

HOUSE FINANCE COMMITTEE
February 16, 2011
1:34 p.m.

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CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 1:34 p.m.

MEMBERS PRESENT

Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Co-Chair
Representative Anna Fairclough, Vice-Chair
Representative Mia Costello
Representative Mike Doogan
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Reggie Joule
Representative Mark Neuman
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Kaci Schroeder Hotch, Staff, Representative Bill Thomas; Don Habeger, Director, Division of Corporations, Business and Professional Licensing, Department of Commerce, Community and Economic Development; James Armstrong, Staff, Representative Bill Stoltze.

PRESENT VIA TELECONFERENCE

Mark San Souci, NW Regional Liaison, Department of Defense; Mark Romick, Director of Planning and Program Development, Alaska Housing Finance Corporation, Department of Revenue; Stacy Schubert, Director of Governmental Relations and Public Affairs, Alaska Housing Finance Corporation, Department of Revenue.

SUMMARY

HB 28 TEMP LICENSES FOR PROFESSIONALS

CSHB 28 (FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published zero note: FN1 DCED.

HB 65 SENIOR CITIZEN HOUSING DEV. FUND GRANTS

HB 65 was REPORTED out of committee with a "do pass" recommendation and with zero impact note by the Department of Revenue.

#hb28

HOUSE BILL NO. 28

"An Act relating to temporary licenses for certain nonresident professionals."

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Vice-chair Fairclough moved the workdraft CSHB 28 (FIN) 27-LS0192\S dated February 15, 2011.

Co-Chair Stoltze OBJECTED for purpose of discussion.

KACI SCHROEDER HOTCH, STAFF, REPRESENTATIVE BILL THOMAS, discussed that HB 28 focused on improving the lives of Alaska's military members. Families of military members were largely impacted by frequent deployments, long periods of single parenthood, and relocation. She explained that 14.5 percent of military spouses crossed the state line annually, which made them one of the most mobile populations in the nation. Only 1.1 percent of civilian spouses crossed the state line on an annual basis. Military spouses often moved every two to four years. The readiness of Alaska's armed forces was directly impacted because the ability for a spouse to maintain employment often factored into a member's decision to remain in the military. Military spouses were less likely to be employed and tended to earn less than their civilian counterparts. Similar to their civilian counterparts, military spouses depended on two incomes and hoped to achieve aspirations of their own. The legislation would assist spouses in their transition into the State of Alaska.

Co-Chair Stoltze asked for a history and description of the changes in the workdraft. Ms. Schroeder Hotch communicated that most of the changes in the workdraft were at the request of the Department of Commerce, Community and Economic Development (DCCED). She discussed that whenever the word "department" appeared in the legislation, the language had been amended to read "department or appropriate board." She explained that depending on the circumstance, the department or a board was responsible for regulation. She pointed out that the word "courtesy" was inserted directly following any occurrence of the word "temporary." The workdraft also removed marine pilots from the exemption list on Page 3. She explained that tight regulations alleviated the department's initial concerns regarding its ability to comply with the bill.

Representative Wilson had been told that the legislation was redundant by several callers. She wondered what specific action the bill implemented that was not already in place. Ms. Schroeder Hotch clarified that the bill was not a criticism of existing law. She discussed that the bill would put into statute what was currently done under regulation. The bill included a section for the special consideration of military spouses. Language to expedite the issuance of a license was inserted on Page two and was the primary change to the statute. It was very difficult for a military spouse to find employment when they only lived in Alaska for two years and had to wait six months to obtain a license.

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Co-Chair Stoltze WITHDREW his OBJECTION.

Representative Guttenberg had also heard from a caller that the bill would not do anything new. He saw that the legislation shortened the temporary license to 180 days. He wondered whether boards and commissions were capable of taking action in the shortened timeframe in the event of a large influx in military families.

Ms. Schroeder Hotch believed that DCCED did have the ability to act within the new timeframe. She explained that although some boards only met a couple of times per year, there were ways for the boards to vote by email or by mail.

DON HABEGER, DIRECTOR, DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, discussed that the department was already familiar with each of the six different tasks included in the bill. He did not believe the legislation would have a significant impact on the Division of Corporations, Business and Professional Licensing (CBPL). The only new process for the division was related to the expedited licensing for military spouses. He indicated that the department's zero impact fiscal note reflected its belief that CBPL could easily absorb the work. The ability to vote by mail and other methodologies would enable boards that met less frequently to take action on applications.

Co-Chair Stoltze asked Mr. Habeger if he had any objections to the deletion of Section E on Page 3.

Mr. Habeger replied that the section did not pertain to CBPL.

Co-Chair Stoltze wondered whether the legislation impacted the Teacher Standards and Practices Commission's licensing of educators.

Ms. Schroeder Hotch replied that the bill did not affect teachers. She explained that a similar statute for teachers existed and was working well.

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Co-Chair Stoltze opened public testimony.

MARK SAN SOUCI, NW REGIONAL LIAISON, DEPARTMENT OF DEFENSE, (via teleconference), stated that taking care of military spouses was the number one priority of the defense state liaison office. The temporary license would enable spouses to begin work immediately and would give them up to six months to fulfill any requirements imposed by the state. He discussed that Florida had passed similar legislation the prior year and that HB 28 would place Alaska on the cutting edge of the issue. He expressed appreciation for Co-Chair Thomas's sponsorship and for the committee's consideration of the bill.

Co-Chair Stoltze closed public testimony.

Mr. Habeger discussed the zero impact Fiscal Note 1. The department believed that the tasks under the legislation were already occurring in one form or another and would only require a slight variation or adjustment. He discussed that there were three existing programs that had a military exemption by regulation. The department believed it could absorb the work relatively easily.

Co-Chair Stoltze thanked DCEED for its cooperation. He appreciated the department's willingness to absorb the functions through its normal activity.

Representative Neuman wondered how the list of professions covered under the bill had been compiled.

Ms. Schroeder Hotch responded that the list included all of the professions that were regulated by CBPL. She believed that marine pilots would be included with the adoption of the CS. She relayed that teachers were also in high demand and were covered under a different statute.

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Representative Guttenberg believed the legislation was positive. He wondered whether different jurisdictions had aligned definitions related to the terms "unresolved complaint, review or procedure," listed on Page 2, Line 13, Sections 4 and 5. He asked whether an appeal process existed for people who objected to a ruling.

Mr. Habeger responded that the bill pertained to just one component of the extensive central licensing statute. The division believed that a number of prohibitions or authorities existed in order to verify the accuracy of the credentialing commitment. There was an investigative unit that could determine whether there was a mark against a person in another jurisdiction. A board or the department could then provide further review to determine whether something was substantial enough to warrant probationary modifications or the refusal of a license. The department believed it could handle these occurrences.

Representative Guttenberg asked whether there was a way to go from provisional to permanent licensing. Mr. Habeger answered in the affirmative.

Co-Chair Thomas MOVED to report CSHB 28 (FIN) out of committee with individual recommendations and the accompanying fiscal note.

CSHB 28 (FIN) was REPORTED out of committee with a "do pass" recommendation and with previously published zero note: FN1 DCED.

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AT EASE

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RECONVENED

#hb65

HOUSE BILL NO. 65

"An Act making regional Native housing authorities eligible to receive grants through the Alaska Housing Finance Corporation from the senior citizens housing development fund."

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Representative Edgmon, Sponsor, discussed that HB 65 would provide regional housing authorities with easier access to the Senior Citizens Housing Development Fund within the Alaska Housing Finance Corporation (AHFC). To ensure their eligibility for fund access, approximately half of the 14 housing authorities throughout the state had created 501(c)(3) or 501(c)(4) nonprofit organizations. Under the legislation, the remaining housing authorities would be listed in Alaska Statute Title 18 and would have easier access to the grant fund. The fund amount in the FY 12 budget was \$4 million to \$5 million and in past years the fund contained \$4 million to \$6 million. The bill would allow housing authorities to partner with other funding agencies including the Denali Commission, HUD [U.S. Department of Housing and Urban Development], USDA [United States Department of Agriculture], AHFC, regional housing authorities, and the Native American Housing Assistance and Self Determination Act (NAHASDA). He relayed that the housing authorities worked well with seniors and were skilled at placing them in housing units throughout the state. He communicated that the bill had a zero impact fiscal note and was supported by the Alaska Commission on

Aging, the American Association of Retired Persons, AHFC, and the regional housing authorities.

Representative Neuman wondered how familiar Representative Edgmon was with the Senior Access Program.

Representative Edgmon responded that he was peripherally familiar with the program and deferred the question to AHFC.

Co-Chair Stoltze interjected that they would hold the question until a representative from the corporation was available via teleconference.

Representative Gara expressed his support for the legislation. He wondered whether expanding the limited pool of money to a broader spectrum of recipients meant that less money would be available for those who currently relied on the funds.

Representative Edgmon responded that the bill had unanimous support and was providing a partnership rather than a competitor to existing senior housing builders. Housing authorities would be more instrumental players in low income senior housing throughout the state. By the nature of the business housing authorities had access to some federal funds that other builders may not have.

Co-Chair Stoltze opened public testimony and asked if AHFC supported the bill.

MARK ROMICK, DIRECTOR OF PLANNING AND PROGRAM DEVELOPMENT, ALASKA HOUSING FINANCE CORPORATION, DEPARTMENT OF REVENUE (via teleconference), replied in the affirmative.

STACY SCHUBERT, DIRECTOR OF GOVERNMENTAL RELATIONS AND PUBLIC AFFAIRS, ALASKA HOUSING FINANCE CORPORATION, DEPARTMENT OF REVENUE (via teleconference), also stated the agency's support of the legislation.

Representative Neuman asked for an explanation of the Senior Access Program. Mr. Romick responded that Planning and Program Development was the administrator of the Senior Access Program. He was happy to answer specific questions about the program.

Representative Neuman wondered how many people applied to the program and how it was funded. Mr. Romick explained that the Senior Access Program was a component of the Senior Housing Development Fund. A portion of the total fund was set aside for the program on an annual basis. The program was designed to provide accessibility modifications for seniors to help them remain in their homes for longer periods of time. The funding was made available through a competitive process that was operated by three grantees throughout the state. The program served 100 to 150 seniors per year depending on the required home modifications. The modifications varied from outdoor ramp installations to indoor chairlift installations.

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Representative Neuman appreciated the detailed response and agreed that it was important to help seniors remain in their homes. He wondered whether the Senior Access Program would be able to obtain funding directly through the regional native housing authorities.

Mr. Romick replied that the legislation would allow housing authorities to apply to AHFC for funds to implement regional Senior Access Programs. There were currently no housing authorities involved in the program. He did not know whether the lack of involvement was due to the 501(c)(3) requirement or to the availability of other funding resources for accessibility modifications.

Vice-chair Fairclough wondered whether HB 65 addressed Native housing authority accessibility for the entire Senior Citizen Housing Development Fund.

Representative Edgmon responded that although the regional housing authorities in statute were called "Native housing authorities," their benefits targeted low-income residents and were not ethnic specific.

Vice-chair Fairclough clarified that the Greater Opportunities for Affordable Living, Senior Access Program, and Pre-development Grants, all qualified for funds. She referred to a memorandum from Representative Edgmon, titled "Examples of 501(c)3 Nonprofits that have Received SCHDF Grants" (copy on file) and listed the following examples:

- Chugach Colony Estates - Grantee: Palmer Senior Center Citizens' Center, Inc.
- Meadow Lakes - Grantee: Meadow Lakes Community Council
- Togiak Senior Housing - Grantee: Bristol Bay Housing Development Corporation

Representative Guttenberg discussed the Aleutians, Cook Inlet, Kodiak, Bristol Bay, and the Interior Regional Housing Authority. He questioned whether the Interior region encompassed the Native community of Cantwell. He wondered whether the legislation would leave any region of the state uncovered.

Representative Edgmon believed the state was fully covered. Mr. Romick responded that the entire state was covered by the regional housing authorities.

Representative Doogan referred to a table titled "Examples of Senior Housing Projects Partly Funded with Senior Citizens Housing Development Fund (SCHDF) Grants" (copy on file). He wondered about the origin of the original housing development funds.

Representative Edgmon believed that it would depend on who the project builder had been. If the builder had been a housing authority the funds may have been federal NAHASDA funds laired with funds from the Denali Commission, USDA, and HUD. The passage of HB 65 would include the senior housing grants from AHFC in the list of fund sources as well.

Representative Doogan ascertained that the amounts listed in the "SCHDF \$'s Available" column (on the left side of the table) did not represent limits but referred to available funding from various sources during each fiscal year.

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Mr. Romick asked for clarity on the question.

Representative Doogan wondered how the amounts listed in the "SCHDF \$'s Available" column were determined. Mr. Romick asked for further clarification.

Representative Doogan referenced the table and wondered how the \$4.4 million (listed in the last cell of the column labeled "SCHDF \$'s Available") was derived.

Mr. Romick believed that in the past the funds were primarily corporate. A portion of the current \$4.4 million capital budget request was general fund.

Representative Doogan asked about the meaning of corporate funds. Mr. Romick clarified that the corporate funds were AHFC corporate dividends.

Representative Edgmon explained that builders received funds through a rigorous allocation process. When AHFC awarded money from the Senior Citizens Housing Development Fund, it was required to review operating expenses, utility bills, and to compare proposals with its thermal energy standards.

Representative Doogan expressed his interest in the details and did not wish to convey concern about the vetting of the bill.

Representative Wilson asked whether the entire \$4.4 million was state general fund.

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AT EASE

[2:16:16 PM](#)

RECONVENED

Representative Edgmon answered in the affirmative.

Representative Costello asked whether future funding was expected from the Denali Commission.

Mr. Romick answered that AHFC was not expecting any funding from the Denali Commission in the upcoming fiscal year due to the current state of its appropriations from Congress.

Vice-chair Fairclough asked for clarity on the \$4.4 million funding source. She wondered whether the money would come from general fund, corporate receipts, or from the Association of Alaska Housing Authorities.

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Representative Edgmon answered that the money came from general fund through the capital budget process.

Co-Chair Stoltze closed public testimony.

JAMES ARMSTRONG, STAFF, REPRESENTATIVE BILL STOLTZE, discussed the replacement of Fiscal Note 1. He explained that the OMB Component Number had been miscoded on the original fiscal note. The correct AHFC component number was 110 and it replaced 109.

Co-Chair Stoltze asked about sustainability plans related to future senior housing projects. There had been problems in his district that he did not want to see replicated in other areas of the state.

Representative Edgmon responded that the senior population was the fastest growing segment in Alaska and that sustainability would be an ongoing question.

Co-Chair Stoltze noted that sustainability was an important issue that faced his community.

Vice-chair Fairclough MOVED to report HB 65 out of committee with individual recommendations and the accompanying fiscal note.

HB 65 was REPORTED out of committee with a "do pass" recommendation and with zero impact note by the Department of Revenue.

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ADJOURNMENT

The meeting was adjourned at 2:22 PM.