

SENATE FINANCE COMMITTEE
January 20, 2012
9:01 a.m.

9:01:15 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:01 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Senator Bettye Davis; Thomas Obermeyer, Staff, Senator Bettye Davis; Katya Wassillie, Intern, Senator Bettye Davis; Celeste Hodge, Staff, Senator Bettye Davis; Barbara Belknap, Juneau; Marie Darlin, Alaska Association of Retired Persons; Caren Robinson, Alaska Women's Lobby; Senator Hollis French; Cindy Smith, Staff, Senator Hollis French; Senator John Coghill; Lela Klingert, President, Alaska Commercial Fishing and Agriculture Bank; Senator Fred Dyson; Chuck Kopp, Staff, Senator Fred Dyson.

PRESENT VIA TELECONFERENCE

Lynne Koral, Alaska Independent Blind; James Swartz, Alaska Independent Blind; Rose Stokes, Alpha Kappa Alpha Sorority; Jane Angvik, Girls Scouts of Alaska; Doris Robbins, Self; Tami Jerue, Alaska Native Women's Coalition; Rosalie Nadeau, Self; Garen Tarr, Anchorage Women's Coalition; Ouida Morrison, Anchorage; Arliss Sturgulewski, Anchorage; Doug Schrage, University of Alaska Fairbanks; Tom Wescott,

Director, Alaska Professional Firefighters; Victor Kestor,
Alaska Office of Victims' Rights.

SUMMARY

SB 30 RETURN OF SEIZED PROPERTY

SB 30 was HEARD and HELD in Committee for further consideration.

SB 51 STATE VENDING LICENSES

SB 51 was HEARD and HELD in Committee for further consideration.

SB 53 COMMISSION ON THE STATUS OF WOMEN

SB 53 was HEARD and HELD in Committee for further consideration.

SB 68 COMMERCIAL FISHING & AGRICULTURE BANK

SB 68 was HEARD and HELD in Committee for further consideration.

SB 103 WORKERS' COMPENSATION FOR FIREFIGHTERS

SB 103 was HEARD and HELD in Committee for further consideration.

#sb51

SENATE BILL NO. 51

"An Act relating to the operation of vending facilities on public property."

9:02:54 AM

SENATOR BETTYE DAVIS, introduced Thomas Obermeyer and thanked the committee for the opportunity.

THOMAS OBERMEYER, STAFF, SENATOR BETTYE DAVIS, explained SB 51. He referred to the Sponsor Statement (copy on file). He explained that SB 51 would restore to blind persons first priority for a contract to operate a vending facility on state and other public property. This bill would amend the Alaska Chance Act of 1976 to require that the State

Division of Vocational Rehabilitation Business Enterprise Program provide the same first priority to the blind on state and other public property as it did on federal property enforced under the Randolph-Sheppard Act of 1936. The Alaska Chance Act for the first time added disabled persons in addition to the blind in preference for vending licenses on public facilities. This loss of first priority and expansion of beneficiaries had thwarted the spirit and letter of the Randolph-Sheppard Act. The resulting decrease in vending opportunities for blind merchants in Alaska exacerbated their already extraordinarily high unemployment rates among all types and severities of the disabled and the population in general.

Mr. Obermeyer stated that SB 51 recognized that the blind were dissimilarly situated compared to other disabled persons who did not suffer the same degree of impairment and unemployment as an economic matter. Although the state had combined management and training opportunities for both the blind and other persons with disabilities under one Business Enterprise Program of the Division of Vocational Rehabilitation, this bill would require that it must give first priority to the blind for vending contracts on state, federal or other public property.

Mr. Obermeyer reported that SB 51 would comport with original legislative intent and would give first priority to the blind imposed under AS 23.15.100 prior to changes in 1974 and 2006 which added persons with disabilities and severe disabilities who had currently competed with the blind for licenses on vending facilities on public property.

Mr. Obermeyer explained that blind individuals who receive Randolph-Sheppard contracts acted as managers of large vending or cafeteria facilities, subcontracting with food service organizations to provide meals and/or vending services on a day to day basis. They could independently operate lobby concession stands, or vending machine banks. In October, 2009 Alaska's Business Enterprise Program had only six sites operating in federal facilities under Randolph-Sheppard, and six sites operating in state facilities under the Chance Act.

Senator Olsen wondered how many people would be affected by SB 51. Mr. Obermeyer replied that he was told by an

Anchorage resident that there were approximately 12,000 blind people in Alaska.

Senator Olson referred to a legislative research report that found that the United States Department of Education's Rehabilitation Services Randolph-Sheppard Act programs were often labeled as business enterprises. He wondered why Wyoming was the only state that was not participating in the programs. Mr. Obermeyer did not know why Wyoming was considered an exception.

9:07:35 AM

Co-Chair Stedman noted there was a new zero fiscal note from the Department of Labor and Workforce Development.

LYNNE KORAL, ALASKA INDEPENDENT BLIND (via teleconference), spoke in support of SB 51. She pointed out that there was low unemployment for people with disabilities. She stressed that blind people were subject to learned helplessness, and did not have many decision-making models. The blind were subject to the butt of jokes and are often considered to be the "worthy poor." In 1936 the Randolph-Sheppard Act was initiated to address under-employment among the blind.

JAMES SWARTZ, ALASKA INDEPENDENT BLIND (via teleconference), spoke in support of SB 51.

Co-Chair Stedman asked if there were any further comments from the bill sponsor.

Tom Obermeyer commented that there were only two states that included the disabled in the Randolph-Sheppard Act: Georgia and Alaska. He felt that the original intent of the Act was to include the severely disabled for those blind people in Alaska who were impaired, but considered only partially blind.

SB 51 was HEARD and HELD in Committee for further consideration.

9:17:00 AM

AT EASE

9:17:08 AM

RECONVENED

#sb53

SENATE BILL NO. 53

"An Act reestablishing the Alaska Commission on the Status of Women; and relating to the purpose and powers of the Alaska Human Relations Commission."

9:17:39 AM

KATYA WASSILLIE, INTERN, SENATOR BETTYE DAVIS, introduced herself.

CELESTE HODGE, STAFF, SENATOR BETTYE DAVIS, explained the intent of SB 53, and referred to the Sponsor Statement (copy on file). She stated that SB 53 would re-establish the Alaska Commission on the Status of Women. The Alaska Legislature established the Alaska Commission on the Status of Women in 1978. The Commission was tasked with implementing the recommendations contained in the preliminary study on the status of women. The Commission aimed to improve the status of women in the state by conducting research, serving as a referral service for information and education on existing resources for women, and making and implementing recommendations on the opportunities, needs, problems, and contributions of women in Alaska. The Commission was dedicated to the achievement of equal legal, economic, social and political status specifically for women in Alaska and was a statewide network for study and action on a variety of issues. In 1983, the Commission was renewed and renamed the Alaska Women's Commission.

Ms. Hodge stated that the Commission conducted many public hearings and trainings, developed manuals on violence against women, education and welfare, conducted research to help women avail themselves of existing resources to meet their needs and implemented recommendations on the opportunities, needs, problems and contributions of women in the areas of education, homemaking, civil and legal rights, and labor and employment. The Commission developed a comprehensive statewide plan that identified the needs of children and youth and made recommendations to enhance the quality of life for women and children, as well as produced annual reports on the status of women and children in Alaska. The Alaska Women's Commission merged with the Alaska Human Relations Commission in 1993. The Alaska Human Relations Commission was declared inactive in 1996.

Ms. Hodge declared that in the several decades prior, the participation and roles of women in the workforce had changed dramatically. Women were employed in more varied occupations and were more likely to work year-round than they had in the past. In addition, women had attained higher levels of education, and received the majority of bachelor degrees granted. More mothers were part of the workforce, and thus, a women's contribution to family incomes had increased and was often critical for families' economic well-being. In 2008, working wives contributed 29 percent of their families' incomes, up from 24 percent in 1988. Nonetheless, even though more women were currently in the workforce than ever before, the difference in wages men and women received for their work remained substantial. The gender wage gap persisted in Alaska, and across a wide spectrum of occupations and industries.

Ms. Hodge stated that women and children continued to be the most common victims of domestic abuse. Women in Alaska lead the nation as victims of sexual assaults. Alaska had a struggling foster child system and Alaska's high school students, both male and female, were dropping out at alarming rates. Alaska had one of the lowest percentages of students entering and completing higher education programs and Alaska had a significant economic divide between our urban and rural communities, which negatively impacted all of the state.

Ms. Hodge furthered that Alaska with its unique culture, history and challenges, combined with its large size and small population, called for innovative forward thinking to deal with many of the difficult issues that faced women and children throughout Alaska. Reestablishing the Alaska Commission on the Status of Women would allow Alaskans to focus attention on the critical issues that had negatively impacted women and children.

Co-Chair Hoffman queried some of the highlights of the old program before it was abolished. Ms. Hodge responded that there were many major accomplishments such as various events, conference sponsorships to address suicide, and it dealt with many educational issues. Senator Davis furthered that some of the testifiers would be able to address more topics, because they had served on the Commission. She pointed out that the Commission was abolished because it was combined with another Commission that never received

the necessary funding. She stressed that there had always been a need for the Commission on the Status of Women.

9:22:16 AM

Co-Chair Stedman pointed out a new fiscal note from the Governor's Office that showed the cost to re-establish the Commission was \$515,400 in General Funds for travel, per diem, and a three-person staff.

ROSE STOKES, ALPHA KAPPA ALPHA SORORITY (via teleconference), spoke in favor of SB 53.

JANE ANGVIK, GIRLS SCOUTS OF ALASKA (via teleconference), spoke in favor of SB 53.

DORIS ROBBINS, SELF (via teleconference), spoke in favor of SB 53.

9:28:49 AM

AT EASE

9:30:15 AM

RECONVENED

9:30:37 AM

TAMI JERUE, ALASKA NATIVE WOMANS COALITION (via teleconference), spoke in favor of SB 53.

ROSALIE NADEAU, SELF (via teleconference), spoke in favor of SB 53. She noted the excessive rate of alcoholism and its negative effects on woman.

GAREN TARR, ACHORAGE WOMENS COALITION (via teleconference), spoke in favor of SB 53.

9:36:34 AM

BARBARA BELKNAP, JUNEAU, spoke in favor of SB 53. She remembered when the Alaska Women's Commission shut its doors during Governor Hickel's administration. Governor Hickel replaced it with the Alaska Family Commission. A few months later, in March 1996, there was a women's conference in Centennial Hall and hundreds of women came from around the state. Governor Parnell had made reducing violence against Alaskan women one of his top priorities with the

Choose Respect Campaign. She pointed out that it was against federal law to pay a woman less than a man for the same job, but women all over Alaska made less money than men in the same jobs. She hoped that military service was the exception, but was unsure if that was the case. She noted that the Juneau Economic Development Council's 2011 report on Juneau and Southeast Economic Indicators laid out the wage disparity in every civilian field and every education level. The report stated that nationally, men earned 29 percent more than their female counterparts in 2009. In Alaska, men earned 37 percent more for full-time year-round employment. In Juneau, men earned 42 percent more than their female counterparts.

Ms. Belknap stressed that too many women earn less than men for the same jobs in Alaska, which was illegal. She also emphasized that Alaska led the country in violence by men against women. The cost of living in Alaska was high, and low income women could get stuck in dangerous relationships because they might not afford to take care of themselves and their children.

[9:44:05 AM](#)

MARIE DARLIN, ALASKA ASSOCIATION OF RETIRED PERSONS, testified in support of SB 53. She referred to a letter of support from the Alaska Association of Retired Persons (copy on file). She agreed with Ms. Belknap's testimony

CAREN ROBINSON, ALASKA WOMEN'S LOBBY, spoke in strong support of SB 53.

Senator Ellis Queried whether the re-establishment of the Commission could be a complement to the governor's Choose Respect Campaign. Ms. Robinson responded that the Council on Domestic Violence would be part of the team, and would be a complement the Commission.

[9:50:55 AM](#)

Senator McGuire asked about page 1 of the bill. She noticed that the Commission would consist of two members of the executive branch and seven public members. She noticed that only one public member would be a person that manages their own household that included a spouse and at least one child and who is not otherwise employed. She remarked that the data included in the bill highlighted that women who were

unmarried heads-of-household lived at 22.6 percent below poverty level. She wondered why the bill did not state specifically that there should be one of those types of women on the commission. Ms. Robinson responded that she would consider that addition to the Commission. She stressed that the importance of representing those who needed to be served. She added that the number Commission members be kept to a minimum.

OUIDA MORRISON, ANCHORAGE (via teleconference), spoke in favor of SB 53. She noted that diversity in Alaska had changed since the 1980's, and it was important for current issues to be addressed.

[9:55:17 AM](#)

ARLISS STURGULEWSKI, ANCHORAGE (via teleconference), testified in favor of SB 53.

Co-Chair Stedman closed the public testimony portion of the SB 53.

Senator Davis stressed that SB 53 was important, and was willing to work with the Committee to address changes to the bill.

Co-Chair Hoffman noted that the meeting locations of the Commission were too generic, and requested more specific language regarding the meeting places.

[10:00:03 AM](#)

Senator McGuire remarked that memberships were referenced twice in bill, and she noticed that there was only one area of a specific appointment: at least one public member would essentially be a "housewife." She wondered why that person is specific, when the data showed that the area with the most concern was a "female head-of-household." She stressed the importance of including a female head-of-household in the Commission.

SB 53 was HEARD and HELD in Committee for further consideration.

[10:03:16 AM](#)

AT EASE

10:04:02 AM

RECONVENED

#sb103

SENATE BILL NO. 103

"An Act amending the medical examination requirements for firefighters entitled to a presumption of compensability for a disability resulting from certain diseases."

10:04:08 AM

SENATOR HOLLIS FRENCH, introduced SB 103. He stated that in 2003, the Alaska Legislature passed statutory changes to the Workers' Compensation program to provide firefighters with the presumption of compensability for certain diseases that were documented to occur as a result of occupational exposures to smoke and chemicals in the performance of their duties. It was the intent of the legislature that this benefit be available to firefighters who had served for seven years and who had received any required physical examinations during that seven year period. However, a wording change made by one committee had the unanticipated effect of narrowing the scope of covered firefighters only to those who had had an initial physical exam at the time of hire. This effect was not intentional and was never discussed in that committee or in any following committees. Instead, it became an issue when the Workers' Compensation Board established program regulations.

Senator French stated that in recognizing the problem, the Workers' Compensation Board passed a resolution supporting an amendment to the law to allow any firefighter who entered active service as a firefighter prior to the effective date of AS 23.30.121 the presumption of compensability if during the years prior to enactment, the firefighter received all required examinations and those examinations did not show evidence of the diseases in the first seven years of employment.

Senator French pointed out that the second change the bill would make would be to clarify that the law applied to state as well as municipal firefighting agencies.

Co-Chair Stedman stated that there were three new fiscal notes from the Department of Labor and Workforce Development, Administration, and the University of Alaska.

DOUG SCHRAGE, UNIVERSITY OF ALASKA FAIRBANKS (via teleconference), spoke in favor SB 103. He said it was not clear if the student firefighter would be covered in the bill.

TOM WESCOTT, DIRECTOR, ALASKA PROFESSIONAL FIREFIGHTERS (via teleconference), spoke in favor of SB 103.

Senator Thomas wondered if there was a regular sequence of tests that were administered to firefighters, based on the high risk of cancer and respiratory problems. Senator French responded that firefighters were given regular medical exams, but noted that the bill only included full-time firefighters. He stressed that if the firefighters attended the exams that were offered to them, they would be given the presumption.

Senator Olson queried the cost to individual communities. Senator French responded that the bill attempted to cover any costs incurred to communities.

Senator Olson asked if emergency medical technicians (emts) would be covered as well. CINDY SMITH, STAFF, SENATOR HOLLIS FRENCH, responded that the emts were dropped from the original bill in 2008.

Senator Egan asked if emts who step in as firefighters would be covered. Senator French felt that the delineation would fall to the municipalities when determining who would be considered a fulltime firefighter.

[10:18:42 AM](#)

Co-Chair Stedman requested information regarding potential impacts to the municipalities.

SB 103 was HEARD and HELD in Committee for further consideration.

#sb68

SENATE BILL NO. 68

"An Act relating to the examinations, board, loans, records, and lobbying contracts of the Alaska Commercial Fishing and Agriculture Bank; and providing for an effective date."

[10:19:10 AM](#)

SENATOR JOHN COGHILL, introduced SB 68. He explained that SB 68 would strengthen the Commercial Fishing and Agriculture Bank (CFAB) and its ability to serve member-owners. The CFAB was created by the legislature to fulfill a need for financing the agricultural and fishing permit industries. The bill would remove dollar limitations for co-op members seeking loans for tourism-related activities and the development or exploitation of natural resources. He stated that SB 68 would also allow CFAB to make loans for capital investment or operating capital to a shore-based fish processor, a timber processor, or an agricultural processor or harvester with facilities located in Alaska. He furthered that SB 68 would extend this allowance to tourism-related activities and the development or exploitation of natural resources as outlined in subsections 15 and 16 of the bill. He noted that the legislature supplied \$32 million in seed money to CFAB to kick start it he cooperative and since the coop was using dollars borrowed from the general fund, CFAB was prohibited by law from hiring a lobbyist because it was thought of as a quasi-governmental entity until it had paid the state back the full amount of the loan with interest. He informed the committee that CFAB had fulfilled that obligation and was an independent business, so there was not need to prohibit them from having a lobbyist. He explained that SB 68 required CFAB's financial records to be examined by the Department of Commerce Division of Banking at 36-month intervals and required CFAB to reimburse the state for the cost of the audit.

[10:23:40 AM](#)

Senator Coghill reviewed the Sectional Analysis (copy on file). He stated that Section 1 would remove the requirement that one member of the CFAB board of the directors be a resident farmer. He noted that there had been some contention around the removal of the resident farmer, because some people prefer the farm seat. He noted that the removal did not preclude the board from having a resident farmer, but it was occasionally a difficult

position to fill. He explained that Section 2 dealt with sixteen subsections under the lending powers of the bank. He noted that Section 2 subsections 5, 6, and 7 would remove the dollar limitations. He remarked that in 2002, the legislature added the limitations, but there was a change to CFAB's authority. Removing the limitations would allow CFAB to play a bigger role in industry. He reminded the committee that CFAB was a private, membership-owner based organization.

10:29:00 AM

He explained that Section 2 subsection 8 would clarified that a person who received a loan for capital investment or operating capital to a shore-based fish processor, a timber processor, or an agricultural processor or harvester, must meet all requirements except for residency and resident ownership of company. He furthered that Section 2 subsection 10 would add new loans to non-residents for capital investment or operating capital to operate tourism activities under subsection 15 and development and exploitation of natural resources under subsection 16, to loans secured by liens subordinate to valid first liens and security agreements granted to another creditor.

Senator Coghill stated that Section 2 subsection 12 would add new loans to non-residents for capital investment or operating capital to an operator of tourism-related activities and facilities dedicated to the development or exploitation of natural resources, to provisions for CFAB to participate with another bank without the obligor being a member of CFAB. He furthered that Section 2 subsection 13 would allow CFAB to purchase or participate in loans from other lenders for loans to non-residents whether or not an obligor is a member of the bank. He noted that Section 2 subsections 15 and 16 would add new subsections related to non-residents to receive loans.

Senator Coghill pointed out that Section 3 would add an audit by Department of Commerce, Community, and Economic Development, Division of Banking and Securities, as an exception to the confidentiality provision of CFAB's financial record. He noted that Sections 4 and 5 related to adding new statutes. He explained that Section 6 would repeal the definition of "resident farmer" and would repeal the prohibition of CFAB having a lobbyist. He stated that Section 7 would establish a section prohibiting any bank

examination until one year after the effective date of this act. He concluded that Section 8 would establish an immediate-effective-date provision to this act.

[10:31:17 AM](#)

Co-Chair Hoffman queried the current available funds for loans. Senator Coghill deferred to the CFAB ceo, but noted that the bill would expand the capacity for the loans based on the collateral.

Co-Chair Hoffman looked at page 4, areas 15 and 16 of SB 68 and felt "tourism related activities" was too broad a term. He wondered what funds were available for tourism related activities. Senator Coghill did not know what funds were available. He added that he was not concerned with the "tourism related activities", because applicants must be a member with collateral, and maintain a brick and mortar within the state.

Senator Olson wondered what the other major banks thought of SB 68. Senator Coghill did not know of any negative comments from the major banks.

Senator Thomas looked at page 1, line 7 and queried an alternative to "nine natural persons." He was concerned with some of the language related to the term "operator." Senator Coghill agreed to provide that information at a later date.

Co-Chair Stedman noted a new fiscal note from the Department of Commerce, Community and Economic Development.

LELA KLINGERT, PRESIDENT, ALASKA COMMERCIAL FISHING AND AGRICULTURE BANK, testified in support of SB 68.

[10:39:46 AM](#)

Co-Chair Hoffman asked if the bill would impact the funds available to CFAB. Ms. Klingert responded that there were no restrictions on the fund.

Senator Thomas queried some of the language in the bill, specifically related to corporations versus natural people. Ms. Klingert responded that she did not know. She furthered that it was legal terminology.

Co-Chair Stedman requested that Ms. Klingert to come back to the committee with more information regarding the committee members' requests. Senator Coghill stated that he would make sure the committee received the information.

SB 68 was HEARD and HELD in Committee for further consideration.

#sb30

SENATE BILL NO. 30

"An Act providing for the release of certain property in the custody of a law enforcement agency to the owner under certain conditions."

10:45:43 AM

SENATOR FRED DYSON, stated that SB 30 would establish within the Alaska Code of Criminal Procedure, a process for victims of property crime to petition the court for relief in recovering their property held as evidence.

10:51:09 AM

CHUCK KOPP, STAFF, SENATOR FRED DYSON, stated that the bill allowed the victim of property theft to request that the agency return the property through the Office of Victims' Rights. He furthered that the Office of Victims' Rights would file a request with the agency after conducting an initial investigation into the request, to determine if the crime victim was entitled to the return of property under the requirements of whether they show satisfactory proof of ownership.

Co-Chair Stedman stated that there were two new fiscal notes: Department of Public Safety, Alaska State Troopers; and Department of Law, Criminal Division.

VICTOR KESTOR, ALASKA OFFICE OF VICTIMS RIGHTS (via teleconference), spoke in strong support of SB 60.

SB 30 was HEARD and HELD in Committee for further consideration.

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ADJOURNMENT

10:57:24 AM

The meeting was adjourned at 10:57 AM.