



# Alaska State Legislature Legislative Council Minutes

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ALASKA STATE LEGISLATURE  
LEGISLATIVE COUNCIL  
JANUARY 30, 2014  
11:05 AM

## **MEMBERS PRESENT**

Representative Mike Hawker, Chair  
Senator Peter Micciche, Vice Chair  
Representative Max Gruenberg  
Representative Craig Johnson  
Representative Bill Stoltze  
Representative Peggy Wilson  
Senator John Coghill  
Senator Mike Dunleavy  
Senator Dennis Egan  
Senator Charlie Huggins  
Senator Kevin Meyer  
Senator Gary Stevens

## **MEMBERS ABSENT**

Representative Mike Chenault  
Representative Lance Pruitt

## **OTHER MEMBERS PRESENT**

Representative Les Gara

## **AGENDA**

APPROVAL OF MINUTES  
RATIFICATION OF CHARITY EVENTS  
OTHER COMMITTEE BUSINESS

## **SPEAKER REGISTER**

Kathryn Kurtz, Revisor of Statutes, Legislative Affairs Agency  
Lisa Kirsch, Assistant Revisor of Statutes, Legislative Affairs Agency  
Pam Varni, Executive Director, Legislative Affairs Agency  
Jessica Geary, Finance Director, Legislative Affairs Agency

11:05:19 AM

**I. CHAIR MIKE HAWKER** called the Legislative Council meeting to order at 11:05 a.m. in room 532 of the State Capitol. Present at the call were Representative Hawker; Senators Micciche, Coghill, Dunleavy, Egan, Huggins, Meyer, and Stevens. Chair Hawker noted that the House of Representatives was still in legislative session which is why the other House members were not present.

**II. APPROVAL OF MINUTES**

**a. November 21, 2013**

**b. December 18, 2013**

11:07:00 AM

VICE CHAIR MICCICHE moved that the minutes from the Legislative Council meetings on November 21, 2013 and December 18, 2013 be approved.

The motion passed with no objections.

11:07:28 AM

CHAIR HAWKER stated for the record that Representatives Johnson and Gruenberg joined the meeting at this time.

**III. RATIFICATION OF CHARITABLE EVENTS**

**a. Alaska Governors Awards for the Arts & Humanities Reception benefitting the Alaska Arts and Culture Foundation.**

**b. Tináa Art Auction benefitting the Sealaska Heritage Institute.**

**c. 2014 Fahrenkamp-Kelly Classic Putting Tournament benefitting the Armed Services YMCA and the Bartlett Foundation.**

**d. Girl Scout Annual Auction and Fundraiser benefitting the Girl Scouts of Alaska.**

CHAIR HAWKER said his staff and he have verified that all of the events being ratified today benefit 501(c)(3) organizations in good standing, the requirement for approval.

Chair Hawker noted that Representative Austerman, Council alternate, had joined the meeting; as there were enough members to form a quorum, Representative Austerman would not be voting.

11:08:34 AM

VICE CHAIR MICCICHE moved that Legislative Council ratify the following charity events, which were previously sanctioned by the Legislative Council Chair in accordance with AS 24.60.080(a)(2)(b):

- a. Alaska Governors Awards for the Arts & Humanities Reception benefitting the Alaska Arts and Culture Foundation.
- b. Tináa Art Auction benefitting the Sealaska Heritage Institute.
- c. 2014 Fahrenkamp-Kelly Classic Putting Tournament benefitting the Armed Services YMCA and the Bartlett Foundation.
- d. Girl Scout Annual Auction and Fundraiser benefitting the Girl Scouts of Alaska.

The motion passed with no objections.

CHAIR HAWKER stated for the record that Representative Stoltze arrived prior to the making of the motion.

#### **IV. OTHER COMMITTEE BUSINESS**

##### **a. 2014 Revisor's Bill Approval**

CHAIR HAWKER said this item was a ministerial process for Council to approve the annual Revisor's Bill and pass it on to the House Rules Committee. He pointed out that there was a small issue with the "U" version that was distributed earlier and he was just handed an "N" version, which has one minor change from the previously distributed "U" version. He asked Kathryn Kurtz and Lisa Kirsch to briefly testify about this item, and to specifically address the change between the "U" and the "N" versions of the bill.

KATHRYN KURTZ, Revisor of Statutes, introduced Lisa Kirsch, the new Assistant Revisor, who would be presenting the bill.

LISA KIRSCH, Assistant Revisor of Statutes, said the Revisor's Bill is designed to improve the statutes and correct and remove any deficiencies, conflicts, or obsolete provisions.

CHAIR HAWKER requested, with the concurrence of the committee, that Ms. Kirsch limit her comments to explaining the difference between the two versions ("U" and "N"). He noted that the bill itself will be entered into the record as will the sectional summary.

Representative Peggy Wilson joined the meeting at this time.

MS. KIRSCH said the difference between the "U" version and the "N" version appears in section 15, on page 9, line 20. The words "but not limited to" appear in brackets and all caps in the "N" version, which means they will be deleted. This deletion was not present in the "U" version. There is a statutory section in Title 1 which assumes that if the word "including" is present, the language "but not limited to" is

there as well, so it's superfluous language. That is the only change between the "U" version and the "N" version.

CHAIR HAWKER asked Ms. Kirsch if it would be fair to characterize the difference between the two bills as a very simple oversight in the first bill. She agreed that was so.

REPRESENTATIVE GRUENBERG noted there was a time before the statute was enacted that it was routine to use the language "but not limited to." He said he assumed at some point the Revisors have gone through and eliminated that language everywhere else in the statute.

MS. KIRSCH responded that they certainly have tried to. Occasionally, they find older places where it occurred, but in current drafting they try to catch it and prevent it from going into the statute.

[11:14:30 AM](#)

VICE CHAIR MICCICHE moved that Legislative Council approve the 2013 Revisor's bill version 28-LS0904\N and request the House Rules Committee to introduce it.

The motion passed with no objections.

#### **b. FY 13 Legislature Audit**

CHAIR HAWKER said there would be no motion necessary for this item. It is time for the annual audit report of the State of Alaska Legislature conducted by external auditors. Ms. Varni is here to formally present that Audit.

MS. VARNI, Executive Director of Legislative Affairs Agency, said per statute all expenditures made by the Legislature are subject to an annual independent audit. This is the last year with Elgee, Rehfeld, Mertz LLC; the Agency will be going out to bid for an independent audit for the next three years. The total amount per year for this audit is \$18,250. It is a clean audit and there are no audit exceptions. She said she would be glad to answer any questions for the committee.

CHAIR HAWKER emphasized that the committee had in front of them the management letter, which is titled "Letter to the Members of the Legislative Council and the Legislative Budget and Audit Committee," in which there were no significant findings of merit, as well as the Audit Report itself which had on page one what is known as a "clean opinion." This means everything is fairly, in all material respects, presented.

The committee had no questions about the Audit Report.

**c. Late Travel and Per Diem Requests**

CHAIR HAWKER said the next item is a Late Travel and Per Diem Request from Representative Gara for travel that commenced February 15 and 23, 2013.

REPRESENTATIVE LES GARA, District 18, said that this travel was for two trips that are normally paid for with legislative funds. They were constituent trips; one was the Anchorage Caucus and one was an annual constituent get-together. He said, like most of you, we assume that the tickets that we give end up somewhere and the reimbursement comes, but he was not informed until December that the boarding passes that should have gone with those plane tickets were not submitted.

He said, in the interest of full disclosure, that with the way the office accounts worked last year, we received a certain amount of money. He did not spend all that money and intends to return the remainder of the money not spent on office-related expenses back to the general fund. He said he is requesting reimbursement for the travel, but on the other hand, it will probably go back to the general fund. He said he was happy with whatever the committee decides and these are expenses that should have been reimbursed; however, he probably made a mistake in not submitting the boarding passes on time.

CHAIR HAWKER asked if Jessica Geary, Finance Manager of Legislative Affairs, would please come forward to speak to this item. He noted that it is customary to get the assurance from LAA that all is in order supporting such a request.

JESSICA GEARY, Finance Manager for Legislative Affairs, said that she has reviewed the documents submitted by Representative Gara and everything is in order; the receipts match up with the claim.

SENATOR MEYER asked if it was necessary to keep the boarding passes and submit them.

MS. GEARY responded that her understanding was that the paperwork was turned in to Representative Kerttula's office but was not received by the Accounting office within the allotted time.

SENATOR MEYER wanted to know if it was necessary to turn in boarding passes if the reservations are made through LAA and if

the requirement was different when the reservations are self-made.

MS. GEARY said the boarding passes should accompany the final travel paperwork. If there is no boarding pass, such as if an electronic boarding pass is used, then a simple statement as to that fact is acceptable to certify travel was completed. In this particular case, Representative Gara purchased his own airline tickets, so Accounting did not have any record or receive any paperwork for that travel.

SENATOR MEYER further asked how it worked if the reservations were made through Accounting and for some reason the planes were not flying; did Accounting get reimbursed for that travel?

MS. GEARY, in response to additional comments by Senator Meyer, assured him that if the travel does not take place for any reason, Accounting may change the dates of travel or request a refund for any ticket purchased by Accounting on behalf of a Legislator or legislative staff.

SENATE PRESIDENT HUGGINS, addressing Representative Gara directly, said that while they certainly don't agree politically, he considers him a friend. It seems like this is a waste of time if the funds will be going back to the treasury anyway. If Representative Gara wants the money, he said he was willing to support him, but if it's going back to the treasury anyway, this is wasting the committee's time.

REPRESENTATIVE GARA said that's why he made the disclosure. He does not have any office expenses he can spend that money on. If the committee decides that it's just money going from one pot to another pot, that's totally fine and he can accept that. It doesn't cause any major harm. His office didn't learn until December that some documents were missing for the February travel claims.

CHAIR HAWKER said this disclosure was new to him as the Chair, and it was not brought forward when this travel request was brought to his office. He asked if it was the intent that this money would make a full circle from Legislative Council to Representative Gara and back to the treasury.

REPRESENTATIVE GARA said yes; that he thinks legally, he can only spend that money on office expenses and he doesn't have any additional office expenses.

CHAIR HAWKER said that would color his opinion on the item that he brought forward today.

REPRESENTATIVE STOLTZE said he supports Representative Gara's request. He said Representative Gara has actually been more thorough in coming before the committee than just about any other late requests received. Whatever personal decision that he makes, the way that previous office account was constructed, one paid taxes on it, he may have reasons for doing it. He said he would not begrudge Representative Gara's personal reasons returning funds to the treasury. It's up to Representative Gara and what he decides to do with that with respect to the way the previous office account was constructed. It's certainly much cleaner now with Chairman Hawker's motion which the committee adopted unanimously. It's Representative Gara's personal decision and he isn't sure it's any of the committee's business or even relevant to the discussion on the late request.

VICE CHAIR MICCICHE, addressing Representative Gara directly, said he personally likes him very much and this isn't a personal comment. He said he was not in support of the past method of office accounts; he struggled with it as well. He said he's not aware of a way to return unspent funds. It was his first year in office last year and it, of course, cost more to set up a new office, but he has some funds he'd like to return. He said he does have to agree that there is a sense of grand-standing in this disclosure and it is a waste of staff time for these funds to make a circle. He respects Representative Gara's opinion to do that. He said if there is a method of returning unspent funds, he'd like to learn about it.

CHAIR HAWKER asked Ms. Geary if she would prepare a response to the question of the possibility of returning unspent office funds that can then be distributed to all Legislators. Ms. Geary agreed to do so.

CHAIR HAWKER said he wanted to emphasize that Representative Gara's actions before this committee in no way prejudice any Legislator who does not return any unspent, unaccounted money that was legally, legitimately, and appropriately given to them last year by the vote of this committee, before he became Chairman. He noted that Representative Gara was nodding his head, and asked for a statement on the record.

REPRESENTATIVE GARA said everyone in this building followed the rules. He agrees with Representative Hawker's point and his personal view is that the money should go back to the general fund if he can't spend it. He will accept whatever decision the committee makes.

REPRESENTATIVE GRUENBERG asked for permission to dialogue.

CHAIR HAWKER agreed and asked that it not be a long dialogue.

REPRESENTATIVE GRUENBERG said one transaction occurred in the last calendar year and the reimbursement will occur in this calendar year. The decision whether to turn the money back that he's receiving now will not necessarily be made until much later in the year. He may say that this is his intent now but something could come up that could change his mind and therefore there's a significant difference. He then asked Representative Gara, with the Chair's permission, if it was correct that it will be in two different years and something could change his mind.

REPRESENTATIVE GARA responded that the funds were granted last year, they were not spent, so what he has leftover is what he will give to the general fund. He was just waiting to see if these travel funds get reimbursed and he personally feels more comfortable putting them back in the general fund. He said he totally understands that everybody else can do whatever within the law was that was in place.

SENATE PRESIDENT HUGGINS asked the Chair to call for the question.

11:30:58 AM

VICE CHAIR MICCICHE moved that Legislative Council approve the following late travel and per diem claims for travel commencing on the following dates: Representative Les Gara for travel commencing February 15 and February 23, 2013.

CHAIR HAWKER objected for the purpose of a roll call.

A roll call vote was taken.

YEAS: Gruenberg, Johnson, Stoltze, P. Wilson, Coghill,  
Dunleavy, Egan, Stevens, Micciche

NAYS: Huggins, Meyer, Hawker

The motion to approve the late travel and per diem request passed 9-3.

SENATE PRESIDENT HUGGINS said he would encourage LAA to familiarize members and their staff with any new accounting procedures as soon as possible. He said he celebrates the new process but is not sure everybody is as familiar with what that new process will be.

CHAIR HAWKER said that his office had just concluded going through and revising the original draft allowance policy that was distributed to everyone at the beginning of session. He asked Ms. Geary when that would be going out to staff.

MS. GEARY replied that she planned to distribute it this afternoon.

CHAIR HAWKER commended Juli Lucky of his staff and Ms. Geary for working with him to address issues identified by other members in the original draft policy discussed earlier. The formal policy will be distributed shortly. He asked everyone present, particularly on the Senate side, to bring to his attention any issues in those policies that don't make sense or that they don't understand, so that the policy can continue to evolve into a workable document for the Legislature.

There being no further business before the committee, the Legislative Council meeting was adjourned at 11:35 a.m.

[11:33:47 AM](#)