past the position has been left vacant. The board has 10 members - 2 civil engineers, 1 mining engineer, 1 electrical or mechanical engineer, 1 engineer from another branch of engineering as well as 2 architects, 2 land surveyors and 1 public member. Board members must have been registered voters in Alaska before the last general election. Only 22 of Alaska's 4,000 registered engineers are resident mining engineers, which can make it difficult to find qualified and interested candidates.

He said the second section of SB 263 adds the underlying language to the list of exemptions from the licensing laws. The CS language is different than the original bill in that it exempts persons who design fire detection or suppression systems from the engineering licensing laws if they are authorized to design fire detection or suppression systems by the Alaska Department of Public Safety (DPS), which is basically what has been taking place.

SENATOR THOMAS explained this provision solidifies in statute the current industry practice and has the support of both the board and the Fire Marshall's Office.

CRAIG FREDEEN, Mechanical Engineer member of the Board of Architects, Engineers and Land Surveyors, said he is also a member of the Professional Design Council; he supported CSSB 263(L&C), version C. He briefed them that the regulations for licensing of engineers basically say if you're doing design work, you have to be a licensed engineer. Another set of state permits is required for persons who do fire protection design. He said the board is very comfortable with the professionalism and the knowledge of these individuals with these permits, but the exemption to this design requirement in statute is kind of vague. There is concern that a future board may not know as much about these individuals and may feel they are in violation of the design regulation in statute; so they wanted it clarified that their permit is recognized. He supported the first portion of the bill for the reasons Senator Thomas stated.

KELLY NICOLELLO, Assistant State Fire Marshal, Department of Public Safety (DPS), supported CSSB 263(L&C) for the reasons stated by Senator Thomas and Mr. Fredeen. He said all three of them had worked closely on the CS. He said, "It is a good way to meet their requirements and still maintain ours without stepping on anybody's toes or anything else." He added that they would be working together on requirements for design professionals in the future and this has developed a team format for them to work in.

PAT THOMPSON, Simplex Grinnell, said he is one of the board's design professionals and he supported the CS. He said most of the people in his design community supported the CS as well.

CHAIR ELLIS noted the CS was labeled CSSB 263() 25-LS1457\C, Bullard.

SENATOR THOMAS said the CS removes lines 7-9 on page 4 which that allows for state certification rather than national certification.

SENATOR BUNDE asked if the current board has a mining engineer and if he expressed opposition.

SENATOR THOMAS replied yes and he has expressed no opposition. They have all been in favor of expanding the requirement to chemical or petroleum engineer.

[2:45:28 PM](#)

SENATOR BUNDE asked if there has been any opposition to this bill.

SENATOR THOMAS replied not that he knew of.

[2:46:03 PM](#)

SENATOR DAVIS and SENATOR STEVENS moved to adopt CSSB 263(L&C), version C. There were no objections and it was so ordered.

CHAIR ELLIS said he would hold CSSB 263(L&C) for a further hearing.

SB 179-DEPENDENT HEALTH INSURANCE; AGE LIMIT

[2:47:07 PM](#)

CHAIR ELLIS announced SB 179 to be up for consideration.

[2:47:11 PM](#)

THOMAS OBERMEYER, staff to Senator Davis, sponsor of SB 179, said this measure requires family health care insurance coverage for dependent children who are less than 26 years of age. He read the following sponsor statement:

Young adults, ages 19-29, are one of the largest growing segments of the U.S. population without health care insurance. In 2004, almost 14 million young adults lacked coverage, an increase of 2.5 million

since 2000. This rapid change is due in part to their losing coverage under their parents' policies at 19 or Medicaid or State Children's Health Insurance Program or graduation from high school or college. Almost half of college graduates and high school graduates who do not go to college would be uninsured for a substantial time after graduation.

Age 19 is a crucial year in health insurance coverage. Both public and private insurance plans treat this age as a turning point for insurance coverage. Even if youth go on to college, parents' insurance plans, they often stop before graduation. Almost all private universities and about one-fourth of public universities require health insurance as a condition of enrollment. Forty percent of part-time students and non-students and 20 percent of full-time students ages 19-23 are uninsured...

Insurance coverage is important for this generally healthy group of young adults who should be encouraged to start taking responsibility for their own health care. It has been found that 14 percent of adults 18-29 are obese, an increase of 70 percent in the 1990s, the fastest rate of increase among adults. There are 3.5 million pregnancies each year among the 21 million women ages 19-29. One-third of all diagnoses of HIV are made among young adults; emergency room visits are far more common among young adults than children or older adults. Most young adults have no regular doctor, no link to the health care system, and more than one-third of those who do require medical attention are often saddled with debt and collection agencies.

States are taking action to mandate coverage for young adults often allowing for targeted policy options. For example, in 2006 New Jersey required most group health plans to cover single adult dependents up to age 30. Massachusetts as part of its expanded health insurance law in 2006 considered dependents for insurance purposes up to age 25 or for two years after they are no longer claimed on their parents' tax returns. Since 1994, Utah has required coverage through age 26 and New Mexico provides coverage for unmarried dependents up to age 25 regardless of school enrollment. Texas in 2003 allowed full-time students to be covered by their

parents' insurance plans to age 25. It's not uncommon or unreasonable, therefore, that SB 179 would require offering family health insurance coverage to dependent children up to age 26.

2:52:00 PM

SENATOR BUNDE asked if there is a separate definition of dependent child for insurance purposes.

MR. OBERMEYER answered that the IRS defines a dependent as a person whose parents are contributing to half their costs. Most plans require parents with children in the student situation to prove they are students by submitting registration documentation. A definition of dependent is in each policy.

SENATOR BUNDE said it would be important to hear from the director of the Division of Insurance. He wanted to know if requiring this coverage would mean the parents would be saddled with expensive premiums.

MR. OBERMEYER answered SB 179 has an indeterminate fiscal note. Because Medicaid is the last resort, this could result in a savings for the Medicaid program for children who are not currently covered by third-party insurance. However, these savings could be reduced if mandatory coverage of an older dependent increases the cost of health insurance and leads employers and individuals to drop coverage. Most college students are very healthy and don't require a lot of care. But when that one time comes up, this could provide coverage without burdening the family with a \$2,400-policy just for the one child.

SENATOR BUNDE said this wouldn't necessarily affect a state employee, but it might affect a privately employed person who would be faced with higher premiums because of the expanded coverage.

MR. OBERMEYER replied that could be true, but it may still be cheaper than providing double coverage for both or not having any coverage at all for the child - which occurs to a great number of young people.

CHAIR ELLIS found no one else to testify and said he would hold SB 179 for another hearing. There being no further business to come before the committee, he adjourned the meeting at 2:57:50 PM.