

SENATE FINANCE COMMITTEE  
February 1, 2012  
9:00 a.m.

[9:00:38 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:00 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 Kevin Meyer; Brenda Sheldon, President, Alaska Athletic Trainers Association; Christopher Dean, Athletic Trainer; Don Habeger, Director, Corporations, Business, and Professional Licensing; Jim Puckett, Director, Division of Retirement and Benefits; Aaron Danielson, Public Safety Employee Association; Chris Gifford, Municipal Chapter President, Public Safety Employee Association; Derek Hsiel, Anchorage Police Department Employee Association; Eric Tuott, Anchorage Firefighters; Murray Richmond, Staff, Senator Joe Thomas; John Alcantra, Government Relations, National Education Association, Alaska; Linda Hall, Director, Division of Insurance; Christine Marasigan, Staff, Senator Kevin Meyer

PRESENT VIA TELECONFERENCE

Larry Semmens, City Manager, City of Soldotna; Ron Thorpe, President and CEO, National Board for Professional Teaching Standards, Washington DC; Pete Lewis, Superintendent, Fairbanks North Star Borough School District; Tammy Smith,

Fairbanks Education Association; Stephen McDaniel, Asurion,  
Florida

SUMMARY

SB 38 Police and Firefighter Death Benefits

SB 38 was HEARD and HELD in committee for further consideration.

SB 83 Teacher Board Certification Incentives

SB 83 was HEARD and HELD in committee for further consideration.

SB 115 Portable Electronics Insurance

SB 115 was HEARD and HELD in committee for further consideration.

SB 119 Athletic Trainer Licensing

SB 119 was HEARD and HELD in committee for further consideration.

#sb119

SENATE BILL NO. 119

"An Act relating to the licensing and regulation of athletic trainers."

[9:01:37 AM](#)

SENATOR KEVIN MEYER, introduced SB 119. He explained that athletic trainers were certified, health care professionals who practice in the field of sports medicine. The profession played a significant role in the management, prevention, recognition and rehabilitation of injured athletes under the supervision of a license physician. As people became increasingly more active, athletic trainers were a vital resource in administering immediate emergency care as well as injury prevention and treatment.

BRENDA SHELDON, PRESIDENT, ALASKA ATHLETIC TRAINERS ASSOCIATION, spoke in support of SB 119. She noted that Alaska was one of three states that did not license athletic trainers. She explained that athletic trainer

clients ranged from athletes to industrial workers. She noted that athletic trainers were often the first to respond in the cases of injuries.

Ms. Sheldon explained that SB 119 would require everyone in Alaska who considered themselves athletic trainers to be licensed. She explained that she was an athletic trainer, and shared her personal feelings about the importance of SB 119.

[9:07:06 AM](#)

CHRISTOPHER DEAN, ATHLETIC TRAINER, testified in support of SB 119. He explained that SB 119 would ensure quality medical care for the athletes in Alaska. He stressed that some parents had become dependent on athletic trainers.

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

Senator Thomas wondered if the initial licensing fee of \$900 would be covered in the bill. Senator Meyer replied that the \$900 could possibly be covered by the state. He hoped to discuss reasons why the licensing was so high.

Senator Thomas agreed that the fee was very high.

DON HABEGER, DIRECTOR, CORPORATIONS, BUSINESS, AND PROFESSIONAL LICENSING, explained that the licensing fee was high, because it was expensive to install a program into the system. He stressed that once the system was implemented, the program would be complete with application accessibility. He stated that there was a belief that the program could easily get absorbed into the existing staff.

[9:14:49 AM](#)

Senator Thomas wondered if the cost was high because there were a small number of individuals who were interested in applying. He felt it could be a simple implementation. Mr. Habeger replied that it was a statutory requirement to charge the user fees in implementation. He stressed that the fee was legitimate.

Senator Thomas wondered how many people were anticipated to be licensed. Mr. Habeger replied that there was no way he could predict that number, but relied on the Athletic Trainer Association to provide that number.

Senator Olson wondered if there was a licensing board that would have a small number of licensees. Mr. Habeger noted that a similar program was the Midwife Board, and their biennial program fee was about \$2000.

Senator Olson wondered if there was a process to pay for the investigator to deal with the complaint. Mr. Habeger noted that there were recent discussions regarding the Real Estate Commission, and those costs could spike.

Senator McGuire wondered how the school districts would intersect into the program. She wondered if the costs would be passed on to the school district. Senator Meyer deferred to a school district employee.

Senator McGuire restated that she was concerned with the costs for the school districts. Mr. Dean replied that currently no school district in Alaska employed athletic trainers. He stressed that the school districts in Fairbanks were highly dependent on benefactors.

[9:21:44 AM](#)

Mr. Dean noted that midwives had a board, but the athletic trainers do not have a board. He felt that athletic trainers could be better compared with nutritionists.

Senator Egan wondered if the fees would increase if there was an investigation regarding licensing issues. Mr. Habeger replied that the division had an investigative unit that was responsible for any violation of Title A. If investigators determined that there was a violation, then a process occurred with the possibility for many different outcomes. He stressed that most of the time there were low cost issues, but if there was a legal process then the Department of Law would be involved.

Senator Egan wondered if there would be background checks for people that applied for licenses. Mr. Habeger replied that if the applicant remained current with the national organization, then the applicant would be eligible for a state license.

[9:27:07 AM](#)

Senator Olson noted that Mr. Dean had declared that athletic trainers were more like nutritionists than midwives, and wondered if Mr. Habeger agreed with that assumption. Mr. Habeger did not know the specifics of the Nutritionist program. He noted that Naturopaths had a fee of \$400, and did not have a board.

Senator Olson wondered what penalties would be incurred if the license were suspended. Senator Meyer replied that the licensees were overseen by the National Board.

Senator Olson noted that there was an issue of diagnosing and treatment. He expressed concern that athletic trainers were not authorized to practice medicine. Senator Meyer stressed that there were specific requirements for people that call themselves athletic trainers. He also stressed that they were not going to practice medicine. He stated that he did not know how the bill would apply to rural areas, but agreed to provide that information.

SB 119 was HEARD and HELD in committee for further consideration.

#sb38

SENATE BILL NO. 38

"An Act establishing a one-time occupational death benefit for peace officers and firefighters."

[9:33:16 AM](#)

Senator Meyer stated that SB 38 would provide a one-time payment of \$100,000 occupational death benefit established in Section 2 of the draft bill. It would provide that the payment may not be made to anyone but a surviving spouse of a dependent child of a peace officer. He stressed that the death of a peace officer was fairly rare in Alaska. He noted several letters of support. He noted that the average age of a peace officer who dies in the line of duty was 38-years-old. He stressed that the bill was especially important, because the officer may have small children that needed financial support.

Co-Chair Hoffman wondered what other states programs were in comparison to this bill. Senator Meyer stated that each state had different programs. CHRISTINE MARASIGAN, STAFF, SENATOR KEVIN MEYER, stated that 39 other states provided similar benefit. She said the benefit ranged from \$25,000 to \$400,000.

Senator Egan requested an explanation of the fiscal note's continual increase over time. Ms. Marasigan noted that there was some information required related to liability. She stressed that there was some actuary liability studies. Senator Meyer added that there was anticipation of one death per year.

[9:38:49 AM](#)

Senator Olson looked at the pension fund, and wondered if the peace officers would be required to pay higher insurance because of the potential of more deaths. Senator Meyer believed that the money would be used from the unfunded liability, meaning that the money was already available.

Senator Olson wondered if there were other death benefits for officers that die in the line of duty. Senator Meyer replied that there were some life insurance benefits.

JIM PUCKETT, DIRECTOR, DIVISION OF RETIREMENT AND BENEFITS, introduced himself.

Co-Chair Stedman wondered what the tier 4 employees' benefits would be. Mr. Puckett replied that they would receive the DCR balance.

Co-Chair Stedman surmised that the benefit would be zero. Mr. Puckett agreed to provide more information regarding tier 4 employee benefits.

Co-Chair Stedman requested information regarding the structure of the tier 4 benefits, because he would like to look at the comparative differences between a new employee and one that had been employed for 20 years. Mr. Puckett explained that if there was a loss of life due to accident on the job, there would be a life insurance benefit of \$100,000 and the Supplemental Benefit System (SBS). He stated that he would provide further information regarding new employees.

Senator Olson wondered when the benefits would begin following the death. Mr. Puckett replied that basic life insurance would occur immediately, and the check would be disclosed within a week following the incident.

[9:44:21 AM](#)

Co-Chair Stedman requested written information in grid-form regarding the tier system benefits and structures. Mr. Puckett agreed to provide that information.

Senator Egan wondered if it there was an assumption of one death per year, when the calculations were made. Mr. Puckett replied that the one death per year was the basis of the calculation.

Senator Egan wondered how the unfunded liability increased \$650,000. Mr. Puckett requested further information regarding Senator Egan's reference of \$650,000. Co-Chair Stedman stated that it was in the Buck Analysis, second paragraph last sentence. He felt that the accumulation of expenditures was added to the negative side of the balance sheet.

Co-Chair Stedman wondered who picked up the tab: the city or the state. He explained that the state would be required to provide the funds, because the cities were capped at 22 percent. He felt that there would be a broader discussion related to that topic.

AARON DANIELSON, PUBLIC SAFETY EMPLOYEE ASSOCIATION, testified in support of SB 38. He felt that the bill addressed the families of the officer greatest concern. He pointed out that the bill would provide peace of mind.

[9:49:34 AM](#)

CHRIS GIFFORD, MUNICIPAL CHAPTER PRESIDENT, PUBLIC SAFETY EMPLOYEE ASSOCIATION, spoke in support of SB 38. He stressed the importance of the benefit of the families of the officers.

DEREK HSIEL, ANCHORAGE POLICE DEPARTMENT EMPLOYEE ASSOCIATION, testified in support of SB 38. He focused on the reality of death in the line of duty. He pointed out that training for death was a requirement for peace

officers. The training was used to inoculate the understanding of death. He pointed out that when officers were killed in the line of duty, the work for the day continued. He stressed that death was expensive, and sometimes there were extra costs incurred by the family. He stressed that sometimes business contributions off-set costs, but smaller communities might not have that benefit.

[9:54:10 AM](#)

Senator McGuire noted that \$100,000 might not be a substantial amount of money. She wondered if there were any scholarship opportunities for dependents. She hoped there may be a possibility for a four-year scholarship for an in state college for children. Mr. Hsiel pointed out some benefits in the military. He felt that the added benefits would be left to the legislature's discretion.

Senator McGuire requested more information regarding scholarships, and noted a summary of the record of peace officer deaths in Alaska. She also would like to see a scholarship benefit possibility. Co-Chair Stedman noted that those requests should be directed at the bill sponsor and the Department of Public Safety.

[9:59:14 AM](#)

ERIC TUOTT, ANCHORAGE FIREFIGHTERS, testified in support of SB 38. He stated that he was married with a three-year-old daughter, so his family would be greatly affected if he was killed in the line of duty. He stressed that deaths did not happen frequently, but did occur occasionally.

LARRY SEMMENS, CITY MANAGER, CITY OF SOLDOTNA (via teleconference), testified against SB 38. He stressed that the employees were already covered by occupational death benefits. If SB 38 passed, He thought it was a poor time to add benefits that would increase the unfunded liability. He indicated we should be working to reduce the unfunded liability, and not add benefits.

Co-Chair Stedman pointed out the new fiscal impact note from the Department of Administration, for a zero-cost in FY 2013. However, there was an anticipated \$175,000 general fund increase in the annual employer contribution amount beginning in FY 2014, with incremental increases in

the following years. He stressed that there would be an impact on the unfunded liability.

[10:07:23 AM](#)

Senator Olson wondered what community contribution would be. Senator Meyer replied that the local contribution was currently 22 percent.

Senator McGuire referenced Title 14.43.085.

Senator Meyer thanked the committee.

SB 38 was HEARD and HELD in committee for further consideration.

[10:09:33 AM](#)

AT EASE

[10:13:39 AM](#)

RECONVENED

#sb83

SENATE BILL NO. 83

"An Act providing for payment and loan incentives to public school teachers for national board certification."

[10:14:16 AM](#)

Senator Thomas explained SB 83. He referred to the Sponsor Statement (copy on file):

Teaching is one of the most difficult and important jobs we have in our society. In order to have good schools, we must have good teachers.

Senate Bill 83 provides an incentive for teachers to ramp up their professional knowledge and skills by becoming nationally certified by the National Board of Professional Teaching Standards. Teachers would be provided with zero interest loans designed to pay the expense of enrolling in the program. Once certified they would receive a \$1,000 annual stipend for the duration of their certification period (ten years).

If the teacher is serving in a low performing, high poverty area they would receive a \$1,000 stipend for enrolling in the program, and \$1,500 loan for the rest of the expense. They would also receive an additional \$500 annually as long as they remained in a low performing, high poverty area.

Becoming nationally certified is a rigorous and demanding process, and can take up to three years. There are 25 different areas of certification (see page 7 of the packet), and teachers specialize in their specific subject area. The certification process focuses on five aspects of teaching: Students and their learning, the subjects being taught and how to teach them, managing and monitoring student learning, thinking systematically about the practice of teaching, and being members of the learning community.

We appreciate your support on this important bill.

MURRAY RICHMOND, STAFF, SENATOR JOE THOMAS, explained SB 83 further. He stressed that the board was nationally recognized, and noted that certification was a rigorous three-year process. He explained the sections of the bill.

[10:19:26 AM](#)

Co-Chair Stedman noted the new zero fiscal note from the Department of Education and Early Development for the Commission on Post-secondary Education and the new fiscal impact note from the Department of Education and Early Development for Teaching and Learning Support.

RON THORPE, PRESIDENT AND CEO, NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS, WASHINGTON DC (via teleconference), testified in support of SB 83. He explained that the board was at the forefront of high quality teaching education. He felt that board membership would provide peace of mind to parents. He emphasized that board certification standards were very high. He stressed that students who were taught by board-certified teachers displayed higher test scores.

[10:24:42 AM](#)

Mr. Thorpe discussed the national board certified teachers in Alaska. He stated that there were currently 135 National

Board Certified teachers in Alaska, with over 40 percent teaching in Anchorage and 20 percent in Fairbanks. He stressed that the number of certified teachers represented only 1.5 percent of the Alaska K-12 workforce. He stressed that the number of certified teachers was growing rapidly. He explained that in December 2011, there were 14 new Alaska teachers who had earned their national board certification. He explained that if a group of teachers could pursue the certification together.

Mr. Thorpe shared a story about a rural school in New Mexico. He stated that in 2009, the school had never met federal standards. He stated that in 2009, a nationally certified teacher was hired as the principal, and the school gained 9 percent in math and 5 percent in reading, which resulted in the school meeting federal standards.

PETE LEWIS, SUPERINTENDENT, FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT (via teleconference), testified in support of SB 83.

[10:30:22 AM](#)

TAMMY SMITH, FAIRBANKS EDUCATION ASSOCIATION (via teleconference), spoke in support of SB 83.

JOHN ALCANTRA, GOVERNMENT RELATIONS, NATIONAL EDUCATION ASSOCIATION, ALASKA, spoke in support of SB 83. He noted that 400 National Education Association (NEA) delegates gathered to profess support of SB 83. He explained that the state of Wyoming has a \$4000 annual stipend for National Board certification for its teachers.

[10:36:33 AM](#)

Senator Olson wondered what if national certification affected drop-out rates. Mr. Alcantra agreed to provide that information.

Senator Olson wondered what positive impacts would occur with national certification. Mr. Alcantra replied that there was evidence of higher benchmark test scores and students advancing by one year.

Senator Olson wondered how many teachers in private schools were nationally certified. Mr. Alcantra did not know.

Co-Chair Hoffman noted the two fiscal notes attached to SB 83: one new fiscal impact note from the Department of Education and Early Development, and one new zero fiscal note from the Department of Education and Early Development.

SB 83 was HEARD and HELD in committee for further consideration.

#sb115

SENATE BILL NO. 115

"An Act defining portable electronics insurance and authorizing the director of insurance to issue a limited producer license to a person that sells portable electronics insurance."

10:41:12 AM

AT EASE

10:43:27 AM

RECONVENED

10:43:32 AM

Senator Egan explained SB 115. He referred to the Sponsor Statement (copy on file):

As cell phones, tablet computers and other portable electronic devices proliferate and become necessary to commerce and communication, insurers have begun to create products to cover the loss or damage of these valuable and important possessions. Because most electronic devices are sold through retailers who are not usually in the insurance business, and because most portable electronics insurance is sold where the devices are purchases, without regulation wildly divergent standards have evolved under which these policies are sold. There is at present a chaotic market for such insurance.

Under these circumstances, the possibility exists that less well capitalized, or less scrupulous, companies may not survive in the marketplace or otherwise may not be able to make good on their promises. Similarly, sales personnel working for vendors of electronic devices may not understand these products well enough to explain them to customers, and they may well not understand the disclosure laws under which sellers of insurance must operate, leaving consumers vulnerable to liabilities they do not fully comprehend.

To guard against the excesses of a marketplace frontier, reputable companies seek regulation that protects both the customer and the reputation of the products being marketed. SB 116 seeks to provide both sellers and buyers the confidence to enter the market for portable electronics insurance--buyers that the product will be both appropriate and dependable, sellers that their products will be trusted and sought after.

Senator Olson wondered if other states had similar legislation Senator Egan replied yes.

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

STEPHEN MCDANIEL, ASURION, FLORIDA (via teleconference), testified in support of SB 115. He explained that the legislation would protect consumers.

[10:46:39 AM](#)

LINDA HALL, DIRECTOR, DIVISION OF INSURANCE, introduced herself.

Co-Chair Stedman requested the thoughts, concerns, and perspective of the Division of Insurance. Ms. Hall replied that the division did not introduce the bill. She explained that the division had agreed to license the vendor to have the limited producer license, and the employees would be able to sell and train. She explained that there were requirements of the vendor to keep a list of the employees that were selling the insurance.

[10:49:00 AM](#)

Senator McGuire wondered who was excluded from the marketplace. Ms. Hall felt that the bill would not be a barrier to entry. She stated that it would streamline the process for anyone who wanted to sell a product that would directly impact consumers.

Senator Egan thanked the committee.

SB 115 was HEARD and HELD in committee for further consideration.

Co-Chair Stedman explained the following day's agenda.

#

ADJOURNMENT

[10:50:42 AM](#)

The meeting was adjourned at 10:50 AM.