

HOUSE FINANCE COMMITTEE  
March 16, 2012  
9:14 a.m.

[9:14:48 AM](#)

CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 9:14 a.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

Representative Bob Herron; Jill Lewis, Deputy Director, Division of Public Health, Department of Health and Social Services; Liz Clement, Staff, Representative Herron; Tom Wright, Staff, Representative Mike Chenault; Rena Delbridge, Staff, Representative Mike Hawker; Representative Kyle Johansen.

PRESENT VIA TELECONFERENCE

Joe Dubler, Vice President, Alaska Gasline Development Corporation; Anne Brown, Deputy Director, State Pipeline Coordinator's Office, Department of Natural Resources; Martin Schultz, Senior Assistant Attorney General, Oil, Gas, & Mining Section, Department of Law; Deitra Ennis, Deputy Municipal Attorney, Anchorage; Mr. Dan Fauske,

CEO/Executive Director, Alaska Housing Finance Corporation (AHFC) and President of the Alaska Gasline Development Corporation.

SUMMARY

HB 9 IN-STATE GASLINE DEVELOPMENT CORP

HB 9 was HEARD and HELD in committee for further consideration.

HB 78 INCENTIVES FOR CERTAIN MEDICAL PROVIDERS

CSHB 78(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from the Department of Health and Social Services and one new zero note from Department of Education and Early Development.

HB 182 ELECTRONIC DISTRIBUTION OF AGENCY REPORTS

CSHB 182(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new indeterminate fiscal note from the Office of the Governor.

#hb78

HOUSE BILL NO. 78

"An Act establishing a loan repayment program and employment incentive program for certain health care professionals employed in the state; and providing for an effective date."

9:15:01 AM

REPRESENTATIVE BOB HERRON remarked that during the last committee meeting a concern was addressed regarding state residency. He was instructed to craft a letter with the commissioner to address the issue. The letter is in the committee packet (copy on file.) The second issue concerned primary care physicians brought up by Representative Gara. The legislation creates an environment with all the occupations that support and enhance primary care throughout the state. The legislation would have the commissioner establish priorities for incentive loan

programs for eligible sites to create a better environment for attracting primary care physicians to Alaska.

Co-Chair Stoltze requested the department go on record to address the concerns.

JILL LEWIS, DEPUTY DIRECTOR, DIVISION OF PUBLIC HEALTH, DEPARTMENT OF HEALTH and SOCIAL SERVICES, indicated that the administration agrees with Representative Herron's statement. Co-Chair Stoltze would like the department to say it for the record. Ms. Lewis remarked that in reference to the residency question, the current committee substitute gives the latitude and ability necessary to address residency in the regulatory process.

9:19:37 AM

Representative Gara appreciated the statement of intent. He asked if the department agrees that the largest shortage is with primary care physicians. Ms. Lewis agreed.

Vice-chair Fairclough pointed out in the fiscal note, component number 2765. The difference, on page 3, moves nurse practitioners from Tier 2 to Tier 1. It concerns a pending item before the Board of Nursing. The fiscal note would be implemented if the Board of Nursing adopts a regulation requiring Advanced Practice Registered Nurses (APRN) to complete a doctorate. Co-Chair Stoltze pointed out that the tier status is a categorization, not a retirement status. Vice-chair Fairclough agreed that was correct. The fiscal notes would come from payments for nurse practitioners that will be paid from the service line.

Representative Wilson asked what a nurse practitioner with a doctorate can do that a nurse practitioner without one cannot. She also inquired about the difference in cost for education.

LIZ CLEMENT, STAFF, REPRESENTATIVE HERRON, replied that by 2015 many states are requiring their advanced nurses to hold a Doctor of Nursing Practice. In the state of Alaska there are both Master and Doctor of Nursing Practice degrees. Currently the Board of Nursing is not planning on moving to the Doctor of Nurse Practice requirement by 2015, however they may in the future. The scope of practice is

not that much different just the level of education that may be required to advance in the future.

Co-Chair Stoltze questioned if a nurse practitioner must work under doctor. Ms. Clement referred the question to others available.

Co-Chair Stoltze noted that Nurse Practitioners are less expensive, but can perform many of the same services of doctors.

Vice-chair Fairclough disclosed in FY 13 the \$2,842,900 is reduced in the commodities line by \$7600 for future years which is reflected in the fiscal note. There will only be one full time person hired for loan reimbursements. She asked for a confirmation from the Department of Health and Social Services that only one person would be hired. Ms. Lewis confirmed that only one employee would be hired.

[9:24:43 AM](#)

Representative Doogan referred to the fiscal note and asked how the 90 participant number in the first year was determined. Ms. Lewis answered the bill indicates that the maximum would be 90 participants. Representative Doogan remarked that the actual number could be lower. Ms. Lewis agreed the number of participants could be lower. Representative Doogan asked if there were a lower number of participants would the unspent money come directly back to the state. Ms. Lewis responded that if there were not 90 participants in first year, then the department would not need to spend all the money in the fiscal note, therefore the money would come back to the state.

Vice-chair Fairclough followed up that when grants are issued from a non-profit; a lot of the spin-down occurs in the fourth quarter because the group does not want to lose the money for programs. She asked Ms. Lewis for her opinion on the difference in an operating budget item and a grant. She pointed out that a certain amount of money was being set aside without actually knowing how many people might be attracted. Ms. Lewis avowed that the department would not try to expand the regulations to encourage broader participation than the intent of the bill. The funds would be returned to the state if they are not used.

[9:28:46 AM](#)

Vice-chair Fairclough MOVED to report CSHB 78(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSHB 78(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new fiscal impact note from the Department of Health and Social Services and one new zero note from Department of Education and Early Development.

9:29:18 AM

AT EASE

9:33:17 AM

RECONVENED

#hb9

HOUSE BILL NO. 9

"An Act requiring the Joint In-State Gasline Development Team to report to the legislature recommended changes to state law that are required to enable or facilitate the design, financing, and construction of an in-state natural gas pipeline so that the in-state natural gas pipeline is operational before 2016; and providing for an effective date."

Representative Gara asked if a representative from Alaska Housing Finance Corporation (AHFC) would be available to answer questions in future hearings.

TOM WRIGHT, STAFF, REPRESENTATIVE MIKE CHENAULT, mentioned that there were various people online to answer questions.

Vice-chair Fairclough MOVED to ADOPT proposed committee substitute HB 9, Work Draft 26-LS0075\K (Bullock, 3/16/12) as a working document.

Co-Chair Stoltze OBJECTED for purpose of discussion.

Tom Wright spoke of changes in the committee substitute. He noted the summary of changes available and a title change due to the adopted language in the body of the bill (copy on file).

Mr. Wright pointed out the summary of changes in the bill.

He referred to the Title Change:

Page 1, line 6, after "lease or", adds "an action or decision related to"

Page 1, line 8, after "Corporation", adds "or a successor in interest"

SECTION 1:

Page 2, line 8, through Page 3 line 5: Adds a new section of Legislative Findings and Intent.

Page 2, lines 11-15: Incorporates a Letter of Intent related to disclosure of operating agreements into the body of HB 9. Clarifies intent language so that executed operating agreements will be disclosed publically to the extent the disclosure will not divulge trade secrets or other proprietary business information.

Page 2, line 16, through Page 3, line 5: Adds findings and intent related to AGDC's mission; direction to provide gas and to ship gas at commercially reasonable rates; makes a determination of an AGDC project as being within the public convenience and necessity, declares development of an instate gas pipeline as in the best interests of the state; and finds that the state shall have a policy of making state royalty gas available for shipment in an AGDC pipeline.

SECTION 2: Renumbered from Section 1; no other changes.

SECTION 3: Renumbered from Section 2; no other changes.

SECTION 4: Renumbered from Section 3.

Page 6, lines 20-28: Sets parameters on the direction for state agencies to give AGDC access to information directly related to an instate natural gas pipeline. If an agency finds that information to be transferred to AGDC is confidential, the agency may require a confidentiality agreement and, if a third party's

rights are affected, AGDC may have to secure the third party's consent.

This change is recommended by the Department of law and is intended to set parameters around the information that is to be shared between state agencies and AGDC. Some information held by state agencies is confidential, and cannot be automatically shared with AGDC.

SECTION 5: Renumbered from Section 4; no other changes.

SECTION 6: Renumbered from Section 5.

Page 7, line 10: Changes "at no cost or rental fee" to "at no appraisal or rental cost."

This change was recommended by the State Pipeline Coordinator's Office/Department of Natural Resources and better reflects existing terminology.

SECTION 7: Renumbered from Section 6.

Page 8, lines 15-16: adds after "rates," "except as provided in (c) of this section".

Conforms to the change in Section 6, clarifying that while nonhydrocarbon natural resources of the state are to be made available to AGDC at usual and customary rates, a state right-of-way lease will be granted at no appraisal or rental cost.

Page 8, lines 25-28: Adds new subsection (I).

Clarifies that a state Right-of-Way lease entered into by AGDC may be transferred to a successor under the same terms the lease is granted to AGDC.

SECTION 8: Renumbered from Section 7; no other changes.

SECTION 9: Renumbered from Section 8; no other changes.

SECTION 10: Renumbered from Section 9; no other changes.

SECTION 11: Renumbered from Section 10; no other changes.

SECTION 12: Renumbered from Section 11.

Page 13, line 18, after "notwithstanding (a),": removed "and (b)."

Page 13, line 19: Replaced "cost to or reimbursement by" with "appraisal or rental costs to."

Both changes were recommended by the State Pipeline Coordinator's Office/Department of Natural Resources. SPCO operates on receipt authority, and AGDC will need to pay for services. The term "appraisal or rental costs" conforms to existing SPCO/DNR terminology.

SECTION 13: Renumbered from Section 12.

Page 14, line 13: Added "or authorization" after "decision."

Page 14, line 14-15, after "under": Replaced "authority delegated to" with "a program approved or delegated by."

Both changes address technical concerns by Department of Environmental Conservation.

SECTION 14: Renumbered from Section 13; no other changes.

SECTION 15: Renumbered from Section 14; no other changes.

SECTION 16: Renumbered from Section 15; no other changes.

SECTION 17:

Page 17, lines 16-18: Inserted "A pledge made under this subsection shall be treated as a disposal of gas other than by sale or exchange for purposes of AS 38.05.183."

Department of Natural Resources recommended this change to accommodate existing statutes related to royalty gas.

SECTIONS 18-33 are renumbered; no other changes.

9:42:05 AM

Representative Gara remarked that the state owns roughly one out of every eight units of natural gas. He questioned how one sells just one out of every eight units without producing the other seven eighths.

RENA DELBRIDGE, STAFF, REPRESENTATIVE MIKE HAWKER, responded that the state's royalty gas would be made available for shipment in the pipeline, not that there would be no other gas involved. Representative Gara noted that the state gets a royalty on roughly one eighth of the value of the hydrocarbon product when it is commercialized and wondered if the other seven eighths must be sold at the same time for there to be royalty gas. Ms. Delbridge replied that in order to have royalty gas taken as royalty gas "in kind," that there would need to be other gas in production.

Co-Chair Stoltze remarked that shipping commitments were an essential ingredient.

Representative Costello questioned the change in Section 1 relating to the policy changes. She read it to say that Alaska is taking its royalty "in-kind." Mr. Wright agreed, but that was for gas not already committed. For any gas not committed, the state would be like it to be used for consumers and commercial enterprises. Representative Costello questioned the physics of natural gas versus oil; she understood that the size of the pipe does not matter. She asked that, under the legislation, would it be possible for the state to invest in making a 48 inch pipeline to pursue an owner-interest under the Alaska Gasline Inducement Act (AGIA).

Mr. Wright requested that Joe Dubler respond to that question.

JOE DUBLER, VICE PRESIDENT, ALASKA GASLINE DEVELOPMENT CORPORATION (via teleconference) responded that building a 48 inch pipeline from the North Slope to South Central was

a feasible project, but uncertain if it would be commercially feasible. At present, it would be difficult due to being so far along in the permitting process. After a certain point is reached, modifications can be made to permits received. It is an option open to the state if the state wanted to fund it. If the commercial entities come into the project to ship gas to the extent that a 48 inch pipeline could not be filled, the costs would not be recoverable.

Representative Gara thought the bill left AGIA intact and AGIA has the provision of not being able to ship more than a half of billion cubic feet (Bcf) of gas a day. He did not believe that would allow for a 48 inch pipeline. Mr. Dubler responded that would be correct, but he believed Representative Costello's question addressed making it a 48 inch pipeline under AGIA law.

[9:47:52 AM](#)

Representative Doogan asked for the meaning of Section 12 that adds a new subsection "c." Ms. Delbridge asked if the question was in reference to the appraisal in rental costs. Representative Doogan referred to the right-of-way lease. Ms. Delbridge responded that the right-of-way lease is a lease agreement entered into by the Alaska Gasline Development Corporation (AGDC) and the Department of Natural Resources. The State Pipeline Coordinators Office (SPCO) is charged with administering the terms of the lease. The original intent was that the state agency needed to provide permits and leases to AGDC at no cost. The costs would be rolled into the tariff. The state determined, in the interest of the public, that the cost does not need to be in the tariff and that would keep tariffs lower for people getting gas in Alaska. The State Pipeline Coordinators Office (SPCO) operates on receipt authority so they need the entities they administer leases for to pay for having that administration done. The sponsors believed it was appropriate, in that instance, for AGDC to pay the costs required for administration of the leases.

[9:50:12 AM](#)

ANNE BROWN, DEPUTY DIRECTOR, STATE PIPELINE COORDINATOR'S OFFICE, DEPARTMENT OF NATURAL RESOURCES (via teleconference), responded that the question regards the way the SPCO tracks funding and billing for pipeline

projects. The benefit of the proposed change would be to give it flexibility and allow them to change authority. All the state agencies working on the project would go through the reimbursable agreement. They would like to keep the billing system to make it easier to manage, but there is no objection to adding something in the legislation to not have it as part of tariff. The setup works smoothly with less effort for tracking costs and flexibility in responding to needs.

Representative Wilson asked about page 2, line 18, "making natural gas available to Fairbanks..." She stressed the community needed gas at a more affordable rate, but wondered if there was any way it could be tighter as a statewide project and not fall to the local residents.

Co-Chair Stoltze questioned the definition of Fairbanks. Ms. Delbridge replied that it was Fairbanks as a population center.

Mr. Wright responded to Representative Wilson's question by referring to Mr. Dubler.

[9:53:35 AM](#)

Mr. Dubler responded that the tariff proposed to Fairbanks included the lateral line and not an additional charge on top of the tariff. Regarding the distribution lines within the community; the charge of the gasline corporation was to deliver gas to Fairbanks, but not pay the distribution line costs.

Representative Wilson realized distribution lines would be Fairbanks responsibility. She indicated that as long as Alaska Gasline and Development was in charge, no one had an issue. But if a private corporation came in and built the pipeline, then decided it was not affordable by their numbers, Fairbanks would get left out because the numbers did not work.

Mr. Dubler responded that the cost of the incremental pipeline from the main line into Fairbanks would be a short, small, inexpensive line, so even if a commercial entity took over, there would be sufficient use in the Fairbanks area to build that line. A commercial entity could make money with the incremental line.

Ms. Delbridge clarified that there is nothing in HB 9 that would preclude commercial interests from coming in and doing it themselves anyway. The legislation, by providing greater structure to AGDC, allows them to look at someone else's project and consider lines into population centers in the Interior and South Central.

[9:57:04 AM](#)

Representative Neuman asked Ms. Brown that with the exclusive license with TransCanada, would there need to be changes to the exclusive license to allow AGDC or other producers to come under the fold of the exclusive license. Ms. Brown responded that was a better question for an attorney. The project is designed not to conflict with the AGIA project. If they were to come together, an attorney would have to amend the license part. She added that amendments can be made to a lease.

Representative Neuman noted there were certain inducements to companies that participated in the first open season with the TransCanada proposal. If there was an alignment with all the pipelines, he wondered if the same inducements would follow through. Ms. Brown suggested the Department of Revenue or Law could better answer the question. She added that if they came together, both project applications and leases can be amended.

Co-Chair Stoltze asked the Department of Revenue to come to the next meeting with those answers.

Ms. Delbridge indicated that someone would be available to answer questions for next meeting.

[10:00:41 AM](#)

MR. DAN FAUSKE, CEO/EXECUTIVE DIRECTOR OF ALASKA HOUSING FINANCE CORPORATION (AHFC) AND PRESIDENT OF THE ALASKA GASLINE DEVELOPMENT CORPORATION (via teleconference), responded to Representative Wilson's question about the tariff schedule and the assurance of gas for Fairbanks. The tariffs that are anticipated for the entire Fairbanks region are essential to maintain low tariffs for everyone up and down the line. There would be no inducement to not have the gas line going in, as it would drive up prices for everyone. Fairbanks is essential in the overall production

and development of an affordable tariff schedule for all the citizens using the pipeline.

Representative Edgmon commented on the intent language. There is the term "lowest rate possible" that refers to Fairbanks, South Central and communities in Alaska plus another term "commercially reasonable" that applies to public utilities and industrial customers. He wondered if AGDC would be the sole authority to insure that the intent of the bill is met for the lowest rates possible.

Ms. Delbridge agreed that AGDC is charged with providing "commercially reasonable" service. They are also charged to make sure the rates that go to the communities are as low as can be. They do not want to roll more into the tariffs than there has to be. State support in sand, water, and gravel really become important. The legislative findings are advisory, but AGDC also has that obligation written under HB 369 and now Section 2, page 3 (a) and (b) of the bill.

Representative Neuman asked if "commercially reasonable" was a legal term. Ms. Delbridge responded it was not defined anywhere. Representative Neuman remarked that "lowest rate possible" was also an open ended definition.

Mr. Wright responded that a mission in HB 369 was "in the most economic manner." They are still following the "lowest rates possible" with all considerations.

[10:05:24 AM](#)

Mr. Dubler responded that the important thing to keep in mind with the project is that it will not go forward without a successful open season. The market will determine what "commercially reasonable" rates are and what will be the tariffs. If the tariffs are too high, the market will indicate it is too high and will not proceed. The project will not continue without firm commitments for the full capacity of the pipeline.

Representative Guttenberg noted that the bill grants AGDC considerable rights and privileges to build the pipeline. Part of the bill and process is the eventuality if another commercial interest comes in, referred to as the "successor of interests." He questioned if someone else came in, would

the state given privileges to AGDC continue with the new group.

Mr. Wright remarked that the Department of Law should answer the question. He added that any lease transferred still has to be signed off by the Commissioner of the Department of Natural Resources.

MARTIN SCHULTZ, SENIOR ASSISTANT ATTORNEY GENERAL, OIL, GAS & MINING SECTION, DEPARTMENT OF LAW, (via teleconference) indicated that his understanding of the right-of-way provision was that it could be transferred to a successor, but the way the bill is written, the Department of Natural Resources Commissioner would need to approve the transfer of the right-of-way lease.

Co-Chair Stoltze asked about the bonding authority and the eminent domain question.

Mr. Schultz responded that those are powers of the Alaska Gasline Development Corporation under the bill and those particular powers would remain with the corporation. Ms. Delbridge replied that the question was answered by Mr. Schultz.

Representative Doogan wondered if there are any estimates for the cost of the spurs to rural hubs. Ms. Delbridge replied that there are no plans for spurs to rural hubs. The direction in the bill is for AGDC to begin analyzing if commercially reasonable gas could be provided to other communities, but only after construction begins on the main line.

Mr. Dubler responded that on page 4, line 5-17, provides the direction to AGDC to begin looking for additional natural gas pipelines connecting to industrial, residential, or utility customers in other regions in the state, after the beginning the construction of the main line. The idea was to get the program underway and not presently look at other areas. There are a lot of factors that go into the costs of connecting to a natural gas pipeline. The first and largest component is the composition of the gas going through the line. To the extent that it is a rich stream, which was the initial plan, the cost is prohibitive for smaller communities because an expensive straddle plant would need to be built at every location. The cost would be much lower if it was a

utility grade gas stream from the main line. The closer to the main line, the cheaper it would be.

10:12:15 AM

Representative Doogan understood that it might be difficult, but believed there must be some initial estimates of what the project would cost. If bringing gas to a rural area, then there needs to be an idea of the costs. He indicated that was a big concern to him and he needed a better idea of what he was voting on.

Mr. Wright interjected that the main charge for AGDC, established in HB 369, was to look at a main line, not to spend a lot of money or time engineering or providing costs estimates to other regions of the state. Representative Doogan remarked that HB 9 is the bill being considered and if there is a provision for hubs, then there needs to be an estimate to the hubs. He asked if there was a way to do that intelligently. Mr. Wright agreed it was the legislature's prerogative to insert and consider other language.

10:15:29 AM

Representative Gara noted that last session HB 369 was passed where \$200 million was put into a fund for studies and other work. He wanted a detailed description of what has been passed so far and an answer to why HB 9 was needed. He noted that when the previous bill was passed, he had not envisioned having it followed the next year with a bill like HB 9.

Mr. Wright informed that the \$200 million is still sitting in a fund because the in-state gasoline fund has not been established. Ms. Delbridge informed Representative Gara that they would be happy to provide the information.

Co-Chair Stoltze WITHDREW his objection to the committee substitute.

Committee Substitute for HB 9 was ADOPTED as a working document.

HB 9 was HEARD and HELD in committee for further consideration.

[10:17:57 AM](#)

#hb182

HOUSE BILL NO. 182

"An Act relating to distribution of annual reports by state agencies."

Vice-chair Fairclough MOVED to ADOPT proposed committee substitute for HB 182 (FIN) Work Draft 27-LS0573\R as a working document. There being NO OBJECTION it was so ordered.

REPRESENTATIVE KYLE JOHANSEN explained that the bill takes all the requirements in statute that have been written in the past 40-50 years that require departments to print, publish, and distribute actual pamphlets and annual reports. The bill originally just involved annual reports, but the State Affairs Committee expanded it to include all reports required by statute, to be distributed electronically. There are some exceptions. The department commissioners would make a final determination if reports needed to be printed and published. He gave an example of why printed material has been needed in the past. HB 9 came about when a person in the Department of Commerce indicated the need for a \$250,000 increment. When asked why, the person noted rising printing costs and the requirement in statute for all reports to be printed. In 2011, the Office of Management and Budget (OMB) predicted a projected \$1.6 million savings. The fiscal note is indeterminate.

[10:21:48 AM](#)

Representative Costello commented that when the Arctic Policy Council legislation passed out, the fiscal notes did include printing report costs. When fiscal notes are prepared, departments assume that the reports are wanted in a printed format. She believed the bill moves in a great direction. There could be considerable cost savings and thanked the sponsor.

Co-Chair Stoltze noted that the default position would be electronic reports unless there is a justifiable reason for the material to be printed.

Representative Johansen agreed that was correct. Giving the department commissioners the authority to make the decision

would force the department to justify their request to have the material printed.

10:24:01 AM

DEITRA ENNIS, DEPUTY MUNICIPAL ATTORNEY, ANCHORAGE (via teleconference) spoke in support of the bill. The municipal language earlier referenced speaks to noticing requirements to tax payers for closer and redemption periods. She stressed the importance in the bill of not eliminating mail requirements. It allows the municipality to add electronic notice to the newspaper notice. There are significant benefits of the bill: costs, updating and flexibility, and more helpful information available. The bill allows the municipality to decide the most effective method to reach taxpayers. Estimated savings was \$500,000 for the first year on information brought online.

10:27:10 AM

Representative Edgmon asked if, under law, the municipality was not already able to do it. Ms. Ennis replied that it would not apply for the last 15 days, because some information must be delivered to the newspaper so far in advance.

Representative Gara MOVED Amendment 1, 27-LS0573, Kirsh, 3/15/12. (Copy on file)

AMENDMENT 1

OFFERED IN THE HOUSE

TO: CSHB 182(), Draft Version "T"

Page 3, lines 29 - 30:

Delete "required by statute to produce and distribute"

Insert "that produces and distributes"

Page 4, lines 1 - 2:

Delete "The agency shall provide and post the report for one year or until it is superseded, whichever occurs first."

Page 4, line 3:

Delete "those"

Page 4, following line 14:

Insert a new section to read:

"Sec. 44.99.380. Graphic design for annual reports. Notwithstanding AS 44.99.200, when preparing annual reports, a state agency may not

(1) print color copies unless color is needed for the reader to understand the material;

(2) hire contractors to provide photographs or graphics unless

(A) no agency employee qualified to perform the work is available; or

(B) the agency would use fewer state resources by hiring a contractor."

Vice-chair Fairclough OBJECTED for purpose of discussion.

Representative Gara worked with the sponsor and the Department of Law to make the changes reflected in Amendment 1. He noted that a lot of agencies produce reports so his amendment allows all agency reports to be posted electronically. On page 4, lines 1-2, states that the reports will be done electronically, but also states the report must be removed after one year. Representative Gara noted that there are people who would like to see information for more than one year. The position in the amendment gives the agency the discretion to leave information on the website longer if it serves the public interest. The most important part starts on page 4 with the desire to save money. In annual reports there may be no need for color or the necessity to hire outside graphic designers or photographers. The change would indicate that "unless it is needed" the report should not be in color and the agency should do its own work.

Vice-chair Fairclough asked if the sponsor approved of the amendment. Representative Johansen agreed with the changes. He believed the suggestions improve the bill.

Co-Chair Stoltze WITHDREW his OBJECTION to Amendment 1. There being NO Further OBJECTION, Amendment 1 was adopted.

Representative Neuman mentioned that the lack of government information is not helpful when people want to be involved. He asked if someone wanted the paper documentation, would it be available.

Representative Johansen read from page 4, line 13-14, where it states that a person can obtain a print copy of a report from the Alaska State Library Distribution and Data Access Center. The bill also states that the department commissioner have the authority to decide whether a document should be distributed widely.

Representative Neuman commented that a lot of rural communities do not have accessible libraries.

Co-Chair Stoltze reported that most people today have computer access.

[10:35:08 AM](#)

Representative Johansen mentioned that access was a concern brought up by a librarian in Ketchikan. The bill was written to make sure that the Alaska State Library Distribution Center, which is connected to every library in the state, had the information. He also stated that 80 percent of households in Alaska have internet access.

Co-Chair Stoltze CLOSED public testimony.

[10:36:54 AM](#)

Vice-chair Fairclough MOVED to report CSHB 182(FIN) out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 182(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new indeterminate fiscal note from the Office of the Governor.

#

ADJOURNMENT

The meeting was adjourned at 10:37 AM.

