

SENATE FINANCE COMMITTEE  
April 12, 2012  
9:06 a.m.

[9:06:02 AM](#)

CALL TO ORDER

Co-Chair Hoffman called the Senate Finance Committee meeting to order at 9:06 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Johnny Ellis  
Senator Dennis Egan  
Senator Donny Olson  
Senator Joe Thomas

MEMBERS ABSENT

Senator Bert Stedman, Co-Chair  
Senator Lesil McGuire, Vice-Chair

ALSO PRESENT

Representative Paul Seaton; Michael Paschall, Staff, Representative Eric Feige; Richard Etheridge, Second Vice-President, Alaska Fire Chiefs Association, Juneau; Representative Reggie Joule; Representative Anna Fairclough; Kate Burkhart, Executive Director, Suicide Prevention Council, Juneau; Gayle Trivette, Volunteer, Juneau Suicide Prevention Coalition, Juneau; Yasmine Habash, Staff, Representative Craig Johnson; Representative Bob Lynn; Ed Fogels, Deputy Commissioner, Department of Natural Resources

PRESENT VIA TELECONFERENCE

Bryan Fisher, Chief of Operations, Division of Homeland Security and Enforcement, Fort Richardson; David Gibbs, Fairbanks North Star Borough, Fairbanks; Greg Conrad, Executive Director, Interstate Mining Compact Commission, Washington D.C.

SUMMARY

CSHB 21(FIN) SUICIDE PREVENTION COUNCIL MEMBERS

CSHB 21 (FIN) was HEARD and HELD in  
Committee for further consideration.

CSHCR 23(FIN) ALASKA ARCTIC POLICY COMMISSION

CSHCR 23 (FIN) was HEARD and HELD in  
Committee for further consideration.

CSHB 115(TRA) NAMING WALTER J. HICKEL EXPRESSWAY

CSHB 115 (TRA) was HEARD and HELD in  
Committee for further consideration.

CSHB 302(FIN)am CONTRIBUTIONS FROM PFD: UNIV/AUDITS

CSHB 302 (FIN)am was HEARD and HELD in  
Committee for further consideration.

HB 360 INTERSTATE MINING COMPACT & COMMISSION

HB 360 was HEARD and HELD in  
Committee for further consideration.

HB 366 DISASTER PLANNING AND SERVICES

HB 366 was HEARD and HELD in  
Committee for further consideration.

#hb302

CS FOR HOUSE BILL NO. 302(FIN) am

"An Act requiring each campus of the University of Alaska to apply to be included on the contribution list for contributions from permanent fund dividends; requiring a university to pay an application fee for each campus separately listed on the contribution list for contributions from permanent fund dividends; and repealing certain audit requirements for entities receiving contributions from permanent fund dividends."

[9:07:22 AM](#)

REPRESENTATIVE PAUL SEATON, introduced HB 302. He explained that the legislation would repeal the audit provision for any non-profit with a total budget of \$250,000. The provision was problematic because the average cost of an audit was \$8000 to \$12,000, which was significantly more

than the majority of non-profits received through the Pick, Click, Give program. He provided the example of the Seward Senior Citizen Centre, which had been receiving less than \$2000 per year, but the audit was costing then \$8,000. He furthered that the Juneau Arts Council had stopped using the program because it was not cost effective, which made regular donors think it was no longer a certified non-profit. He referred to the Sponsor Statement (copy on file):

HB 302 allows greater participation in the Pick.Click.Give program by small non-profits that meet all of the eligibility requirements for the program, but cannot participate due to the cost prohibitive audit requirement.

The creation of the popular Pick.Click.Give program by the 25th Alaska State Legislature gave Alaskans a simple and convenient option to donate to charities and non-profits of their choice. These organizations, which provide important services to our communities, rely on donations to function.

One criterion that must be met by organizations wishing to participate often stops smaller Alaskan charities and non-profits from applying. This is the required financial audit for organizations with a total budget of \$250,000 or greater. The cost of the required financial audit for groups with \$250,000 annual budget is much greater than the donations received by these groups through the Pick.Click.Give program. This makes participation in the program impractical for organizations of this size. Not only does this mean that these smaller groups will not receive donations through the program, some groups have found that exclusion from the program gives their supporters the mistaken impression that they are no longer certified non-profits.

This bill eases the financial burden on these organizations and allows Alaskans a more complete choice of organizations by eliminating the financial audit requirement. This does not remove financial accountability. All Pick.Click.Give. Donation recipients must be 501(c)(3) tax-exempt organizations, which are required to file the form 990 annually with the IRS. Organizations are also required to have an audit if they expend \$500,000 or more in federal awards. Entities that expend less than \$500,000 in federal funds still must still make their records available for review by the federal government.

This bill further requires the University of Alaska to pay the \$250 application fee to participate in the program, just as all other eligible organizations do.

The Pick.Click.Give program encourages Alaskans to give back to their community by bringing the many worthy state programs right to their doorstep. It is the smaller non-profits which nourish Alaskan communities on a personal level, which open pathways for budding artistic talents and provide the educational opportunities that fit just right with community needs. These organizations deserve the chance to connect through Pick.Click.Give to the Alaskans they serve.

[9:09:42 AM](#)

Co-Chair Hoffman noted the one previously published zero fiscal note from the Department of Revenue (DOR).

CS HB 302 (FIN) was HEARD and HELD in committee for further consideration.

#hb366

HOUSE BILL NO. 366

"An Act establishing an Alaska intrastate mutual aid system and relating to the duties of the Alaska division of homeland security and emergency management and the duties of the Alaska State Emergency Response Commission."

[9:10:45 AM](#)

MICHAEL PASCHALL, STAFF, REPRESENTATIVE ERIC FEIGE, disclosed that Representative Feige was the Chief of the Chickaloon Volunteer Fire Department. He added that he was the Assistant Chief and board member of the Rural Deltana Volunteer Fire Department and that he chaired the Delta/Greely Local Emergency Planning Committee. He furthered that he was a member of the State Inoperable Communications Committee; all of the mentioned organizations could be related to the legislation.

[9:11:38 AM](#)

Mr. Paschall explained that according to the Federal Emergency Management Agency (FEMA) mutual aid agreements and systems agreements were agreements between agencies, organizations, and jurisdictions that provided a mechanism to quickly obtain emergency assistance in the form of personnel equipment materials and other associated services. The primary objective was to facilitate rapid, short-term deployment of emergency support prior to, during, and after an incident. He stated that through the Emergency Management Assistance Compact (EMAC), all 50 states, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands had an agreement that established guidelines across state

borders. He referred to the Sponsor Statement (copy on file):

In 2004 the National Emergency Management Association (NEMA) in conjunction with the Federal Emergency Management Agency (FEMA) and a host of emergency response organizations, began developing and promoting model legislation for an intrastate mutual aid system (IMAS). The goal of IMAS is to provide a framework for all political subdivisions within a state to receive and render aid to other subdivisions within a state in times of need.

HB 366 will implement this model legislation in a manner that will be beneficial for Alaskan communities. The system detailed in HB 366 will provide a framework for mutual assistance among the participating political subdivisions - regions, boroughs, municipalities, and other local jurisdictions - in the prevention of, response to, and recovery from any disaster that results in a formal declaration of local disaster emergency.

The employees and volunteers who serve in emergency services recognize that emergencies transcend political jurisdictional boundaries. They, and the local agencies they serve, understand that intergovernmental coordination is essential for the protection of lives and property and for best use of available assets. Currently, the Alaska Disaster Act does provide for political subdivisions to create mutual aid agreements, which, in practice, works well for neighboring entities or service areas that have an established history of providing mutual aid to one another. These local mutual aid agreements vary widely in their scope and may not all address key issues of liability and compensation. Further, they may not encompass all emergency services. Through HB 366, a statewide agreement would be developed to supplement existing regional or local agreements by establishing a comprehensive, integrated system of mutual aid at a state level that will ensure an efficient and effective response to all hazards and disasters.

HB 366 would allow all political subdivisions to automatically be included in the statewide mutual aid system. A political subdivision may elect to withdraw by enacting an appropriate resolution by its governing body. This legislation would not prevent participating entities from entering into supplementary agreements with other political subdivisions or impact any existing or future agreements. If a participating entity cannot provide assistance to a requesting

entity, they are not obligated or bound to provide assistance.

[9:14:35 AM](#)

Senator Thomas wondered if HB 366 participation in the system was mandatory.

Mr. Paschall replied that the way the law was written all political sub-divisions, which would include communities in the state, were a part of the agreement. He added that any community or municipality could vote to opt out of the agreement. He noted that no one was required to participate in the event of an emergency. He stressed that the bill simply provided the mechanism for understanding where the liability lands during an emergency situation.

[9:16:20 AM](#)

Co-Chair Hoffman noted the one previously published zero fiscal note from the Department of Military and Veterans Affairs.

Co-Chair Hoffman OPENED public testimony.

[9:16:51 AM](#)

BRYAN FISHER, CHIEF OF OPERATIONS, ALASKA DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT, DEPARTMENT OF MILITARY and VETERANS AFFAIRS, FORT RICHARDSON, ANCHORAGE, (via teleconference), testified in support of HB 366. He stated that interstate mutual aid was his agencies mission and the standing mission of the State Emergency Response Commission. He noted that his agency provided the direct staff support to the commission already, hence the zero fiscal note.

[9:17:58 AM](#)

DAVID GIBBS, DIRECTOR OF EMERGENCY OPERATIONS, FAIRBANKS NORTH STAR BOROUGH (via teleconference), spoke in support of HB 366. He added that interstate mutual aid legislation was a legislative priority for the borough in 2010. He believed that the bill was well crafted policy that provided a framework for a consistent and integrated mutual aid system. He shared that the myriad of issues with regard to authorities, compensation, and liability affected the ability to provide, and receive, timely assistance in times of disaster.

[9:19:05 AM](#)

RICHARD ETHERIDGE, SECOND VICE-PRESIDENT, ALASKA FIRE CHIEFS ASSOCIATION, JUNEAU, urged support for HB 366. He opined

that there currently were delays in responding to disasters in outlying communities. He felt that the bill would streamline operations to provide for faster response.

Co-Chair Hoffman CLOSED public testimony.

HB 366 was HEARD and HELD in committee for further consideration.

#hcr23

CS FOR HOUSE CONCURRENT RESOLUTION NO. 23(FIN)

Establishing and relating to the Alaska Arctic Policy Commission.

REPRESENTATIVE REGGIE JOULE, introduced HCR 23. He referred to the Sponsor Statement (copy on file):

The Alaska Northern Waters Task Force (ANWTF) was established in 2010 to identify the opportunities and challenges if a changing Arctic. Arctic Nations are anticipating the development of northern shipping routes, mineral extraction, oil and gas exploration, commercial fisheries, and tourism. Some of this change has already stated to occur. The ANWTF completed its final report on January 30, 2012. The report includes recommendations in six Arctic policy areas: Governance, Oil & Gas Development, Marine Transportation, Fisheries, Infrastructure, and Research. The report is one of the most detailed statements of Alaska's Arctic policy to date, yet much work remains to fully expound upon all the diverse issues that the Task Force brought forward.

While the United States has an official written Arctic Policy (National Security Presidential Directive (NSPD-66), Alaska does not. Most of the other Arctic Nations and the Northwest Territories already have established Arctic policies. As the jurisdiction that makes the United States an Arctic nation and ad the only U.S. state that is home to Arctic residents, Alaska needs and Arctic policy of its own. Alaska needs to position itself now regarding the nation's Arctic policy - Alaska cannot take that leadership role without understanding what its own priorities should be. This is especially critical considering the United States will be chairing the Arctic Council from 2015-2017. The Arctic Policy Commission will provide the legislature an opportunity to remain engaged in the ongoing Arctic dialogue and to help shape future Alaskan Arctic policy.

Toward this end, HCR 23 creates in the legislative branch an Alaska Arctic Policy Commission. The 16-member Commission would include:

- 3 senators appointed by the Senate President (one acting as Co-Chair)
- 3 representatives appointed by the House Speaker (one acting as Co-Chair)
- 1 member from the executive branch appointed by the Governor
- 9 members appointed jointly by the President and the Speaker representing:
  - o The federal government
  - o A tribal entity
  - o The mining industry
  - o The oil & gas industry
  - o The University of Alaska
  - o Fisheries
  - o A local government
  - o A costal government
  - o An international Arctic organization

Over the course of two years, the Arctic Policy Commission will hold meetings in Arctic areas of the state as well as Anchorage and Fairbanks. The Commission is tasked with providing preliminary recommendations on Alaska's Arctic policy by January 30, 2014 and delivering a final report by January, 30, 2015.

[9:22:51 AM](#)

Senator Thomas felt that language pertaining to the state's recommendations regarding the law of the seas should be included in the bill.

Representative Joule replied that the issue was one of the top recommendations from the Northern Waters Task Force. He furthered that one year ago both the house and the senate had sent a resolution to Congress, which was currently keeping the recommendation alive and well. He understood that the issue was slated to be taken up in spring 2012 in the U.S. Senate.

[9:24:23 AM](#)

Co-Chair Hoffman noted the once fiscal impact note from the Legislature.

Co-Chair Hoffman OPENED public testimony.

Co-Chair Hoffman CLOSED public testimony.

CS HCR 23 (FIN) was HEARD and HELD in committee for further consideration.

#hb21

CS FOR HOUSE BILL NO. 21(FIN)

"An Act relating to the membership of the Statewide Suicide Prevention Council."

[9:25:21 AM](#)

REPRESENTATIVE ANNA FAIRCLOUGH, explained HB 21. She referred to the Sponsor Statement (copy on file):

House Bill 21 would simply increase the number of members appointed to the Statewide Suicide Prevention Council from 16 members to 17 members and create an age requirement for the youth member.

The additional member would be appointed by the Governor and would give representation on the council for members of our military. Suicide among our military is on the rise and having an individual familiar with the lives and challenges our military members face on a daily basis is crucial to their overall well-being.

The new member must be one of the following; discharged from, retired from, or engaged in active duty military service or someone who is a mental health provider, social worker, or other person actively providing a health care service to discharged, retired, or active military personnel.

House Bill 21 also changes the requirement for the youth member who is appointed to the council. Currently this appointee has to be enrolled in the 9th, 10th, 11th, or 12th grade of a secondary school. This member would be changed allowing the youth to be 16 years of age when appointed, but not older than 20 years of age. This will allow our youth members to continue to serve beyond completion of their secondary school education and allow for continuity on the council.

[9:26:17 AM](#)

Senator Thomas understood that there was limited counseling for soldiers returning from Iraq. He hoped the bill would help to alleviate that problem.

[9:26:55 AM](#)

Senator Ellis appreciated the mission of the legislation. He queried the current status to the senate bill on suicide prevention that was being considered on the house side.

Representative Fairclough responded that the bill was scheduled to be heard on the house side that same day.

[9:27:39 AM](#)

Co-Chair Hoffman noted the one new fiscal note from the Department of Health and Social Services.

Co-Chair Hoffman OPENED public testimony.

[9:28:03 AM](#)

KATE BURKHART, EXECUTIVE DIRECTOR, SUICIDE PREVENTION COUNCIL, JUNEAU, testified in support of SB 21. She noted that the legislation was a direct result of collected community input. She stressed the importance that a member of the military veteran community be a part of the council. She felt there needed to be an expansion of the age range for the junior member of the council. She relayed that the council would benefit from youth members being allowed to serve as a regular member and not be limited to a truncated term.

GAYLE TRIVETTE, VOLUNTEER, JUNEAU SUICIDE PREVENTION COALITION, JUNEAU, testified in support of HB 21. She believed that adding a seat to the council to represent Alaska's many veterans, and the expansion of the youth term requirements, would allow the council to better represent the needs of both groups.

[9:31:17 AM](#)

Senator Olson wondered how the council interacted with similar programs on the federal level.

Representative Fairclough replied that the council had formalized a strategic plan to engage prevention groups on the federal level.

CS HB 21 (FIN) was HEARD and HELD in committee for further consideration.

#hb115

CS FOR HOUSE BILL NO. 115(TRA)

"An Act designating a portion of Minnesota Drive and a portion of O'Malley Road in Anchorage the Walter J. Hickel Expressway."

[9:32:39 AM](#)

YASMINE HABASH, STAFF, REPRESENTATIVE CRAIG JOHNSON, explained HB 115. She referred to the Sponsor Statement (copy on file):

Walter J. Hickel served as the Governor of Alaska twice, served with distinction as U.S. Secretary of the Interior, and led and inspired the development of the State of Alaska and the Circumpolar Arctic Region throughout his long distinguished career. In Governor Hickel's many elected and public roles he successfully pushed to open Prudhoe Bay to oil development and oversaw the permitting process for the Trans-Alaska Pipeline among many other accomplishments.

HB 115 designates concurrently naming a portion of Minnesota Drive and O'Malley Road in Anchorage the Walter J. Hickel Expressway from 15th Avenue to the New Seward Highway. This section of highway is 7.5 miles long and by concurrently naming this section of highway there will be no need for any household or business to change their address.

[9:33:39 AM](#)

Senator Thomas wondered if there was a significant reason for picking 15th Avenue as the starting point, instead of downtown. Ms. Habash replied that she was not aware of any significant reason for the designation, and agreed to provide further information.

[9:34:34 AM](#)

Co-Chair Hoffman OPENED public testimony.

Co-Chair Hoffman CLOSED public testimony.

[9:34:41 AM](#)

Co-Chair Hoffman noted the one fiscal impact note from the Department of Transportation and Public Facilities.

CS HB 11 (TRA) was HEARD and HELD in committee for further consideration.

#hb360

HOUSE BILL NO. 360

"An Act enacting the Interstate Mining Compact and relating to the compact; relating to the Interstate Mining Commission; and providing for an effective date."

[9:35:29 AM](#)

REPRESENTATIVE BOB LYNN, introduced HB 360. He explained that the legislation would give Alaska a full vote in the Interstate Mining Compact Commission (IMCC). He noted that the state had been a member of the compact for 6 years but as an associate member, never had a vote. The legislation

would give Alaska full voting rights in a formal vote in the state compact while maintaining state sovereignty in mining issues. He furthered that mining was a growing for in the state's economy, and broadened the state's revenue base beyond oil and gas. He shared that there were 45 direct mining jobs in Alaska and 9,000 indirect jobs attributed to mining. He said mining generated approximately \$150 million in state revenue, \$17 million in local government revenue, and over \$179 million in payments for Alaska Native Corporations. He said that a voting voice in the IMCC would give Alaska a stronger voice on the federal level.

[9:37:26 AM](#)

Co-Chair Hoffman noted the one fiscal note from the House Finance Committee which eliminated \$20 thousand in travel cost from the original note from the Department of Natural Resources.

Co-Chair Hoffman OPENED public testimony.

[9:37:57 AM](#)

ED FOGELS, DEPUTY COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES, urged support of HB 360. He stated that mining was an important aspect of Alaska's economy. He testified that due to the streamlined permitting and regulatory process of the state there were currently had 7 operating mines that were contributing to the treasury. He relayed that mining had become controversial in recent years, bringing the strength of the permitting process into question. He said that, under the direction of the governor, the department was examining the permitting process in an effort to better protect the environment. He asserted that by joining the commission the state would gain leverage on the federal level.

[9:40:07 AM](#)

Senator Thomas wondered what practical effect the commission would have on existing mining operations.

Mr. Fogels replied that the Environmental Protection Agency (EPA) was currently considering taking over bonding for hard-rock mining in the nation. He said that every mining state in the nation was concerned that once the bonding was taken over the EPA could take over the entire mine regulatory process for each state. He stated that the commission was currently in discussion with the EPA to educate them on the bonding programs already in existence, with the hope that it would prompt the EPA to rethink their initiative. He concluded that this was a case of the commission voicing collective states concerns to the EPA.

[9:41:41 AM](#)

GREGORY CONRAD, EXECUTIVE DIRECTOR, INTERSTATE MINING COMPACT COMMISSION, WASHINGTON D.C. (via teleconference), urged committee support of HB 360. He explained the present legislative and regulatory climate in Washington D.C. demanded that state governments have a strong voice in order to be heard. He said that the commission was recognized on the federal level for their expertise on mining issues, and had been invited to testify on behalf of the state in six congressional hearings in the house and senate in 2012. He stressed that it was the active participation and commitment of the full member state that carried the organization forward in terms of support and leadership. He expounded that upon the enactment of the legislation the state would have a formal vote in guiding the direction of the compact, and the ability to chair committees of the compact. He concluded that the passage of the legislation was in the best interest for the state.

[9:45:09 AM](#)

Senator Olson noted some tension between the fisheries and the mining industry in relation to the Pebble Mine project. He queried the commission's position on the Pebble mine project.

Mr. Conrad replied that the commission held no official position. He believed that the commission could offer direction in discussions of the types of issues associated with the development of the Pebble Mine.

[9:46:26 AM](#)

Senator Egan noted that many of the member states were on the East Coast. He wondered if there was a plan to encourage more Western states to participate.

Mr. Conrad replied that Colorado, Utah, New Mexico, Wyoming were associate members that were pursuing legislation to become full members. He added that the commission was in the process of working with Nevada, the newest associate member state. He said that discussions were also underway with Montana and Arizona. He explained that when the commission was formed in 1970 the focus had been on Eastern coal mining states as a result of legislation before congress at the time. He shared that since that time the commission had expanded the scope of its issues, initiatives, and priorities beyond coal.

Co-Chair Hoffman CLOSED public testimony.

HB 360 was HEARD and HELD in committee for further consideration.

#  
ADJOURNMENT  
9:48:31 AM

The meeting was adjourned at 9:48 AM.