

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

March 31, 2009

1:07 p.m.

MEMBERS PRESENT

Representative Carl Gatto, Chair
Representative Bob Lynn
Representative Jay Ramras
Representative Robert L. "Bob" Buch

MEMBERS ABSENT

Representative John Harris
Representative Kurt Olson
Representative Scott Kawasaki

COMMITTEE CALENDAR

HOUSE JOINT RESOLUTION NO. 29

Designating 2009 as the Year of the Noncommissioned Officer Corps of the United States Army.

- MOVED HJR 29 OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 24

Urging the United States Congress and the United States Department of Agriculture to extend the basic housing allowance exclusion to all military families for purposes of the school nutrition program.

- MOVED HJR 24 OUT OF COMMITTEE

HOUSE BILL NO. 24

"An Act relating to a public procurement preference for Alaska veterans."

- MOVED CSHB 24(MLV) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HJR 29

SHORT TITLE: DESIGNATING 2009 AS THE YEAR OF ARMY NCO

SPONSOR(S): REPRESENTATIVE(S) GATTO

03/25/09 (H) READ THE FIRST TIME - REFERRALS

03/25/09 (H) MLV, STA
03/31/09 (H) MLV AT 1:00 PM BARNES 124

BILL: HJR 24

SHORT TITLE: FED. SCHOOL LUNCH PROGRAM/MILITARY
SPONSOR(s): REPRESENTATIVE(s) RAMRAS

03/13/09 (H) READ THE FIRST TIME - REFERRALS
03/13/09 (H) MLV, STA
03/31/09 (H) MLV AT 1:00 PM BARNES 124

BILL: HB 24

SHORT TITLE: PROCUREMENT PREFERENCE FOR VETERANS
SPONSOR(s): REPRESENTATIVE(s) FAIRCLOUGH, GATTO, LYNN

01/20/09 (H) PREFILE RELEASED 1/9/09
01/20/09 (H) READ THE FIRST TIME - REFERRALS
01/20/09 (H) MLV, STA
03/31/09 (H) MLV AT 1:00 PM BARNES 124

WITNESS REGISTER

SANDRA WILSON, Staff
Representative Carl Gatto
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HJR 29 on behalf of
Representative Gatto, prime sponsor.

MAJOR RICK WILLIAMS, Chief
Strategic Communications
United States Army Alaska (USARAK)
Fort Richardson, Alaska

POSITION STATEMENT: Testified in support of HJR 29.

DANA STROMMEN, Staff
Representative Jay Ramras
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HJR 24 on behalf of
Representative Ramras, prime sponsor.

DEAN HAMBURG, Chair
Public Policy and Legislation
Alaska School Nutrition Association
Soldotna, Alaska

POSITION STATEMENT: Testified in support of HJR 24.

BARBARA BACHMEIER

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HJR 24; testified in opposition to HB 24.

AMY ROUSE, Director

Nutrition Services

Fairbanks Northstar Borough School District

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HJR 24.

EDDY JEANS, Director

School Finance and Facilities Section

Department of Education and Early Development (EED)

Juneau, Alaska

POSITION STATEMENT: Testified during the discussion of HJR 24.

CRYSTAL KOENEMAN, Staff

Representative Anna Fairclough

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 24 on behalf of Representative Fairclough, prime sponsor.

TIM WHEELER, President

Alaska Veterans Business Alliance

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 24.

RIC DAVIDGE, President

State Council

Vietnam Veterans of America; Member

Board of Directors

Alaska Veterans Business Alliance

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 24.

JOHN YOUMANS, Member

Alaska Veterans Business Alliance

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 24.

KARL LERAY, Chair

Board of Directors

Alaska Veterans Business Alliance

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 24.

VERN JONES, Chief Procurement Officer
Division of General Services
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 24.

ACTION NARRATIVE

[1:07:58 PM](#)

CHAIR CARL GATTO called the House Special Committee on Military and Veterans' Affairs meeting to order at 1:07 p.m. Representatives Ramras, Buch, Lynn, and Gatto were present at the call to order.

HJR 29-DESIGNATING 2009 AS THE YEAR OF ARMY NCO

CHAIR GATTO announced that the first order of business would be HOUSE JOINT RESOLUTION NO. 29, Designating 2009 as the Year of the Noncommissioned Officer Corps of the United States Army.

[1:09:02 PM](#)

SANDRA WILSON, Staff to Representative Carl Gatto, Alaska State Legislature, on behalf of the prime sponsor of the bill, Representative Gatto, stated that 2009 has been designated as the year of the Noncommissioned Officer by the U. S. Army. Noncommissioned Officers (NCOs) are the backbone of the Army and are a source of information, knowledge, and experience. Furthermore, they remain in the background and ensure that operations run smoothly, working side by side with soldiers and setting a good example. The Army will be honoring the sacrifices and the contributions of NCOs throughout 2009, and Ms. Wilson asked for the committee's support of the resolution.

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REPRESENTATIVE LYNN disclosed that his mother and step-father were NCOs. He inquired why the recognition is limited to the Army and does not honor NCOs serving in other branches of military service.

[1:11:23 PM](#)

MS. WILSON explained that the Army is the only branch of the armed services planning to honor NCOs this year.

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CHAIR GATTO added that the Army is planning celebrations and activities. He noted that the legislature does not have the authority to expand the designation to other branches of the military.

REPRESENTATIVE LYNN pointed out that a resolution may recognize that the importance of NCOs in the military is similar to the importance of the valuable staff at the legislature.

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CHAIR GATTO opened public testimony.

[1:13:38 PM](#)

MAJOR RICK WILLIAMS, Strategic Communications Chief, United States Army Alaska (USARAK), stated that the Department of the Army initiated this designation; however, he said that he will invite NCO participation to the celebrations in Alaska "across the services." Major Williams observed the celebratory displays at Fort Wainwright include all members of the NCO Corps. In fact, the celebrations will include retirees, wounded warriors, and others, to show that the NCO Corps is as diverse as the services are.

[1:16:33 PM](#)

REPRESENTATIVE RAMRAS reminded the committee of the pending return in September of 3,000 to 4,000 soldiers from Fort Wainwright. He invited members to come to Fairbanks to participate in their welcome home.

[1:17:56 PM](#)

REPRESENTATIVE BUCH asked for further information about the soldiers' welcome.

[1:18:22 PM](#)

REPRESENTATIVE RAMRAS responded that the community will be celebrating the soldiers' return, and that Fairbanks enjoys being a military town.

[1:18:50 PM](#)

CHAIR GATTO closed public testimony on HJR 29.

[1:19:03 PM](#)

REPRESENTATIVE LYNN moved to report HJR 29, 26-LS0782\A, out of committee with individual recommendations.

There being no objection, HJR 29 was reported from the House Special Committee on Military and Veterans' Affairs.

HJR 24-FED. SCHOOL LUNCH PROGRAM/MILITARY

[1:19:38 PM](#)

CHAIR GATTO announced that the next order of business would be HOUSE JOINT RESOLUTION NO. 24, Urging the United States Congress and the United States Department of Agriculture to extend the basic housing allowance exclusion to all military families for purposes of the school nutrition program.

[1:19:54 PM](#)

DANA STROMMEN, Staff to Representative Jay Ramras, Alaska State Legislature, presented HJR 24 on behalf of Representative Ramras, prime sponsor. She explained the resolution urges Congress and the U. S. Department of Agriculture (USDA) to extend the basic housing allowance exclusion to all military families for the purposes of the school lunch program. This would enable military families that live off of the base to qualify for school nutrition programs. Because families living off of the base receive an additional basic allowance for housing (BAH), many families do not qualify for [free] school lunches; however, this is an opportunity to ensure our military families do not have to suffer hardships while a military member is defending our country.

[1:20:58 PM](#)

REPRESENTATIVE RAMRAS added that Josh Tempel, staff to Senator Huggins, just returned from a tour of duty in Iraq. He expressed his hope that by passing this resolution through both bodies, the legislature can request regulatory changes through the USDA to allow children of NCOs, and other military families,

to quality for the free and reduced price school breakfast and lunch program.

1:22:14 PM

DEAN HAMBURG, Chair, Public Policy and Legislation, Alaska School Nutrition Association, stated he was representing members who work in school meal programs all across Alaska. He also serves as administrator for the school meal programs in the Kenai Peninsula Borough School District. Mr. Hamburg noted his service as a veteran, and expressed his appreciation of the committee's consideration of HJR 24. He relayed a short history of the USDA school meal program that was instituted in 1946 under President Truman. The school lunch programs were established as a military support to nutritionally prepare children for military service; in fact, benefits of the program were also seen in the classroom. Mr. Hamburg opined that extending this benefit to the children of military families is an appropriate action. Alaska children at military bases throughout Alaska will benefit and appreciate the support offered by HJR 24. Mr. Hamburg related some of the challenges to military families in Alaska and assured the committee the school lunch programs are ready to welcome military family children to the lunch programs. The Alaska School Nutrition Association strongly supports the passage of HJR 24.

1:26:18 PM

CHAIR GATTO thanked Mr. Hamburg for his naval service.

1:26:57 PM

BARBARA BACHMEIER informed the committee she was a retired army officer and a former public school teacher. She expressed her support for HJR 24 and pointed out the importance of ensuring that all military children have every opportunity to excel. She listed some of the difficulties of military life and the additional demands of parenthood. There are 1.8 million children living in military families, thus state and federal legislators must make them a priority. Regarding this resolution, she stated 1.2 million children between birth and 23 years of age are dependents of regular component service personnel, and over 713,000 children are dependents of reserve members. Furthermore, the average military child attends between six and nine schools before grade 12, and there are some problems when children transfer to new schools. Ms. Bachmeier opined in this instance, the military does not take care of its

own. Nutritious, healthful meals have been proven to enhance academic and behavioral performance.

[1:30:39 PM](#)

MS. BACHMEIER presented data regarding children who suffer from poor nutrition. She concluded that allowing military families to rely on food stamps is a "abrogation of our responsibilities to let this reality go on," and urged for a legislative remedy.

[1:31:31 PM](#)

AMY ROUSE, Director, Nutrition Services, Fairbanks Northstar Borough School District, stated that in her experience with the Northstar School District in Fairbanks she deals with an extraordinary number of military families. During the meal application process last fall, there was an increase in contacts from military families whose children were denied school meals. For example, because the housing allowance is counted as income, there are families whose military members have the same rank, yet one family will qualify for school meals, and another will not. The issue will be compounded as of January 2009, when all installation housing will be turned over to private ownership; this means all families will be receiving housing allowances monetarily. Furthermore, the U.S.D.A. does not count the housing allowance equally, creating "[the] appearance of treating people unfairly." Ms. Rouse encouraged the committee to endorse HJR 24.

[1:35:15 PM](#)

CHAIR GATTO acknowledged the receipt of Ms. Rouse's letter of support for the resolution.

[1:35:43 PM](#)

EDDY JEANS, Director, School Finance and Facilities Section, Department of Education and Early Development (EED), confirmed that the housing allowance received by military families prevents them from qualifying for free and reduced school meals. He pointed out that there is no fiscal note from his department on this resolution because there is additional federal reimbursement for cost.

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REPRESENTATIVE RAMRAS thanked the department for its preparation.

[1:37:12 PM](#)

CHAIR GATTO closed public testimony on HJR 24.

[1:37:32 PM](#)

REPRESENTATIVE RAMRAS moved to report HJR 24, 26-LS0710\A, out of committee with individual recommendations and the accompanying fiscal notes.

There being no objection, HJR 24 was reported from the House Special Committee on Military and Veterans' Affairs.

HB 24-PROCUREMENT PREFERENCE FOR VETERANS

[Contains discussion of HJR 16]

CHAIR GATTO announced that the final order of business would be HOUSE BILL NO. 24, "An Act relating to a public procurement preference for Alaska veterans."

[1:38:16 PM](#)

CRYSTAL KOENEMAN, Staff to Representative Anna Fairclough, Alaska State Legislature, informed the committee AS Sec. 36.30.180, states that "The purpose of bidder preference for resident firms when the state acts as a market participant is to encourage local industry, strengthen and stabilize the economy, decrease unemployment, and strengthen the tax and revenue base of the state." House Bill 24 will expand this preference to include Alaska Veteran Owned Businesses. Furthermore, the National Conference of State Legislatures (NCSL) identified 132 state bills that address the veteran business communities concerns at the state level in the past two years. House Bill 24 brings Alaska into the national effort to honor veterans.

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REPRESENTATIVE LYNN offered Amendment 1.

[1:40:42 PM](#)

The committee took an at-ease from 1:40 p.m. to 1:41 p.m.

[1:41:02 PM](#)

REPRESENTATIVE LYNN moved Amendment 1, which read:

Page 1, Lines 12, following "bidder", through line 16,
until "In"

Delete all material and insert:

**"and is a qualifying entity, a 5 percent preference
shall be applied to the bid price. The preference
shall not exceed five thousand dollars."**

Page 2, Lines 14 & 15

Delete all material.

[1:41:12 PM](#)

There being no objection, Amendment 1 was adopted.

[1:41:29 PM](#)

MS. KOENEMAN explained that Section 1 of the bill amends AS 36.30.170(a) to clean up language for referencing a new section that defines Alaska veterans' preference. Section 2 amends AS 36.30 by adding a new section that adds in a preference for Alaska veterans and defines what a qualified entity is. Section 2 also incorporates Amendment 1, that limits the cost preference to 5 percent and not exceeding \$5,000. Amendment 1 also deletes the language creating a register of individuals who qualify as Alaska veterans. Ms. Koeneman explained the sponsor felt this requirement was not necessary. Section 3 amends AS 36.30.250(b) to clean up language for referencing a new section that defines Alaska veterans' preference. Section 4 amends AS 36.30.335 to clean up language for referencing a new section that defines Alaska veterans' preference.

[1:44:23 PM](#)

CHAIR GATTO confirmed the change from 10 percent to 5 percent and \$5,000.

[1:44:46 PM](#)

REPRESENTATIVE BUCH observed there was a similar bill introduced in the House Labor and Commerce Standing Committee. He suggested that the bills should be coordinated.

[1:45:16 PM](#)

MS. KOENEMAN indicated she would "follow up."

There followed a brief discussion about the subject of another bill.

[1:46:23 PM](#)

MS. KOENEMAN stated HJR 16 was presented to the House Labor and Commerce Standing Committee.

[1:46:59 PM](#)

CHAIR GATTO confirmed that HJR 16 contains a 3 percent preference for disabled veterans.

[1:47:06 PM](#)

REPRESENTATIVE BUCH pointed out the two bills send a mixed message. House Joint Resolution 16 is sending a message to the federal government; HB 24 is initiating a different message at the state level. He questioned the level of consistency.

[1:47:35 PM](#)

REPRESENTATIVE RAMRAS opined the procurement procedures differ for the state and federal government. He said, "I think we're A-OK."

[1:47:54 PM](#)

TIM WHEELER, President, Alaska Veterans Business Alliance, read from the following statement [original punctuation provided]:

We are an alliance that advocates for veteran business opportunities at the state, city, and private sector and advocate why the Federal Laws for the SDVOB community are not working in Alaska for Federal Contracting Opportunities. I stand here today in support of HB 24 for a Veteran State Procurement Preference. Approval of HB 24 will also recognize those service men and women who paid the ultimate sacrifice to protect the rights and freedoms we all enjoy.

It is imperative that small business have maximum opportunity for State Procurement Opportunities. And,

to the greatest extent practicable small businesses owned by military Veterans should come first in these considerations. These economic and cultural times are challenging from Main Street to Wall Street and "NO" group of small business entrepreneurs are more deserving of preference opportunity to do business with and for the State of Alaska than the men and women who have defended this great state and country. "NOBODY".

More and more the population of military veterans mirrors the diversity of this state. Veterans are made, not born. We are not torn asunder by race, background, or gender. The "V" in the word Veteran does not stand for victim and we must expand preference business consideration for all Veteran-Owned small business. The passing of HB 24 would significantly expand opportunities for many minority and women veterans in Alaska's marketplace of today and the future.

You all have seen the yellow magnetic ribbon stickers that say support the troops. Why is it that when the troops put their weapons down and take their uniform off why does the support stop?

For the record, Mr. Chairman, I will be submitting numerous national and state organizations standing in support of veterans' business opportunities. These organizations represent a membership of over one million veterans standing with Alaska veterans in support of HB 24.

[1:50:12 PM](#)

RIC DAVIDGE, State Council President, Vietnam Veterans of America; Member, Board of Directors, Alaska Veterans Business Alliance, disclosed that he worked briefly for Representative Anna Fairclough, sponsor of HB 24. He explained that HJR 16 deals with federal procurement and calls for federal agencies in Alaska to meet their legislated 3 percent mandate. On the other hand, HB 24 would establish a veteran bidder preference in the state for state procurements. He expressed his support of the amendments to HB 24, although he still supports the development of a pre-qualified register of veteran-owned businesses in the state. Mr. Davidge addressed the concern of those who view veteran preference as "rent a vet." He pointed out there is a

provision in the bill, identified as Section 2(c), that requires the veteran in the bidder preference to be actively involved in the day to day management of the business.

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CHAIR GATTO asked for clarification on HJR 16 as to whether the resolution is "asking the feds ... to exercise what is already in public law ... the 3 percent preference for disabled veterans."

MR. DAVIDGE confirmed that there are public laws, executive orders, and other federal actions mandating the 3 percent goal for service disabled veteran-owned businesses; however, in Alaska, and in many other states, the federal agencies refuse to comply. House Joint Resolution 16 calls for hearings to determine the reason. He stressed that HB 24 "deals only with state procurements."

[1:53:34 PM](#)

BARBARA BACHMEIER provided further information regarding HJR 16. Ms. Bachmeier turned to the subject of HB 24, and said this legislation differs in scope and intent from federal legislation on this issue. She said she strongly disagrees with components of the bill and is not in favor of the legislation as it is written. Ms. Bachmeier opined Alaska and its veterans would be better served by legislation similar to the "service disabled veteran business enterprise opportunity act" passed in Florida in 2008. This type of legislation continues to honor and provide opportunities to disabled veterans, who are persons who served in the military, were discharged, and were disabled in the line of duty during their service. She advised the readjustment and rehabilitation challenges of a service connected disabled veteran are more challenging than those faced by other veterans; therefore, this population of veterans should be afforded additional considerations. Ms. Bachmeier observed the value of patterning the state's program after federal law in order to stand with Congress and recognize the sacrifice of disabled veterans, realize the need to rectify the economic disadvantage of disabled veterans, and remedy the circumstances preventing disabled veterans from self-employment.

[1:58:32 PM](#)

JOHN YOUMANS, Member, Alaska Veterans Business Alliance, informed the committee he was a small business owner and

expressed his support for HB 24. He said this is a very important bill for those who delay their entry into business to serve in the military and encouraged its passage. In response to Representative Gatto, Mr. Youmans said his business provides janitorial, maintenance, and painting services.

[1:59:57 PM](#)

KARL LERAY, Chair, Board of Directors, Alaska Veterans Business Alliance, compared the difficulties faced by deployed members of the military to service by fireman or policemen. He said that soldiers are told to relinquish their ties to family, community, and sometimes to their religious beliefs. Adding to this disenfranchisement, soldiers are considered transients in the communities they serve. Mr. LeRay stated it is also difficult for families as they get "cut-off" when military members are reassigned. Disabled veterans have additional challenges as they may view themselves as failures because the disability does not allow them to be the person they were before their service. He provided a personal example as to why veterans typically have trouble adjusting to private life. Mr. LeRay stressed that veterans are not better than other professions that serve under difficult conditions; however, the loss of community is hard to overcome. In fact, when soldiers return home they are not ready to immediately integrate into the community and start a business. He encouraged the committee to move HB 24 and support veterans' businesses in the state.

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CHAIR GATTO closed public testimony on HB 24.

[2:04:06 PM](#)

REPRESENTATIVE LYNN moved to report HB 24, 26-LS0135\E, as amended, out of committee with individual recommendations and forthcoming fiscal notes.

CHAIR GATTO asked if there were any objections.

[2:04:47 PM](#)

REPRESENTATIVE BUCH asked for any available information on the fiscal notes.

[2:04:57 PM](#)

VERN JONES, Chief Procurement Officer, Division of General Services, Department of Administration, informed the committee he would be responsible for the implementation of HB 24. He anticipated a zero fiscal note, given the amendment that removed the veteran's register and the costs thereof. The department plans to work informally to monitor and enforce registration. Mr. Jones acknowledged there could be costs pertaining to awarding bids to other than the lowest bidder; however, with the state's current accounting system, he was unable to accurately give an estimate on those increased costs.

[2:06:55 PM](#)

CHAIR GATTO surmised the high side of the fiscal note would be \$5,000 to \$50,000.

[2:07:05 PM](#)

MR. JONES reminded the committee the bill authorizes a maximum benefit for a bidder of \$5,000; however, it is difficult to estimate how many bidders would participate or whether the preference would affect the amount of the award.

[2:07:33 PM](#)

CHAIR GATTO remarked:

So, if we give a \$2,000 preference to a veteran, than that's a \$2,000 fiscal note in the bill, that we should at least anticipate.

MR. JONES restated HB 24 anticipates a maximum of \$5,000 preference per bid; thus "it's probably anyone's guess as to how many bids the preference would apply to and what the actual difference between the qualifying veteran's bids versus what the low bid otherwise would have been."

CHAIR GATTO suggested the bill may garner a referral to the House Finance Committee.

[2:08:42 PM](#)

There being no objection, CSHB 24(MLV) was reported from the House Special Committee on Military and Veterans' Affairs.

[2:08:48 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at 2:08 p.m.