

ALASKA STATE LEGISLATURE
SENATE LABOR AND COMMERCE STANDING COMMITTEE

March 8, 2011
2:00 p.m.

MEMBERS PRESENT

Senator Dennis Egan, Chair
Senator Joe Paskvan, Vice Chair
Senator Linda Menard
Senator Bettye Davis
Senator Cathy Giessel

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 70

"An Act establishing the Alaska Health Benefit Exchange; and providing for an effective date."

- BILL HEARING POSTPONED TO MARCH 17

SENATE BILL NO. 51

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

- HEARD & HELD

SENATE BILL NO. 81

"An Act establishing as a standard for the procurement of group life and health insurance for retirement systems for certain public employees a requirement that dependent coverage medical benefits provided to the systems' retiree members may not be less than dependent coverage medical benefits provided to the systems' active members."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 51

SHORT TITLE: STATE VENDING LICENSES

SPONSOR(S): SENATOR(S) DAVIS

01/19/11 (S) READ THE FIRST TIME - REFERRALS
01/19/11 (S) L&C, FIN
02/16/11 (S) SPONSOR SUBSTITUTE INTRODUCED-REFERRALS
02/16/11 (S) READ THE FIRST TIME - REFERRALS
02/16/11 (S) L&C, FIN
03/08/11 (S) L&C AT 2:00 PM BELTZ 105 (TSBldg)

BILL: SB 81

SHORT TITLE: PUBLIC RETIREE MED. BENEFITS: DEPENDENTS

SPONSOR(s): SENATOR(s) DAVIS

02/04/11 (S) READ THE FIRST TIME - REFERRALS
02/04/11 (S) L&C, FIN
02/22/11 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
02/22/11 (S) <Bill Hearing Postponed>
03/08/11 (S) L&C AT 2:00 PM BELTZ 105 (TSBldg)

WITNESS REGISTER

TOM OBERMEYER

Staff to Senator Davis
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Commented on SB 51 and SB 81 for the sponsor.

PAULA SCAVERA, Legislative Liaison and Special Assistant
Department of Labor and Workforce Development (DOLWD)
Alaska State Legislature

POSITION STATEMENT: Commented on possible legal issues with SB 51.

CHERYL WALSH, Director
Division of Vocational Rehabilitation
Department of Labor and Workforce Development (DOLWD)
Juneau, AK

POSITION STATEMENT: Answered questions on SB 51.

TERRY BANNISTER, Attorney
Legislative Legal Services
Legislative Affairs Agency
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Answered questions as drafter of SB 51.

ANMEI GOLDSMITH, Assistant Attorney General
Department of Law

Juneau, AK

POSITION STATEMENT: Answered questions about SB 51.

JAMES SWARTZ, Executive Vice President
Alaska Independent Blind
Anchorage, AK

POSITION STATEMENT: Supported SB 51.

LYNNE KORAL, President
Alaska Independent Blind
Anchorage, AK

POSITION STATEMENT: Supported SB 51.

SANDY SANDERSON
Alaska Independent Blind
Anchorage, AK

POSITION STATEMENT: Supported SB 51.

BOB DOLL, President
Retired Public Employees of Alaska (RPEA)
Juneau, AK

POSITION STATEMENT: Supported SB 81.

MARIE DARLIN, Legislative Task Force
AARP Juneau
Juneau, AK

POSITION STATEMENT: Supported SB 81.

DAN WAYNE, Attorney
Department of Law
Juneau, Alaska

POSITION STATEMENT: Answered questions about SB 81.

JIM PUCKETT, Acting Director
Division of Retirement and Benefits
Department of Administration (DOA)
Juneau, AK

POSITION STATEMENT: Answered questions about SB 81.

ACTION NARRATIVE

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CHAIR DENNIS EGAN called the Senate Labor and Commerce Standing Committee meeting to order at 2:00 p.m. Present at the call to order were Senators Giessel, Davis, Paskvan, Menard, and Egan.

CHAIR EGAN announced that SB 70 was postponed until the March 17 meeting.

SSSB 51-STATE VENDING LICENSES

[2:01:31 PM](#)

CHAIR EGAN announced SSSB 51 to be up for consideration.

SENATOR DAVIS, sponsor of SB 51, said a number of people had approached her because at one time blind people were given preference in setting up vending businesses on state and other public properties, but at some point other people were given the same preference making it hard for the blind to get those positions.

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TOM OBERMEYER, staff to Senator Davis, sponsor of SB 51, said this bill restores first priority to blind persons for getting a contract to operate a vending facility on state and other public property. This bill amends the Alaska Chance Act of 1976 to require that the Division of Vocational Rehabilitation Business Enterprise Program provide the same first-priority to blind on state and other public property like what is done on federal property, and enforced under the Randolph-Sheppard Act of 1936.

He explained that the Alaska Chance Act, for the first time, added disabled persons to the blind individuals' preference for vending licenses on public facilities. This loss of first priority and expansion of beneficiaries has thwarted the spirit and letter of the Randolph-Sheppard Act resulting in decreasing vending opportunities for blind merchants in Alaska, thus exacerbating their already high unemployment rates among all types and severities of the disabled and in the general population.

SB 51 recognizes that disabled persons do not suffer the same degree of impairment and unemployment as the blind, bringing up the question of equal protection under the law. Although the state has combined management and training opportunities for both blind and other persons with disabilities under the Business Enterprise Program, this bill requires giving first priority to the blind for vending contracts on state, federal and other public property.

MR. OBERMEYER said the bill has a new definition of "public property," as well, and clarified that this language does not

prevent people with other disabilities from getting preference after priority to the blind in these matters.

He said SB 51 comports with original legislative intent prior to the 1974 and 2006 changes that added persons with disabilities and severe disabilities to the same priority as blind individuals for licenses on vending facilities on public property by giving first priority to the blind under AS 23.15.100. Further, it requires that the division attempt to find and notify blind persons of vending opportunities as they arise on public property. These public properties may include, among other things, court houses, military bases, state and federal office buildings and other public properties.

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He explained that typically, blind individuals who receive Randolph-Sheppard contracts act 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 may also independently operate lobby concession stands or vending machine banks.

MR. OBERMEYER explained that 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. This bill would greatly expand opportunities for employment in vending locations for the blind by amending the word "property" to include the property of municipalities and school districts beyond the 12 locations.

MR. OBERMEYER provided the sectional analysis as follows:

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Section 1: amends powers and duties of the Division of Vocational Rehabilitation. It removes references to persons with severe disabilities from the provisions dealing with the operating of vending facilities on public property.

Section 2: directs the agency to issue a license for the operation of vending facilities on public property to blind persons who meet certain criteria, including criteria established by agency regulations. It requires these regulations to provide blind persons with first priority for a contract to operate a vending facility on public property.

Section 3: adds new subsections to the new section on the issuance of licenses for vending facilities on public property.

Sec. 23.15.133(c): allows the agency to contract with a person who is not blind to operate a vending facility until the agency can locate a blind person who qualifies to operate the vending facility.

Sec. 23.15.150(d): says that when there is a vacancy in the operation of a vending facility on state, municipal, or school district property it requires the agency to attempt to contact blind persons directly about operating it and directs the agency to work with private organizations to contract blind persons. This requirement is in addition to any other procurement requirements of AS 36.30 (the State Procurement Code). Newspaper advertising is not sufficient.

Sec. 23.15.133(e): allows a blind person operating a vending facility to operate another vending facility if the agency cannot find a blind person to operate the other vending facility.

Section 4: deletes a reference to persons with severe disabilities from a provision relating to hearings on agency actions that relate to vending facilities.

Section 5: amends the definition of "licensee" to remove the reference to a person with a severe disability.

Section 6: amends the definition of "public property" to include the property of municipalities and school districts which is what caused the sponsor substitute.

Section 7: adds a definition of "school district."

Section 8: repeals the section relating to vending facilities operated by persons with severe disabilities.

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Section 9: indicates that the Act applies to vending facility licenses issues and vending facility contracts entered into on or after the effective date of this Act.

Section 10: states that the Act does not affect a contract entered into before the effective date of this Act.

MR. OBERMEYER noted that SSSB 51 has a zero fiscal note and that an accompanying memorandum from Terry Bannister, Legislative Council, explains why she didn't see an equal protection problem

with removing the "other people with disabilities" from this Act in order to give priority to the blind since the issue is an economic matter.

CHAIR EGAN said he intended to hold SSSB 51 for another hearing and asked if the committee had questions.

SENATOR MENARD asked if a blind person also had a severe disability would that qualify him to have notification for an available vending facility.

MR. OBERMEYER replied that the phrase "severe disabilities" is being deleted and in her example the blind person would still get priority whether he had other severe disabilities or not.

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PAULA SCAVERA, Legislative Liaison and Special Assistant, Department of Labor and Workforce Development (DOLWD), said that Assistant Attorney General Anmei Goldsmith was on line to answer questions about some legal issues with the bill and Cheryl Walsh was available to discuss the way the program runs now.

CHERYL WALSH, Director, Division of Vocational Rehabilitation, Department of Labor and Workforce Development (DOLWD), said she was available for questions.

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CHAIR EGAN asked that someone from the Department of Law explain the problems they have with the legislation.

TERRY BANNISTER, Attorney, Legislative Legal Services, Legislative Affairs Agency, was the drafter of SB 51 and related that at first she thought it had an equal protection problem, but she found a couple of cases that suggested otherwise, and she didn't think there was an equal protection problem at this time.

ANMEI GOLDSMITH, Assistant Attorney General, Department of Law, said she saw the same equal protection problems under both the federal and the state constitutions, and agreed with Mr. Obermeyer that the scrutiny would probably be at the lowest level because it's about an economic interest. She thought the bill potentially invites a challenge under equal protection or due process, but how the State or the U.S. Supreme Court would deal with such a challenge was impossible for her to say. The state scrutiny would be substantial relationship between means and ends and the federal scrutiny would be rational review.

SENATOR GIESSEL referred to Ms. Bannister's memorandum and said while she initially thought there was an equal protection issue regarding item 1 she had determined there was not. The second question pertains to item number 2 - direct notification of blind persons. Ms. Bannister posed two questions in her memo and she asked what the answers were or if they were to come from the Division of Vocational Rehabilitation.

MS. BANNISTER responded that she had addressed the questions to the Senator and didn't know the answers.

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SENATOR PASKVAN said he understood that both attorneys agree that the equal protection law would be subject to minimal scrutiny under either federal or state analysis and asked if the committee should support the sponsor statement that says the blind are dissimilarly situated compared to other disabled persons in order to potentially survive any legal challenge. He asked if there is an equal protection argument between categories of blind people compared to other disadvantaged persons.

MS. BANNISTER replied that it's always good to state reasons so the meaning is clearer to the court.

[2:21:33 PM](#)

MS. SCAVERA asked Ms. Walsh to explain the existing program.

MS. WALSH said it is a complex program and pointed out that individuals who are blind already have first priority and that is how the program currently operates. She thought a challenge had been made that they don't operate it in that manner, but she didn't know the particulars.

SENATOR PASKVAN asked if blind people should, as an economic matter, continue receiving that first priority.

MS. WALSH replied that she didn't feel comfortable making that decision, because in the programs she administers she represents all people with disabilities. The feds have a priority for the blind on their six properties and state statute allows people with significant disabilities, but blind individuals still have first priority.

SENATOR PASKVAN asked if she understands the support at the federal level for the establishment of that priority.

MS. WALSH replied that the priority goes back to the 1930s when blind people, in particular, had a dissimilar advantage in the economy.

SENATOR MENARD asked if she felt that current statutes are sensitive to the blind.

MS. WALSH replied that she puts forth every effort to make the opportunities available to the blind first. The priority issue sometimes comes up when an individual with a current site wants to take another site because no other blind person wants it, excluding other disabled people who don't have anything available to them. This is where hairs get split about who has first priority, because she limits that individual to his particular site.

SENATOR MENARD said language on page 2, line 22, states the state will provide the training and supervision necessary to enable blind and severely disabled persons to buy the equipment and initial stock necessary to operate vending facilities, and asked if that has a cap. Does the fiscal note reflect any ongoing equipment replacement costs and maybe even technology upgrades?

MS. WALSH replied that the funds for the program come primarily as a set aside that vendors use to feed money back into the program, so the department wouldn't see any additional costs. She explained that the department provides the initial stock and equipment for a site and those generated monies go into the set aside to continue the program.

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SENATOR GIESSEL asked if the list of blind people is available or if it is confidential.

MS. WALSH replied that the division doesn't maintain lists of people, but they know the people they are currently serving and the disabilities that they have. These people work together with their counselors to determine an appropriate vocational goal and sometimes that would include entry into the Business Enterprise Program. Two people are currently in training to become licensed vendors, she said.

Because a client becomes a business owner, she explained, he or she has to have an entrepreneurial spirit and be interested in the types of businesses that are available. Generally those are

espresso stands, snack bars and some larger military dining contracts. It takes a significant period of time to train a person to take over a site and then they compete with people who currently have sites. Someone with more seniority in the program could bid on a site and take it over, giving up their current site and making it available to someone else. So, there is movement within the program.

SENATOR GIESSEL said it seems like section 3(c) and (d) on page 3 say the agency may contact blind persons directly and let them know about this opportunity.

MS. WALSH responded that people who become interested in the program contact her directly. She also works closely with the Alaska Center for the Blind and Visually Impaired that might identify someone who may have an interest or some potential. They don't go and solicit separately from that. The competitions are advertised and people have to be licensed with them already to be eligible to bid on a site.

SENATOR GIESSEL referred to the list of vendors and said one site didn't identify the name of the vendor but mentioned a one-year contract. She asked if all those individuals are blind that qualify under the existing statute.

MS. WALSH replied that just one person on that chart qualifies because he has a severe disability.

SENATOR DAVIS asked if she was referring to the state list or the federal list and how many blind people on the list hold vending licenses.

MS. WALSH answered there are three with the state and one that is currently under a one-year contract at Ft. Richardson, a difficult site to fill because many people need a driver to get there and for other reasons. Sometimes a person that is in the process of being trained to be a vendor has a contract. Sometimes a site has closed because no blind individual wanted it.

SENATOR DAVIS said according to the chart there are a total of 12 sites throughout Alaska and one that is not on it making it a total of 13 sites.

MS. WALSH answered yes.

SENATOR DAVIS asked out of the names listed under Alaska State how many are blind.

MS. WALSH answered all but one.

SENATOR DAVIS said she expected testimony from people who probably won't agree with that. She knew there were some changes in the law that at some point made it more difficult for blind people to be considered at the top of the list because of the addition of other disabled persons. This bill was also expanded to include other sites, which would give more opportunities for not only the blind but any other handicapped person to be able to bid.

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SENATOR DAVIS said she hadn't heard Ms. Walsh say anything necessarily positive about the bill and asked if she thought they were on the right track by expanding the facilities.

MS. WALSH replied that she hadn't heard from anyone about what it means to go into a municipal site or into a school district site and wasn't sure of its implications to the program, but she would be happy to find out. She doesn't oppose the bill, she said, but was here in a neutral position to try and understand the need for it, because they believe that the current statute does give first priority to the blind.

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SENATOR MENARD asked what a "dry stand" means relative to "Bill's Mini-cash" in the Anchorage federal building.

MS. WALSH offered to get more information, but thought it could be where magazines are sold and espresso-type drinks aren't.

[2:37:36 PM](#)

JAMES SWARTZ, Executive Vice President, Alaska Independent Blind, supported SB 51. He said he has been involved in this program since 1983 both as a vendor and director of the program (1992-95). At that time the "severely handicapped" issue came up when a gentleman applied for entrance into the program and was denied. His interpretation of the "severely handicapped" portion of the Chance Act is that it was supposed to be an entirely separate program, and that led to his resignation. But he stated that statute even made provisions for the severely handicapped to have their own committee for active participation in the administration of that program.

He said he believed that clarification of the priority to the blind was needed because it had been recently violated when he, as a current vendor in the program at the Alaska Native Medical Center, applied for another facility that no other blind person had applied for, and a non-blind person whose disability is being dyslexic was awarded that facility over him. He wanted to know how first priority to the blind came into play there.

MR. SWARTZ went on to say that Ms. Walsh commented, "It's splitting hairs," but he thought a better interpretation was needed and that is what this bill does. He explained that the Randolph-Sheppard Act was created in 1936 and the reason for its creation was because a huge group of veterans returned from WWI who suffered blindness caused by exposure to mustard gas. It was created because there were no opportunities to put these people to work. Since that time, all states except Wyoming have adopted this act following the federal act in suit. Only two states have provisions for severely handicapped: Georgia, where it has never been enacted, - and Alaska.

He summarized that the Division of Vocational Rehabilitation was created to find employment opportunities for the handicapped, but there is "a little piece of pie in there that the blind have," and he would like to keep that priority in the program.

SENATOR GIESSEL remarked that he had applied for a second location and as she looks at the list of folks that are vendors, she saw another gentleman with two sites. Yet she heard Ms. Walsh imply that each individual could have only one site and asked Mr. Swartz how many sites he thought an individual could have.

MR. SWARTZ replied nothing in either the federal or state programs limits the number of sites one can have if he has the qualifications to handle them. He added that a "dry stand" sells prepackaged products like magazines, candy bars and sodas.

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LYNNE KORAL, President, Alaska Independent Blind, supported SB 51. She said that 70-80 percent of blind people are unemployed or underemployed. For them that means it's always a recession. People don't see blind people as being capable; their blindness is seen first.

She related that she conducts workshops on abuse against people with disabilities and the worst abuse comes from state and federal institutions because they do not understand what blind

individuals' capabilities are. The biggest employer of the blind and people with disabilities is the federal government, but blind people don't want to be known as the "worthy poor." They want to have the same opportunities and upward mobility that everybody else has. That is why she is starting her own business outside of the program.

SENATOR GIESSEL asked if she knew of a waiting list of blind folks who want these vending sites.

MS. KORAL said she thought there was a list.

[2:47:30 PM](#)

SANDY SANDERSON, Alaska Independent Blind, supported SB 51. He related how a dyslexic person was given a Ft. Richardson National Guard Armory site over two blind persons in 1995. That is why they brought this bill to their legislators.

SENATOR GIESSEL asked if Ms. Walsh could answer two questions: one if there is a waiting list for disabled folk and can an individual have more than one site - as it appears on the list that they can.

MS. WALSH responded that she wasn't aware of a waiting list; but some people are in training at this time. One gentleman has two sites because sometimes it takes two sites to generate a viable income; the state has economic standards, as well.

CHAIR EGAN thanked everyone for their testimony and said SB 51 would be held for further work.

SB 81-PUBLIC RETIREE MED. BENEFITS: DEPENDENTS

[2:51:48 PM](#)

CHAIR EGAN announced SB 81 to be up for consideration.

SENATOR DAVIS, sponsor of SB 81, said she introduced this measure because she felt Alaskan retirees were being treated unfairly when they can't insure their dependent children the same way active employees can under the Affordable Health Care Act that allows dependent children to stay on their parents' insurance until age 26. This bill seeks to correct this inequality.

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TOM OBERMEYER, staff to Senator Davis, said SB 81 requires that dependent coverage for medical benefits in certain state retiree systems be no less than that of active state employees. The state decided to allow active employees to keep dependents through age 26 on their health insurance plans effective July 1, 2011, but specifically excluded the dependents of retirees, citing federal legislation.

MR. OBERMEYER said he asked for a memorandum (in their packet) from the Legislative Legal Services to interpret that language and it states a contrary opinion - that retirees should be in this plan.

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MR. OBERMEYER read the sponsor statement. He said the prior cutoff date for this group was age 23. The state's voluntary change in the active employee medical benefit plan matches the private insurance mandate under the Patient Protection and Affordable Care Act which requires that insurers provide dependent insurance coverage to age 26, effective September 23, 2010. He said that Linda Hall, Director, Division of Insurance, could verify that all insurers in the state have complied with this. Further the statement said:

Although the state is not a regulated state insurance company, but rather a self-insured government employer and exempt from ERISA, it provides medical health benefits for the four retirement systems affected by this bill, including:

1. Public Employees Retirement System (AS 39.30)
2. Teachers' Retirement System (AS 14.25)
3. Retirement System of Justices and Judges (AS 22.25)
4. Elected Public Officers Retirement System (former AS 39.37)

While state health benefit plans are not subject to the federal Employee Retirement Income Security Act of 1974 (ERISA) which establishes minimum standards for pension plans in private industry, they are covered by the Public Health Service Act (PHSA), at least with respect to the dependent coverage provision in the PPACA. Although there is a difference of opinion by the state's Division of Retirement and Benefits and Legislative counsel as to excepting retiree health insurance plan based on Interim Final Ruses under PPACA without a formal court interpretation it s far

easier to require coverage immediately under this bill rather than wait for court action or federal mandate later.

Moreover it is only fair that the state extend medical health benefits to dependents of retirees to age 26 while it covers the same for active employees. The numbers of eligible dependents in retiree plans can be readily identified and actuarial statistics can be generated for this young and relatively health group of dependents.

2:58:44 PM

BOB DOLL, President, Retired Public Employees of Alaska (RPEA), supported SB 81. He explained that each year the RPEA prepares a list of top concerns for the coming legislative session, but this item did not make it to that list. However, he has heard from members about it in unprecedented numbers. Because it was a relatively new topic, he polled members by email in February 2011 to establish some numbers. Of 1050 respondents (68 percent), they determined that 159 retirees had one or more children under 26 years of age. The total number of children was 231; of those, 140 were ages 21-26. They estimated from this sample that about 70 dependents would fall into the age 23-25 ranges. Of those, they also estimate that about one-third would have some other kind of coverage through the military or employment.

MR. DOLL said it appears this coverage is of primary concern to women retirees. In many cases they imagine these women postponed their childbearing until they were well established in their state service and now find themselves retired with children that are still dependents. This group is more concerned because their spouses have passed away or are departed for some other reason. RPEA members know that the issue of cost to the state is involved in any extension of Alaska Care benefits; a majority of them have been supervisors and know what a budget is. They know that most things that are worthwhile have a cost. They also know it's possible to construct a post-retirement health care plan in which the retiree shares some of the cost. They already do that in regard to Dental/Audi/Visual coverage and long term care and life insurance options. So, he urged some similar arrangement for dependents that would take them off Medicare and reduce the cost of that program and yet impose little or no additional cost to the state.

Finally, he asked the committee to think of these dependents as more than just spreadsheet numbers. They are Alaska's next generation and the state of Alaska should have the same concern for them as it has for dependents of active employees to be a part of that bright future that we all seek for Alaska.

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SENATOR PASKVAN asked if the Division of Retirement and Benefits provided a legal opinion to support their position.

MR. DOLL answered no; this is the first time it has been discussed publicly.

[3:04:26 PM](#)

SENATOR GIESSEL asked him to explain what he meant by the retirees being taken off of Medicare.

MR. DOLL replied that he was referring to the dependents that had no medical alternative but to go to Medicaid. He meant Medicaid not Medicare.

[3:05:29 PM](#)

MARIE DARLIN, Legislative Task Force, AARP Juneau, supported SB 81 and for the reasons Mr. Doll stated. She pointed out that this brings more parity between active employees and retirees who kind of get lost in the shuffle. Often retirees are left out with the federal government as well as the state.

This does have an effect because it then makes a difference for some people who are planning retirement, but haven't gotten the letter from the state telling them when they retire their kids up to age 26 won't be included on their medical coverage. She said many people have changed their plans for retiring because they suddenly found out they won't be able to include their children on the medical insurance then. To try and get health care coverage for student children if they can't do it through state is almost prohibitive.

CHAIR EGAN said Dan Wayne from Legislative Legal Service was available to answer questions.

[3:08:39 PM](#)

SENATOR PASKVAN asked if he had received a written legal opinion from the Division of Retirement and Benefits supporting its position.

DAN WAYNE, Department of Law, Juneau, Alaska, replied no.

SENATOR GIESSEL asked for the fiscal note.

SENATOR DAVIS responded that they do have a fiscal note, but the money won't come from the state. Most of the money would come from the retirees' retirement plan. She summarized that SB 81 is an important piece of legislation. The age group they are talking about doesn't require a lot of medical and health treatment. Their coverage won't be that expensive, but if they are left off and have to go to emergency rooms or wherever to get treatment, that state pays later. It will pay less by acting on this bill now.

SENATOR PASKVAN asked if anyone from the Division of Retirement and Benefits was going to appear before the committee to establish a foundation.

CHAIR EGAN replied he would make sure someone from the division would be here.

SENATOR PASKVAN said he wanted to know if they have a position as compared to a legally supported opinion.

MR. OBERMEYER apologized that the fiscal note hadn't been distributed, but as Senator Davis indicated, the increase in cost to provide this additional coverage would be paid from the Retiree Health Trust. His only concern was that Buck Consultants and Wells Fargo put together low, medium and high numbers based on actuarial figures that may not be relevant to this particular population group; SB 81 uses a medium number. He thought the fiscal note needed to be reexamined no matter how the bill is funded. Dan Wayne's memorandum was based on website information.

[3:14:02 PM](#)

JIM PUCKETT, Acting Director, Division of Retirement and Benefits, Department of Administration (DOA), said they had a legal opinion from the Department of Law (DOL) and also from Ike Miller, part of the legal team that provides tax consulting for them. He offered to provide them to the committee if they wanted.

[3:15:05 PM](#)

CHAIR EGAN said the answer is yes and they would schedule SB 81 again in the not too distant future. With that, he adjourned the meeting at 3:15 p.m.