

HOUSE FINANCE COMMITTEE  
March 30, 2009  
1:33 p.m.

1:33:28 PM

CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 1:33 p.m.

MEMBERS PRESENT

Representative Bill Stoltze, Co-Chair  
Representative Bill Thomas, Jr., Vice-Chair  
Representative Allan Austerman  
Representative Harry Crawford  
Representative Anna Fairclough  
Representative Richard Foster  
Representative Les Gara  
Representative Reggie Joule  
Representative Woodie Salmon

MEMBERS ABSENT

Representative Mike Hawker, Co-Chair  
Representative Mike Kelly

ALSO PRESENT

Josh Temple, Staff, Senator Charlie Huggins; McHugh Pierre, Liaison, Department of Military and Veterans Affairs (DMVA); Representative Bryce Edgmon, Sponsor; Greg Winegar, Director, Alaska Division of Investments, Department of Commerce, Community and Economic Development

PRESENT VIA TELECONFERENCE

None

SUMMARY

CSSB 89(FIN)

"An Act relating to retirement benefits for members of the Alaska Territorial Guard; and providing for an effective date."

CSSB 89 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Military and Veterans Affairs.

HB 20 "An Act relating to commercial fishing loans for energy efficiency upgrades."

CSHB 20 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Commerce, Community and Economic Development.

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#sb89

CS FOR SENATE BILL NO. 89(FIN)

"An Act relating to retirement benefits for members of the Alaska Territorial Guard; and providing for an effective date."

JOSH TEMPLE, STAFF, SENATOR CHARLIE HUGGINS, reported on the history of the Alaska Territorial Guard. From 1942 to 1947, a few men and women volunteered to be a part of the Alaska Territorial Guard. They were officially recognized in 2000. In January 2009, the U.S. Department of Defense reduced the amount of the Guard's pensions and determined that their service during WW II did not count toward retirement pay. Their pensions would be reduced on February 1. Due to public outrage, the Alaska Congressional delegation sponsored a bill to permanently honor the Guard and offer them a full pension. They also came up with a stipulation that the army fund the pension for another two months through March 30.

Co-Chair Stoltze noted the retroactivity provision in the bill.

Mr. Temple summarized that the bill provides "bridge funding" and would fund the difference in what the Department of Defense pensions used to be and what they are now until the federal government resumes its full responsibility of the pensions.

Co-Chair Stoltze asked how many Guard veterans this bill would affect. Mr. Temple reported that there are 26 men. The cost would be \$31,300 for FY09 and \$83,500 for FY10, totaling \$114,800.

MCHUGH PIERRE, LIAISON, DEPARTMENT OF MILITARY AND VETERANS AFFAIRS (DMVA), explained that the governor sent a letter to the Secretary of the Army requesting continued funding of retirement benefits for the Guard. The bill provides for DMVA to pay benefits to eligible individuals who served in the Guard.

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Co-Chair Stoltze asked for demographics regarding the Guard. Mr. McHugh related that the beneficiaries of this bill are in their 80's and 90's. He reported that DMVA is ready to

respond to the bill and make the payments until the Congressional fix is in place.

Co-Chair Stoltze commented that the bill has a sunset date.

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Representative Salmon asked why the duration is only from April 2009 to February 2010. Mr. Pierre reported that in consulting with the Congressional delegation, it was found that a fix should be in place by the end of October. The legislation would extend into the next session in case the fix was not yet in place.

Co-Chair Stoltze noted a fiscal note by DMVA.

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Vice-Chair Thomas MOVED to REPORT CSSB 89 (FIN) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSSB 89 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Military and Veterans Affairs.

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#hb20  
HOUSE BILL NO. 20

"An Act relating to commercial fishing loans for energy efficiency upgrades."

REPRESENTATIVE BRYCE EDGMON, SPONSOR, commented that there was one amendment to the bill.

Co-Chair Stoltze MOVED to ADOPT Amendment 2:

Page 4, line 31, through page 5, line 2:  
Delete all material.  
Renummer the following bill sections accordingly.

Vice-Chair Thomas OBJECTED.

Representative Edgmon explained that the amendment would remove the retroactivity clause because it is unnecessary. Under current regulation, those who may have gotten a loan under the energy efficiency program can be included.

Representative Fairclough asked for clarification of the amendment number.

Co-Chair Stoltze explained that it was previous Amendment 2. Amendment 1 was offered and then withdrawn.

Vice-Chair Thomas WITHDREW his objection to Amendment 2. There being NO OBJECTION, it was so ordered.

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Co-Chair Stoltze requested an explanation of fiscal note #1.

GREG WINEGAR, DIRECTOR, ALASKA DIVISION OF INVESTMENTS, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, explained the fiscal note anticipates an increase in loan demands by approximately \$4.2 million in FY10, by \$2.1 million in FY11, and by \$1.6 million in years FY12 through FY15. The fiscal note requests money to handle one loan officer position, which would come out of the loan fund, as do all of the operating expenses.

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Representative Austerman MOVED to REPORT CSHB 20 (FIN) out of Committee, as amended, with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 20 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Commerce, Community and Economic Development.

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ADJOURNMENT

The meeting was adjourned at 1:49 PM.