

SENATE FINANCE COMMITTEE

April 17, 2010

11:39 a.m.

[11:39:12 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 11:39 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice-Chair
Senator Johnny Ellis
Senator Dennis Egan
Senator Donny Olson
Senator Joe Thomas

MEMBERS ABSENT

None

ALSO PRESENT

Darwin Peterson, Staff, Co-Chair Stedman; Representative Peggy Wilson, Sponsor; Nancy Davis, President, Alaska Nurses Association; Rod Betit, CEO, Alaska State Hospital Association; Lauree Hugonin Morton, Juneau; Mary Stackhouse, Registered Nurse, Juneau; Debbie Thompson, Executive Director, Alaska Nurses Association; Barbara Huff Tuckness, Teamsters Local 959; Rob Earl, Staff Representative Bob Heron; Jane Pierson, Chief of Staff Representative Jay Ramras; Mary Siroky, Legislative Liaison, Department of Transportation and Public Facilities; John Bitney, Legislative Council, Representative John Harris; Representative Carl Gatto; Thomas Reiker, Student Intern, Representative Carl Gatto

PRESENT VIA TELECONFERENCE

John Bringhurst, Administrator, Petersburg Medical Center, Petersburg; Ryan Smith, CEO, Central Peninsula Hospital,

Soldotna; Evangelyn Dotomain, President & CEO, Alaska Native Health Board

SUMMARY

HB 306 STATE ENERGY POLICY

SCS CSHB 306 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with zero FN 1 House Energy Committee.

HB 357 AK RAILROAD CORP. LAND SALES

CSHB 357 (fin) was REPORTED out of Committee with a "do pass" recommendation, with a Letter of Intent, and with indeterminate FN 1 CED.

HB 365 FISH PROCESSOR FEES, LICENSES, RECORDS

HB 365 was REPORTED out of Committee with no recommendation, with a Letter of Intent, and with two previously published zero fiscal notes: FN 1 DFG and FN 2 REV.

HB 126 EXTEND/RESUME STATE CUSTODY OF CHILDREN

CSHB 126 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with three previously published fiscal notes: DHS 4, DHS 5 and DHS 6.

HB 184 DEBT AUTHORIZATION FOR UNIVERSITY

HB 184 was REPORTED out of Committee with a "do pass" recommendation and with zero FN 1 UA.

HB 421 PUBLIC EMPLOYEE SALARIES

HB 421 was REPORTED out of Committee with a "do pass" recommendation and with three previously published fiscal notes: FN 2 CRT, FN 3 OMB, and FN 4 LEG.

HB 226 NAMING VETERANS' WAY IN MAT-SU

CSHB 226 (TRA) was REPORTED out of Committee with a "do pass" recommendation and with FN 2 DOT.

HB 90 AIDEA: BONDING/TAXATION/RECORDS

SCS CSHB 90 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a new zero fiscal note by the Department of Commerce, Community and Economic Development.

HB 73 FIREFIGHTER/EMT LICENSE PLATES

SCS CSHB 73 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with zero FN 2 ADM.

HB 416 PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS

HB 416 was REPORTED out of Committee with a "do pass" recommendation and with two previously published zero fiscal notes: FN 1 LAW and FN 2 UA.

HB 50 LIMIT OVERTIME FOR REGISTERED NURSES

HB 50 was heard and HELD in Committee for further consideration.

HB 363 AIDEA MEMBERSHIP

HB 363 was heard and HELD in Committee for further consideration.

HB 70 ALASKA GROWN AGRICULTURAL PRODUCTS

CSHB 70 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with two previously published fiscal notes: zero FN 3 EED and FN 4 DNR.

HB 345 SAM SCHUYLER MEMORIAL BRIDGE

HB 345 was heard and HELD in Committee for further consideration.

HJR 45 OPPOSE FEDERAL CAP AND TRADE LEGISLATION

CSHJR 45 (FIN)am was REPORTED out of Committee with a "do pass" recommendation and with zero FN 2 LEG.

[11:39:28 AM](#)

#hb306

CS FOR HOUSE BILL NO. 306(RES)

"An Act declaring a state energy policy."

Co-Chair Stedman noted it was the second hearing on the bill.

[11:41:39 AM](#)

Co-Chair Hoffman MOVED to adopt the SCS for CSHB 306, labeled 26-LS1049\N.

Co-Chair Stedman OBJECTED.

DARWIN PETERSON, STAFF, CO-CHAIR STEDMAN, explained the changes in the new SCS. Fifteen words were deleted from Version M, page 2, lines 24 and 25. The words "and for export of power that is surplus to the needs of Alaska communities" were deleted. The intent is to see that the needs of Southeast communities being served by hydro electricity are not first, before exporting is considered.

Mr. Peterson reported that the second change is on page 3, line 22, the word "national" was deleted before "emissions". At a previous hearing there was testimony that it might be problematic for the state to be tied to federal standards.

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

Co-Chair Hoffman MOVED to report SCS CSHB 306 (FIN) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

[11:43:40 AM](#)

#hb357

CS FOR HOUSE BILL NO. 357(FIN)

"An Act relating to the sale of land owned by the Alaska Railroad that is not necessary for railroad purposes."

Co-Chair Stedman noted it was the second hearing on the bill and that there was one zero fiscal note from the Department of Commerce, Community, and Economic Development. There is also a Letter Intent that was adopted by the House.

Co-Chair Hoffman MOVED to report CSHB 357 (FIN) out of Committee with individual recommendations and the accompanying fiscal note and a Letter of Intent. There being NO OBJECTION, it was so ordered.

CSHB 357 (fin) was REPORTED out of Committee with a "do pass" recommendation, with a Letter of Intent, and with indeterminate FN 1 CED.

[11:44:52 AM](#)

#hb365

HOUSE BILL NO. 365

"An Act relating to sharing records regarding fish purchased by fish processors with certain federal agencies, to requirements to obtain and maintain a fisheries business license, and to payment of industry fees required of fish processors; and providing for an effective date."

Co-Chair Stedman noted two zero fiscal notes from the Department of Revenue and from the Department of Fish and Game and a Letter of Intent which was adopted by the House.

Co-Chair Hoffman MOVED to report HB 365 out of Committee with individual recommendations and the accompanying fiscal notes and a Letter of Intent. There being NO OBJECTION, it was so ordered.

HB 365 was REPORTED out of Committee with no recommendation, with a Letter of Intent, and with two previously published zero fiscal notes: FN 1 DFG and FN 2 REV.

#hb126

CS FOR HOUSE BILL NO. 126(FIN)

"An Act relating to extensions and resumptions of state custody of children; and providing for an effective date."

[11:46:09 AM](#)

Co-Chair Stedman listed the three fiscal notes from the Department of Health and Social Services. One is for children's service management for \$130,700 in general funds and \$73,500 in federal match; one for foster care special needs for \$38,000 in general funds and \$2,200 in federal match; and one for foster care base rate for \$186,800 in general funds and \$37,200 in federal match.

Co-Chair Hoffman MOVED to report CSHB 126 (FIN) out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSHB 126 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with three previously published fiscal notes: DHS 4, DHS 5 and DHS 6.

[11:46:57 AM](#)

#hb184

HOUSE BILL NO. 184

"An Act relating to the debt authorization of the University of Alaska."

Co-Chair Stedman noted one zero fiscal note from the University.

Co-Chair Hoffman MOVED to report HB 184 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 184 was REPORTED out of Committee with a "do pass" recommendation and with zero FN 1 UA.

[11:47:48 AM](#)

#hb421

HOUSE BILL NO. 421

"An Act relating to the compensation of certain public officials, officers, and employees not covered by collective bargaining agreements; and providing for an effective date."

Co-Chair Stedman said it was the second hearing on the bill. There are three fiscal notes: one from the Executive Branch for \$4,182,300 in FY 11, one from the Court System for \$1,346,000 in FY 11, and one from the Legislature for \$741,800 in FY 11. All three fiscal notes will double in FY 12.

Co-Chair Hoffman MOVED to report HB 421 out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

HB 421 was REPORTED out of Committee with a "do pass" recommendation and with three previously published fiscal notes: FN 2 CRT, FN 3 OMB, and FN 4 LEG.

#hb226

CS FOR HOUSE BILL NO. 226(TRA)

"An Act renaming Seldon Road and that portion of Bogard Road that extends between Palmer and Meadow Lakes as Veterans' Way."

[11:49:21 AM](#)

Co-Chair Stedman noted one fiscal note from the Department of Transportation for \$8,500 in general funds.

Co-Chair Hoffman MOVED to report CSHB 226 (TRA) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 226 (TRA) was REPORTED out of Committee with a "do pass" recommendation and with FN 2 DOT.

[11:49:56 AM](#)

#hb90

CS FOR HOUSE BILL NO. 90(FIN)

"An Act relating to bonding limitations and confidentiality of records and information of the

Alaska Industrial Development and Export Authority; relating to municipal taxation of interests in certain property of the Alaska Industrial Development and Export Authority; providing for an effective date by amending the effective date of sec. 3, ch. 117, SLA 2000, as amended by sec. 2, ch. 74, SLA 2003, and by sec. 3, ch. 67, SLA 2008; and providing for an effective date."

Co-Chair Stedman said it was the second hearing on the bill. He noted one new zero fiscal note from the Department of Commerce, Community and Economic Development.

Senator Olson MOVED to ADOPT Amendment 1:

Page 3, following line 16
Insert "*SEC.8. The uncodified law of the State of Alaska is amended by adding a new section to read:
RETROACTIVITY. The amendment in sec. 7 of this Act is retroactive to November 30, 2009."
Renummer the following bill sections accordingly.
Page 3, line 17, following "effect"
Delete all material.
Insert "immediately under AS 01.10.070(c)."

Co-Chair Stedman OBJECTED for discussion purposes.

Senator Olson informed the committee that HB 10 addresses the Delong Mountain Transportation System. There is a perception that there may be a gap in services. This amendment fixes the gap and makes it retroactive to November 30, 2009.

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

Co-Chair Hoffman MOVED to report CSHB 90 (FIN) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SCS CSHB 90 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a new zero fiscal note by the Department of Commerce, Community and Economic Development.

#hb73

CS FOR HOUSE BILL NO. 73(FIN)

"An Act relating to special fire fighter and emergency medical service provider license plates; and providing for an effective date."

Co-Chair Hoffman MOVED to ADOPT a new SCS for CSHB 73, labeled 26-LS0303\W.

Co-Chair Stedman OBJECTED.

Co-Chair Stedman explained that the CS incorporates some of the suggestions provided by the director of the Division of Motor Vehicles. The unnecessary reference to commemorative plates has been deleted and the biannual fee has also been deleted.

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

[11:53:20 AM](#)

Co-Chair Hoffman MOVED to report SCS CSHB 73 (FIN) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SCS CSHB 73 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with zero FN 2 ADM.

[11:54:05 AM](#)

#hb416

HOUSE BILL NO. 416

"An Act adopting and relating to the Uniform Prudent Management of Institutional Funds Act; relating to the investment of money for charitable purposes by institutions, including governmental institutions; and relating to the University of Alaska."

Co-Chair Stedman noted it was the second hearing on the bill. He reported two zero fiscal notes, one from the Department of Law and one from the University.

[11:54:20 AM](#)

Co-Chair Hoffman MOVED to report HB 416 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 416 was REPORTED out of Committee with a "do pass" recommendation and with two previously published zero fiscal notes: FN 1 LAW and FN 2 UA.

AT-EASE [11:54:54 AM](#)

RECONVENED [11:55:36 AM](#)

#hb50

CS FOR HOUSE BILL NO. 50(FIN)

"An Act relating to limitations on mandatory overtime for registered nurses and licensed practical nurses in health care facilities; and providing for an effective date."

Co-Chair Stedman noted it was the first hearing on the bill.

REPRESENTATIVE PEGGY WILSON, SPONSOR, explained that the purpose of the bill is to make sure nurses get enough rest. Nurses are working excessive hours without enough rest which creates an unsafe work environment for patients and for nurses. The bill would create a standardized work environment across the state. The bill has provisions for emergencies, inclement weather, natural disasters, and on-going procedures. She shared information about legislation in other states, of which 15 have adopted similar requirements. The legislation sets a 14-hour work limit with a 10 hour rest period. She maintained that nurses in Alaska are working excessive hours of overtime, most of which are mandated. Nurses from throughout Alaska have provided testimony that this legislation is needed. She noted that her staff was prepared to explain the differences between the Senate and House versions of the bill. She urged the committee to move the bill.

[12:01:28 PM](#)

Co-Chair Stedman noted three zero fiscal notes from the Department of Health and Social Services and one indeterminate note from the Department of Labor and Workforce Development. He said that the bill is not a new issue.

[12:02:31 PM](#)

JOHN BRINGHURST, ADMINISTRATOR, PETERSBURG MEDICAL CENTER, PETERSBURG (via teleconference), testified in opposition to HB 50. He listed reasons for his concerns. He thought HB 50 contained onerous reporting requirements. He explained mandatory call, which is used to staff emergency rooms. The bill would force the end of mandatory call and cost the hospital around \$470,000 a year.

Senator Olson referred to page 3 of the bill, an exemption for rural communities, and asked if Petersburg qualifies for it. Mr. Bringhurst understood that it exempts the hospital for short periods only.

[12:05:58 PM](#)

RYAN SMITH, CEO, CENTRAL PENINSULA HOSPITAL, SOLDOTNA (via teleconference), testified in opposition to the bill, which he termed a labor bill. He explained that the bill has many patient exclusions and only contains reporting requirements for hospitals, not nurses. He also discussed mandatory overtime. He predicted unintended consequences from the bill.

[12:07:50 PM](#)

EVANGELYN DOTOMAIN, PRESIDENT & CEO, ALASKA NATIVE HEALTH BOARD (via teleconference), spoke against HB 50. She understood that her organization has an exemption from the legislation; however, she thought the bill would change the market conditions of nursing and have repercussions in the villages.

[12:09:53 PM](#)

NANCY DAVIS, PRESIDENT, ALASKA NURSES ASSOCIATION, stressed that patient safety is the primary benefit of HB 50, in addition to benefits to nurses. She testified in support of HB 50 from a nurse's viewpoint.

[12:11:35 PM](#)

ROD BETTIT, CEO, ALASKA STATE HOSPITAL ASSOCIATION, spoke against the legislation. He reported that 26 out of 27 facilities in the state do not support the bill. He agreed

that safety was a prime concern for his organization. He disagreed with items in the bill.

[12:13:09 PM](#)

LAUREE HUGONIN MORTON, JUNEAU, maintained that nurses should not work extensive hours. She shared a personal experience. She testified in support of HB 50. She thought the limit of hours worked should be eight.

[12:16:50 PM](#)

MARY STACKHOUSE, REGISTERED NURSE, JUNEAU, shared personal experiences. She spoke strongly in favor of HB 50.

[12:19:02 PM](#)

DEBBIE THOMPSON, EXECUTIVE DIRECTOR, ALASKA NURSES ASSOCIATION, urged the committee to pass the bill. She read a paragraph from a newspaper article which supported her beliefs.

[12:20:07 PM](#)

BARBARA HUFF TUCKNESS, TEAMSTERS LOCAL 959, spoke in favor of HB 50. She requested that all nurses and physician assistants receive protection through collective bargaining agreements.

HB 50 was heard and HELD in Committee for further consideration.

AT-EASE [12:21:56 PM](#)

RECONVENED [1:43:28 PM](#)

#hb363

HOUSE BILL NO. 363

"An Act relating to the membership of the Alaska Industrial Development and Export Authority."

ROB EARL, STAFF REPRESENTATIVE BOB HERON, testified to the details of the bill. He explained that the Alaska Industrial Development and Export Authority (AIDEA) is a public development finance corporation whose mission is to promote economic development in Alaska by various means of financing and investment. It fulfills its mission by

providing Alaskans with long-term financing options at a reasonable cost. Each year 25 percent to 50 percent of the return on AIDEA's assets is redistributed back to the state general fund as a dividend. This year that dividend was about \$23 million.

[1:45:09 PM](#)

Mr. Earl related that the bill changes the AIDEA Board membership, which also serves as the Alaska Energy Authority (AEA) Board. He detailed the current make-up of the board which consists of five members: the commissioners of the Department of Revenue and the Department of Commerce, Community and Economic Development, a discretionary commissioner appointed by the governor, currently the commissioner of the Department of Transportation and Public Facilities, and two public members, also appointed by the governor. The legislation would increase the board by three more public members in order to increase the voice of the private sector. The bill expands the board from five to seven members and also stipulates public members must possess business and, or, industry expertise and leadership skills. The expansion to seven members would give AIDEA more flexibility when forming subcommittees, more diverse experience on the board, and broader geographical representation.

[1:47:03 PM](#)

Co-Chair Stedman noted one zero fiscal note from the Department of Commerce, Community and Economic Development for \$22,800 in AIDEA receipts.

HB 363 was Heard and Held in committee for further review.

[1:48:02 PM](#)

#hb345

HOUSE BILL NO. 345

"An Act designating the bridge to be built on the Dalton Highway at approximately mile post 308 as the Sam Schuyler Memorial Bridge."

JANE PIERSON, CHIEF OF STAFF, REPRESENTATIVE JAY RAMRAS, SPONSOR, testified to the details of the bill. She related that the bill would give the name "Sam Schuyler Memorial Bridge" to a bridge that will be built at Milepost 308 on

the Dalton Highway. Sam Schuyler was a well-loved, respected Alaska Department of Transportation and Public Facilities employee who spent his entire career working on the Dalton Highway. Sam exhibited a spirited tenacity that set him apart from his peers.

[1:49:44 PM](#)

Co-Chair Stedman noted one zero fiscal note from the Department of Transportation and Public Facilities because the cost of the sign has been budgeted into the construction of the bridge.

MARY SIROKY, LEGISLATIVE LIAISON, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, testified that the department supports the bill. She referred to letters of support for the bill.

HB 345 was HEARD and HELD in committee for further review.

AT EASE [1:50:51 PM](#)

RECONVENED [1:51:28 PM](#)

#hjr45

CS FOR HOUSE JOINT RESOLUTION NO. 45(FIN) am

Urging the United States Congress not to enact Cap and Trade legislation.

JOHN BITNEY, LEGISLATIVE COUNCIL, REPRESENTATIVE JOHN HARRIS, shared that the resolution expresses opposition to legislation being contemplated in Congress that would establish a cap and trade program. The bill is sponsored by Representative Stoltz and eighteen co-sponsors in the House. The concern is the impact on the economy. He reported that a hybrid version of the bill would be introduced by the end of the month and contain provisions that would increase the taxes on gasoline.

[1:53:40 PM](#)

Co-Chair Hoffman questioned if Congress would listen to this resolution. Mr. Bitney replied that the voice of the state held weight concerning the issue.

Co-Chair Stedman pointed out a zero fiscal note.

Co-Chair Hoffman MOVED to report HJR 45 out of Committee with individual recommendations and the accompanying fiscal note. There being no OBJECTION it was so ordered.

CSHJR 45 (FIN)am was REPORTED out of Committee with a "do pass" recommendation and with zero FN 2 LEG.

[1:56:04 PM](#)

#hb70

CS FOR HOUSE BILL NO. 70(FIN)

"An Act establishing the farm-to-school program in the Department of Natural Resources, and relating to school gardens, greenhouses, and farms."

REPRESENTATIVE CARL GATTO, testified to the intent of the legislation which is to set up an organization within the Department of Agriculture to encourage schools to buy local products and grow agricultural products. It also addresses the issue of obesity. The bill has been reduced significantly in order to lessen the fiscal note.

THOMAS REIKER, STUDENT INTERN, REPRESENTATIVE CARL GATTO, urged support for the bill. He believed that the bill was good for the state. He said that the legislation could improve the health and wellbeing of Alaska's students and would create a new job market.

Co-Chair Hoffman asked if students should be also encouraged to eat Alaska salmon.

Representative Gatto spoke of an attempted trade of goods with the state of Washington. The shipping proved to be too expensive.

[2:00:03 PM](#)

Co-Chair Stedman pointed out the fiscal notes and solicited final comments.

Co-Chair Hoffman MOVED to report CSHB 70 (FIN) out of Committee with individual recommendations and the accompanying fiscal notes. There being no OBJECTION it was so ordered.

CSHB 70 (FIN) was REPORTED out of Committee with a "do pass" recommendation and two previously published fiscal notes: zero FN 3 EED and FN 4 DNR.

#

ADJOURNMENT

The meeting was adjourned at 2:01 PM.