

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 24, 2011

9:03 a.m.

MEMBERS PRESENT

Senator Bill Wielechowski, Chair
Senator Joe Paskvan, Vice Chair
Senator Albert Kookesh
Senator Kevin Meyer
Senator Cathy Giessel

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CONFIRMATION HEARING(S)

Commissioner - Department of Revenue
Bryan Butcher

- CONFIRMATION ADVANCED

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."

- HEARD & HELD

HOUSE CONCURRENT RESOLUTION NO. 6

Proclaiming the month of April 2011 to be Sexual Assault Awareness Month.

- HEARD & HELD

REVIOUS COMMITTEE ACTION

BILL: SB 53

SHORT TITLE: COMMISSION ON THE STATUS OF WOMEN

SPONSOR(S): SENATOR(S) DAVIS

01/19/11	(S)	READ THE FIRST TIME - REFERRALS
01/19/11	(S)	STA, FIN
03/24/11	(S)	STA AT 9:00 AM BUTROVICH 205

BILL: HCR 6

SHORT TITLE: SEXUAL ASSAULT AWARENESS MONTH

SPONSOR(S): REPRESENTATIVE(S) COSTELLO

02/18/11	(H)	READ THE FIRST TIME - REFERRALS
02/18/11	(H)	RLS
02/28/11	(H)	TRANSMITTED TO (S)
02/28/11	(H)	VERSION: HCR 6
03/01/11	(S)	READ THE FIRST TIME - REFERRALS
03/01/11	(S)	STA
03/24/11	(S)	STA AT 9:00 AM BUTROVICH 205

WITNESS REGISTER

CELESTE HODGE, Staff to Senator Bettye Davis

Alaska State Legislature

Juneau, AK

POSITION STATEMENT: Presented SB 53 for sponsor, Senator Bettye Davis.

KATIE HURLEY, representing herself

Anchorage, AK

POSITION STATEMENT: Testified in support of SB 53.

ANNABELLE STEVENS, representing herself

Anchorage, AK

POSITION STATEMENT: Testified in support of SB 53.

CAREN ROBINSON

Alaska Women's Lobby

Juneau, AK

POSITION STATEMENT: Testified in support of SB 53.

MARIE DARLIN

American Association of Retired Persons

Juneau, AK

POSITION STATEMENT: Testified in support of SB 53.

ARLENE SUZANNE SMALLEY, representing herself

Anchorage, AK

POSITION STATEMENT: Testified in support of SB 53.

REGINA MANTEUFEL

Back to Work Network

Anchorage, AK

POSITION STATEMENT: Testified in support of SB 53.

YVONNE GUTIERREZ, representing herself
Anchorage, AK

POSITION STATEMENT: Testified in support of SB 53.

JOY GREEN-ARMSTRONG, representing herself
Anchorage, AK

POSITION STATEMENT: Testified in support of SB 53.

HATTIE GARDNER, Past President
Alaska Business and Professional Women
Anchorage, AK

POSITION STATEMENT: Testified in support of SB 53.

KATHY DIETRICH
Alaska Works Partnership
Fairbanks, AK

POSITION STATEMENT: Testified in support of SB 53.

PORTIA WU, Vice President
National Partnership for Women and Families
Washington, DC

POSITION STATEMENT: Testified in support of SB 53.

KAREN TARR, Chair
Anchorage Women's Commission
Anchorage, AK

POSITION STATEMENT: Testified in support of SB 53.

CLOVER SIMON
Planned Parenthood of the Great Northwest
Juneau, AK

POSITION STATEMENT: Testified in support of SB 53.

REPRESENTATIVE MIA COSTELLO
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Sponsor of HCR 6.

RICK SVOBODNY, Deputy Attorney General
Criminal Division
Department of Law
Juneau, AK

POSITION STATEMENT: Testified in support of HCR 6.

PEGGY BROWN, Executive Director

Alaska Network on Domestic Violence
Anchorage, AK

POSITION STATEMENT: Testified in support of HCR 6.

BRYAN BUTCHER, Commissioner Designee
Department of Revenue
Juneau, AK

POSITION STATEMENT: Explained his background and answered questions from committee members.

ACTION NARRATIVE

[9:03:34 AM](#)

CHAIR BILL WIELECHOWSKI called the Senate State Affairs Standing Committee meeting to order at 9:03 a.m. Present at the call to order were Senators Paskvan, Giessel, Meyer, Kookesh, and Chair Wielechowski.

SB 53-COMMISSION ON THE STATUS OF WOMEN

[9:03:53 AM](#)

CHAIR WIELECHOWSKI announced the first order of business would be SB 53, an act reestablishing the Commission on the Status of Women.

CELESTE HODGE, staff to Senator Bettye Davis, provided an overview of SB 53. She said the Alaska Commission on the Status of Women was originally created in 1978, renewed and renamed to the Alaska Women's Commission in 1983, then combined with the Alaska Human Relations Commission in 1993. The Alaska Human Relations Commission has never been funded and was declared inactive in 1996.

Staggering statistics for women in Alaska show the need to reestablish the commission, to exclusively focus on major issues facing women. Alaska has the highest rates of sexual assault and domestic violence in the nation. Poverty rates for unmarried female householders with children are particularly high, and have consistently been two or three times as high as overall male and female poverty rates. Survey data shows that of 26,518 families in Alaska with a female head of household, 22.6 percent live below the poverty level.

The gender wage gap persists in Alaska; in 2009 Alaskan women on average earned only 66.6 percent of what men earned. Although more women than men in Alaska hold a bachelor's degree or higher, data shows that men's median annual earnings are higher

in every education level. Alaskan women also experience health care disparities.

Reestablishing the Alaska Commission on the Status of Women will help Alaskans focus on these critical areas. If we sincerely care about the women and children in this state, we must do more to deal with these staggering statistics. Throughout the commission's existence, it conducted many public hearings and trainings, developed manuals, conducted research, and provided opportunities in the areas of education, homemaking, civil and legal rights, and labor and employment.

The commission developed a comprehensive statewide plan and made recommendations to enhance the quality of life for women and children. Alaska has an opportunity to once again show we sincerely care about the women in this state. We need innovative, forward thinking in a commission that exclusively concentrates on improving the status of women in Alaska.

[9:07:56 AM](#)

CHAIR WIELECHOWSKI asked if Ms. Hodge could walk the committee through the bill.

MS. HODGE responded the bill creates the Alaska Commission on the Status of Women, consisting of two members of the executive branch and seven public members, all appointed by the governor. The appointments are to be nondiscriminatory and nonpartisan. The bill further sets out terms of office, powers and duties of the commission, and provides for staggered terms of office for the members.

CHAIR WIELECHOWSKI asked if the commission would have staff.

MS. HODGE replied they hope that staff would be provided, because there is a lot of work involved. For the commission to be successful requires a staff.

SENATOR MEYER asked if this would return to the commission as it existed when it was terminated.

MS. HODGE affirmed that it would.

SENATOR MEYER asked if there was fiscal note.

MS. HODGE answered she had a fiscal note from 2009 with travel costs, per diem, and a three person staff.

CHAIR WIELECHOWSKI said the committee had not yet received the fiscal note for this bill, but noted that the bill has a Finance referral.

[9:11:26 AM](#)

SENATOR MEYER asked why the six year limit.

MS. HODGE answered she was not sure, but the membership has staggered terms.

[9:12:14 AM](#)

CHAIR WIELECHOWSKI opened public testimony. Due to time constraints, he asked witnesses to limit their testimony to three minutes each.

KATIE HURLEY, former Executive Director of the Alaska Women's Commission, said she served in that position for three years. The seven public members appointed by the governor were all outstanding women. She hired new staff and they worked as a team; their biggest achievement was a statewide conference in Anchorage attended by 1,000 women.

ANNABELLE STEVENS, Anchorage, said the commission was established in 1978 to address the status and to achieve equal legal, economic, social, and political status for women. The Human Relations Commission never got funded, so the Women's Commission faded away. More women are in the workplace today but the wage gap has not changed. Women in Alaska still earn 66.6 cents on the dollar compared to men, on average. Significant differences exist between rural and urban Alaska. It is time to step up and reinstate the women's commission.

[9:15:54 AM](#)

CAREN ROBINSON, Alaska Women's Lobby, said the lobby strongly supports reestablishment of the commission. A recent report by President Obama says that while the population of men and women is aging, women outnumber men at older ages and are more likely to be in poverty. Gains in education for women outpace men. The labor force participation rate for women has held steady in recent years. Those are national statistics; reestablishing the commission would enable us to research those issues in Alaska.

[9:19:18 AM](#)

MARIE DARLIN, representing the American Association of Retired Persons (AARP) said they had provided a letter of support. The women's initiative of AARP was active in the late 1980s and early 1990s, but has since moved on to other issues. It is

interesting to note that 25 years ago women made 59 percent of what men did. So 66 percent shows some improvement but we still have a long way to go. AARP has always supported women's commissions in the different states and will continue to do so.

[9:21:13 AM](#)

ARLENE SUZANNE SMALLEY, Kenai, said she served on the Women's Commission until 1990; during that time she was primarily a homemaker, mother of two boys, wife, and volunteer. Twenty years later she is a grandmother and a volunteer at Highland Mountain Women's Prison and other agencies. Now that she is a senior citizen, she looks at the commission from a different perspective. This goes along with the domestic violence focus of Governor Parnell. The commission is really critical for young women today, because the culture of violence is negatively affecting young women.

[9:24:00 AM](#)

REGINA MANTEUFEL, Back to Work Network, said her parolee conferences provide women with interview outfits, makeup, proper shoes, plus psychological and career guidance. Dress for Success has been successful, but lacks funding. Because of Department of Labor (DOL) definitions the money does not trickle down. Teenage girls need to be adequately dressed for school. For example, if a girl does not have proper tennis shoes she may not show up for PE. Then her GPA goes down, which makes it harder for her to advance out of poverty. She has run a rooming house in Fairview for 26 years. When pregnant girls drop out of school, there is not enough of a safety net for them.

[9:28:04 AM](#)

YVONNE GUTIERREZ, representing herself, said she is a community volunteer in Anchorage, and testified in support of SB 5. She is also a civil rights investigator. The commission could monitor the status of sexual assaults against women, domestic violence, employment status, affirmative action, sexual harassment in the workplace, and access to health care for women.

[9:30:16 AM](#)

JOY GREEN-ARMSTRONG said she is a former member of the commission and a former chair. The state benefitted greatly from the commission in the past. At that time they looked at the family law system and inequities within the court system, violence against women, education, and day care. She would like to see the commission take up where it left off. She was on the commission when it sunset. As an assistant District Attorney she

saw much domestic violence. If the commission was reestablished it could help to get more women judges on the bench.

[9:32:42 AM](#)

HATTIE GARDNER, past state president of the Alaska Federation of Business and Professional Women (BPW), testified in support of SB 5. She is the mother of four daughters and has been in the workplace for over 50 years. Women are still the major caregivers in the family; many of them are also wage earners. Women on average earn substantially less than men in the workplace. She said Alaska need an agency to track and report on these injustices. It is a shame that Alaska leads the nation in the area of violence against women. The Alaska BPW has sponsored a fly-in to the legislature for many years. They have always had a legislative arm, and are still in support of the Alaska Commission on the Status of Women.

[9:36:57 AM](#)

KATHY DIETRICH, Fairbanks, Alaska Works Partnership, said she runs a program designed to help prepare women for work in nontraditional employment. Women are extremely underrepresented in the trades. The commission would benefit women in Alaska by focusing attention on the need for training and opportunities for women.

[9:39:08 AM](#)

PORTIA WU, Vice President, National Partnership for Women and Families, a nonpartisan advocacy institute based in Washington, D.C., said the status of women in employment has changed dramatically in recent years. Women's earnings are now critical to working families; 40 percent of working mothers are bringing home over 50 percent of the income in their households. Women are the majority of college degree holders in the country, including advanced degrees. Despite these trends, women are still paid far less on average than men.

[9:41:32 AM](#)

KAREN TARR, Chair, Anchorage Women's Commission, said they are busy in Anchorage trying to deal with these issues and could use support from around the state.

[9:41:58 AM](#)

CLOVER SIMON, Planned Parenthood of the Greater Northwest, said Planned Parenthood is the main advocate for family planning in the state. Family planning makes life better for families, women, and children. The voice for family planning in Alaska is

often lost; the commission could be a noncontroversial voice supporting health care access and family planning access.

CHAIR WIELECHOWSKI closed public testimony and set SB 53 aside.

HCR 6-SEXUAL ASSAULT AWARENESS MONTH

[9:43:14 AM](#)

CHAIR WIELECHOWSKI announced the next order of business would be HCR 6, proclaiming the month of April as Sexual Assault Awareness Month.

REPRESENTATIVE MIA COSTELLO, sponsor of HCR 6, said this resolution declares the month of April 2011 in Alaska to be Sexual Assault Awareness Month. Every year since 2007, the legislature has declared a month to be Sexual Assault Awareness Month.

There are alarming statistics surrounding sexual assault in Alaska; one in three women, one in four girls, one in four boys, and one man out of every 11 will be a victim of sexual assault in their lifetimes. This resolution intends to provide heightened awareness around this issue; it allows service providers to focus on the issue for one month.

[9:45:30 AM](#)

CHAIR WIELECHOWSKI opened public testimony, and asked that witnesses limit their testimony to two minutes.

[9:45:49 AM](#)

RICK SVOBODNY, Deputy Attorney General, Criminal Division, Department of Law (DOL), said he speaks for the administration throughout all departments in strong support of HCR 6. He had prepared remarks but said the chair and the sponsor had already referred to them. The more awareness we have about this problem, the more likely we will be able to solve it. DOL plays just one small part of the puzzle in fixing this problem; their part is holding offenders accountable. Resolution of the problem requires a holistic approach to changing the culture. This is similar to drunk driving or smoking. We made cultural changes in these areas, and we can do the same with sexual assault.

[9:47:33 AM](#)]

CHAIR WIELECHOWSKI asked if the administration supports the reestablishment of the Alaska Women's Commission.

MR. SVOBODNY said he did not know.

CHAIR WIELECHOWSKI asked if he could have that information available for the next meeting.

[9:47:58 AM](#)

PEGGY BROWN, Executive Director, Alaska Network on Domestic Violence and Sexual Assault, said we stand on the shoulders of the women who testified previously. Domestic violence and sexual assault are difficult issues to talk about. There is a common public misperception about how sexual assault plays out in our state. This contributes to the shame and stigma and victim blaming that happens. People don't want to believe perpetrators could be someone within their own circle of family and friends; this is something people don't want to deal with.

Ten percent of high school students in Alaska have experienced some type of sexual violence in their lives. Last year in Alaska, 10,600 adult women were victims of sexual violence. Alaska needs to make sure that we are publicly educating people and allowing space to talk about this issue.

[9:50:26 AM](#)

CHAIR WIELECHOWSKI closed public testimony and set HCR 6 aside for future hearing.

#

[9:51:46 AM](#)

At-ease from 9:51 to 9:52 a.m.

**CONFIRMATION HEARING(S)
Commissioner of Revenue**

[9:52:24 AM](#)

CHAIR WIELECHOWSKI announced the next order of business would be the confirmation hearing for Department of Revenue Commissioner Designee Bryan Butcher.

BRYAN BUTCHER, Commissioner Designee, Department of Revenue (DOR), said he would begin by talking about his background. His grandfather worked on the Alaska Highway; as a new law school graduate, he made his home in Anchorage. In the late 1960s he was appointed as a superior court judge, and was the first family court judge in the state. His grandfather told him, "You want to do something for the public good." He took that to heart.

COMMISSIONER DESIGNEE BUTCHER said he was the Director of Governmental Relations and Public Affairs for the Alaska Housing Finance Corporation (AHFC) for the last eight years and in a dual role he was also the Vice President of the Alaska Gasline Development Corporation (AGDC) since 2010. In 2009 he served as a special assistant on economic development issues for Governor Parnell. He also served as a member of former Governor Palin's gasline team. Before joining AHFC, he worked for the Alaska State Legislature as a Finance Committee Aide for 12 years. A lifelong Alaskan born and raised in Anchorage, he said he holds a Bachelor of Science degree from the University of Oregon.

[10:01:42 AM](#)

CHAIR WIELECHOWSKI asked about how much total savings the state has in its various accounts.

COMMISSIONER DESIGNEE BUTCHER replied the state has a little over ten billion dollars in the Constitutional Budget Reserve (CBR); adding all other funds the savings totals between twelve and fourteen billion.

CHAIR WIELECHOWSKI said there has been talk about how Alaska should manage its savings and asked what his philosophy was.

COMMISSIONER DESIGNEE BUTCHER responded his personal philosophy is that this is very much the people's money. For that reason, he takes a more conservative view towards investment. At one time the CBR balance was very low, and things had to be invested very conservatively. Now we have more reserves available and some can be invested on a longer-term basis.

SENATOR MEYER said his concern is that 85 percent of state revenue comes from one source, which is declining, and asked what Commissioner Designee Butcher sees as the solution.

COMMISSIONER DESIGNEE BUTCHER answered the solution is trying to generate more production through the Trans Alaska Pipeline. Diversification of our economy is also important; tourism is doing better. But generating more revenue will take more than just a tax bill. The Department of Transportation is working on roads to resources, areas of potential exploration that are lacking infrastructure; the state can help open up those fields. The Department of Natural Resources (DNR) is revisiting the permitting process. The Department of Law is dealing with federal issues.

CHAIR WIELECHOWSKI asked him to speak about the Permanent Fund in terms of his personal philosophy.

10:07:32 AM

COMMISSIONER DESIGNEE BUTCHER said he is looking forward to getting more involved with Permanent Fund management. They are looking more at emerging markets, and active management compared to passive. He generally agrees with the direction they are going. Ideally it would remain something that continues to pay dividends and grow over time.

10:08:53 AM

CHAIR WIELECHOWSKI asked him to talk about the status of the state's retirement system. He noted Alaska is ranked in the bottom one third of all states for funding pensions. By 2008 the system was only 3/4 funded. He asked what the current status of the pension fund is.

COMMISSIONER DESIGNEE BUTCHER said that right now we have 10 billion dollars in unfunded liability. However, in looking at the numbers it is important to realize that Alaska is one of the few states that include potential health care costs as part of evaluating liability. This is a positive. The unfunded liability is a concern and he is interested in seeing what the actuaries' assumptions are. He said until we understand those, we don't have a good picture.

10:11:06 AM

CHAIR WIELECHOWSKI said a constituent had complained about the six month review process on a petition to modify a child support order. He asked if the Office of Child Support Services is adequately staffed and functioning.

COMMISSIONER DESIGNEE BUTCHER said it appears that they are doing better than they were a few years ago. It is a difficult issue and he will be looking at it. Child Support Services needs to have the highest staffing level possible.

SENATOR PASKVAN said one of first reports the members received at the start of session was the January 18, 2011 report from DOR which dealt with information processing in the state. He asked if Commissioner Designee Butcher could comment on information processing and knowledge gaps, especially with regard to information necessary to understand the oil and gas tax structure.

10:14:10 AM

COMMISSIONER DESIGNEE BUTCHER said he first thought the lack of information was a result of statutory limitations, but he soon realized it is a regulatory issue. The department had not put into regulation that industry must break the numbers down. There is a workshop type process of working with the oil industry, working through regulations to make sure the state gets everything it needs. He will include the legislature in that process. This is not just a DOR issue; policymakers need the information also. The tax division will focus on that issue.

Regarding the need for a new database, this issue needs to be dealt with. It is in this year's budget to do a study of what the state needs and an estimate on what it will cost. There are situations in state government where agencies say they need a database; then the next year they need more money. DOR will be pushing the issue forward, and the Department of Administration is putting together a broader view of what needs to be done in all of state government. A database that provides information on oil and gas revenue would pay for itself.

[10:16:59 AM](#)

SENATOR PASKVAN said that same report also addresses capital expenditures. Alaska has a credit structure connected with oil industry capital expenditures. Without understanding if the current ones are working, it is difficult to direct policy.

COMMISSIONER DESIGNEE BUTCHER agreed.

[10:18:17 AM](#)

CHAIR WIELECHOWSKI noted this is not a new issue. In 2007 a presentation by Gaffney and Klein talked about oil and gas reporting and disclosure in selected countries. Alaska is missing the data it needs to properly manage its resources. Other countries are vastly ahead of Alaska on this issue. On February 11, 2011, a presentation by the administration's consultant again stated that Alaska is handicapped by the small amount of reliable data on energy operations.

As we move forward on the issue of oil taxes, the issue of data transparency keeps coming back. His office has requested information on data gaps. They still have not received this after five weeks. It is very difficult to go into this debate without knowing where the gaps are. It is critical to have that information.

[10:20:58 AM](#)

COMMISSIONER DESIGNEE BUTCHER responded that DOR had provided some information, but if it is not what was wanted he will sit down with DNR and obtain more information. His intention is to also sit down with the industry and get more information from them.

CHAIR WIELECHOWSKI said the gap information is what they need--analysis of where the gaps lie. They need to know what the internal rates of return are on various fields that are not currently producing. That would be helpful information. Net present value would also be helpful. This was done during the ACES debate. Alaska is handicapped by not having the information. The more data they have, the better policymakers the legislature can be.

COMMISSIONER DESIGNEE BUTCHER said he agreed.

[10:23:34 AM](#)

CHAIR WIELECHOWSKI asked about AGIA.

COMMISSIONER DESIGNEE BUTCHER said he was aware that AGIA looks different in 2011 than it did in 2007. The issues with shale gas are being looked at, and a shift to natural gas is under discussion. The state still has not received information from the Trans Canada and Denali projects. We know they received bids but we don't have all information. The sooner we have it the better. There is still a possibility that AGIA can be a reasonable project.

CHAIR WIELECHOWSKI said that Japan was previously planning nine new nuclear plants, and asked if Commissioner Designee Butcher had any opinion about whether the recent nuclear crisis changed the natural gas future.

[10:25:30 AM](#)

COMMISSIONER DESIGNEE BUTCHER said he thought natural gas probably would be used more, since use of nuclear energy seems more problematic. We still don't know how the issue in Japan will resolve.

In working on the Alaska Gasline Development Corporation and discussing Alaska with companies not familiar with the state, he learned that many of them have different perspectives about our state. There is not a consensus from the companies; they are all over the board. Some think there will be a huge conversion to natural gas. Some say what is coming up with shale will work for the next 10 years, but looking to 2020 and beyond we need more

natural gas capacity. Others say no; shale oil is another factor.

10:27:54 AM

CHAIR WIELECHOWSKI asked about levers other than lowering taxes that can help Alaska increase production on the North Slope.

COMMISSIONER DESIGNEE BUTCHER responded that DOR and other departments had recently started meeting to have conversations on this issue. All departments are going in the same direction. Nothing has come out so far but they are optimistic. The administration feels we need to be much more aggressive in promoting Alaska. DNR and DOR shared a booth at an industry conference in February to promote Alaska. Everyone agrees that more needs to be done.

SENATOR PASKVAN asked about the issue of the shale gas revolution and its effect on the price of natural gas. Alaska's tax structure is based on pricing that no longer exists. He asked about Commissioner Designee Butcher's thoughts on the tax structure given that those previous beliefs are no longer valid.

10:30:46 AM

COMMISSIONER DESIGNEE BUTCHER said he is interested in looking at the issue. It is amazing how quickly the environment changes. On the negative side, we see the closing of the Gas-To-Liquids (GTL) plant in Nikiski. When there was a connection between oil and gas, the plant was very profitable. On the positive side, GTL is now being looked at for potential development.

10:32:15 AM

CHAIR WIELECHOWSKI asked if Commissioner Designee Butcher could get the data gap information to his office as quickly as possible. He stated that once he received that information, he would entertain a motion to forward Commissioner Designee Butcher's confirmation.

There being no further business to come before the committee, he adjourned the meeting at 10:33 a.m.