

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

February 20, 2014

9:04 a.m.

MEMBERS PRESENT

Senator Fred Dyson, Chair
Senator Cathy Giessel, Vice Chair
Senator John Coghill
Senator Bill Wielechowski

MEMBERS ABSENT

Senator Bert Stedman

COMMITTEE CALENDAR

SENATE BILL NO. 145

"An Act relating to the Teachers' Retirement System, the Judicial Retirement System, and the Public Employees' Retirement System for qualified military service; relating to the definition of 'veteran' for purposes of housing, eligibility for veterans' loans, and preferences in state employment hiring; and providing for an effective date."

- MOVED SB 145 OUT OF COMMITTEE

SENATE BILL NO. 127

"An Act authorizing the commissioner of administration to enter into agreements with agents to perform for compensation certain transactions related to vehicles; relating to the duties of those agents; and providing for an effective date."

- MOVED SB 127 OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 23

Proclaiming March 27, 2014, as Good Friday Earthquake Remembrance Day.

- MOVED HJR 23 OUT OF COMMITTEE

CS FOR HOUSE JOINT RESOLUTION NO. 19(MLV)

Urging the Secretary of the United States Air Force, the Chief of Staff of the United States Air Force, and the Commander of the Pacific Air Forces to base F-35 aircraft assigned to the Pacific Air Forces at Eielson Air Force Base.

- MOVED CSHJR 19(MLV) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: SB 145

SHORT TITLE: VETS' RETIREMENT/LOANS/HOUSING/EMPLOYMENT
SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/29/14 (S) READ THE FIRST TIME - REFERRALS
01/29/14 (S) STA
02/13/14 (S) STA AT 9:00 AM BUTROVICH 205
02/13/14 (S) Heard & Held
02/13/14 (S) MINUTE(STA)
02/20/14 (S) STA AT 9:00 AM BUTROVICH 205

BILL: SB 127

SHORT TITLE: VEHICLE TRANSACTION AGENTS
SPONSOR(s): GIESSEL

01/22/14 (S) READ THE FIRST TIME - REFERRALS
01/22/14 (S) STA
02/13/14 (S) STA AT 9:00 AM BUTROVICH 205
02/13/14 (S) Heard & Held
02/13/14 (S) MINUTE(STA)
02/20/14 (S) STA AT 9:00 AM BUTROVICH 205

BILL: HJR 23

SHORT TITLE: GOOD FRIDAY EARTHQUAKE REMEMBRANCE DAY
SPONSOR(s): MILLETT

01/21/14 (H) READ THE FIRST TIME - REFERRALS
01/21/14 (H) STA
01/28/14 (H) STA AT 8:00 AM CAPITOL 106
01/28/14 (H) Moved CSHJR 23(STA) Out of Committee
01/28/14 (H) MINUTE(STA)
02/04/14 (H) STA AT 8:00 AM CAPITOL 106
02/04/14 (H) Moved Out of Committee
02/04/14 (H) MINUTE(STA)
02/05/14 (H) STA RPT 7DP
02/05/14 (H) DP: MILLETT, GATTIS, KELLER, ISAACSON,
KREISS-TOMKINS, HUGHES, LYNN
02/07/14 (H) TRANSMITTED TO (S)
02/07/14 (H) VERSION: HJR 23
02/10/14 (S) READ THE FIRST TIME - REFERRALS
02/10/14 (S) STA

02/20/14 (S) STA AT 9:00 AM BUTROVICH 205

BILL: HJR 19

SHORT TITLE: BASE F-35 AIRCRAFT AT EIELSON AFB

SPONSOR(s): ISAACSON

01/21/14 (H) READ THE FIRST TIME - REFERRALS
01/21/14 (H) MLV
02/04/14 (H) MLV AT 1:00 PM CAPITOL 120
02/04/14 (H) Moved CSHJR 19(MLV) Out of Committee
02/04/14 (H) MINUTE(MLV)
02/07/14 (H) MLV RPT CS(MLV) 7DP
02/07/14 (H) DP: GRUENBERG, HIGGINS, REINBOLD,
SADDLER, HUGHES, FOSTER, LEDOUX
02/10/14 (H) TRANSMITTED TO (S)
02/10/14 (H) VERSION: CSHJR 19(MLV)
02/12/14 (S) READ THE FIRST TIME - REFERRALS
02/12/14 (S) STA
02/20/14 (S) STA AT 9:00 AM BUTROVICH 205

WITNESS REGISTER

MIKE BARNHILL, Deputy Commissioner
Alaska Department of Administration
Juneau, Alaska

POSITION STATEMENT: Provided an overview of SB 145.

MCHUGH PIERRE, Deputy Commissioner
Alaska Department of Military and Veterans Affairs
Joint Base Elmendorf-Richardson
Richardson, Alaska

POSITION STATEMENT: Addressed departmental questions regarding SB 145.

MARK SAN SOUCI, Northwest Regional State Liaison
Department of Defense State Liaison Office
Office of the Deputy Assistant Secretary of Defense
Tacoma, Washington

POSITION STATEMENT: Supported Senator Wielechowski's proposed amendment to SB 145.

CARY BOLLING, Sales Marketing Manager
Alaska Housing Finance Corporation
Anchorage, Alaska

POSITION STATEMENT: Announced being available for questions regarding SB 145.

BOB PAWLOWSKI, representing himself
Anchorage, Alaska
POSITION STATEMENT: Supports SB 145.

MONICA SOUTHWORTH, Staff
Senator Wielechowski
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Provided a proposed amendment overview for SB 145.

JON SHERWOOD, Deputy Director
Division of Senior & Disabilities Services
Alaska Department of Health and Social Services
Juneau, Alaska
POSITION STATEMENT: Explained how the Division of Senior & Disabilities Services oversees the Medicaid Home and Community Care Waiver program.

FORREST WOLFE, Staff
Senator Giessel
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Provided an overview for SB 127.

AMY ERICKSON, Director
Division of Motor Vehicles (DMV)
Alaska Department of Administration
Anchorage, Alaska
POSITION STATEMENT: Set forth that DMV supports SB 127.

DUANE BANNOCK, representing himself
Kenai, Alaska
POSITION STATEMENT: Announced being available for questions regarding SB 127.

JEFF TURNER, Staff
Representative Millett
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Provided an overview of HJR 23.

CHARLES VOLANTI, representing himself
Olympia, Washington
POSITION STATEMENT: Supports HJR 23.

REPRESENTATIVE DOUG ISAACSON

Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: HJR 19 sponsor.

LUKE HOPKINS, Mayor
Fairbanks North Star Borough
Fairbanks, Alaska
POSITION STATEMENT: Supports HJR 19.

ACTION NARRATIVE

[9:04:19 AM](#)

CHAIR FRED DYSON called the Senate State Affairs Standing Committee meeting to order at 9:04 a.m. Present at the call to order were Senators Giessel, Wielechowski, Coghill, and Chair Dyson.

[9:04:35 AM](#)

CHAIR DYSON announced that there are two bills and two resolutions before the committee. He stated that his intention, with the committee's approval, is to move all four pieces of legislation at today's meeting.

SB 145-VETS' RETIREMENT/LOANS/HOUSING/EMPLOYMENT

CHAIR DYSON announced the consideration of SB 145.

[9:05:06 AM](#)

MIKE BARNHILL, Deputy Commissioner, Alaska Department of Administration, Juneau, Alaska, introduced the Governor's veteran update bill. He said the bill does a handful of things to update Alaska's laws with respect to treatment of veterans. He specified that the hiring preference in the state's personnel code updates the definition of veteran to include recent conflicts that followed the Vietnam War; that update also applies to Department of Commerce veterans' loans as well as Alaska Housing Finance Corporation access to housing projects. He added that the bill also updates Alaska pension law to comply with the Heroes Earnings Assistance Relief Tax (HEART) Act of 2008. He explained that the HEART Act was enacted by Congress to address active employees of employers that participate in the Public Employee Retirement System, Teachers Retirement System, or Judicial Retirement System. He specified that an employee who is called into service and killed while performing qualified military service that their last day of employment will be

deemed the date of death for purposes of pension benefits that the survivors would receive such as accelerated vesting or insularly life insurance benefits. He added that to comply with the HEART Act, the wage differential is defined as the difference between the wage that the employee receives in public employment versus the wage that they receive from the military; that is the differential wage that will be construed under federal law as W-2 wages and the employer will include that as wages paid to the employee for tax purposes.

[9:07:55 AM](#)

SENATOR WIELECHOWSKI addressed page 4, lines 14-18 regarding qualifications for loans. He asked what would be the last date of Operation Iraqi Freedom and time periods that will be listed in 5 United States Code (USC) 2108(1).

MR. BARNHILL replied that the last date will be defined by the federal government. He stated that he did not know when the date will be. He said the federal statute is a statute that defines veteran in much the same way that Alaska's statute does. He explained that federal laws update conflicts on a more regular basis and Alaska has not updated its veteran definition statutes since the Vietnam War. He specified that the federal statute include the initial Iraqi Conflict from 1990-1992 and Operation Iraqi Freedom will be added.

SENATOR WIELECHOWSKI asked if people deployed in Afghanistan or other parts of the world would be covered.

MR. BARNHILL specified that the bill covers all service rendered during specific time periods wherever in the world that service occurs, examples would include San Francisco, Iraq, and Afghanistan.

[9:09:47 AM](#)

MCHUGH PIERRE, Deputy Commissioner, Alaska Department of Military and Veterans Affairs (DMVA), Joint Base Elmendorf-Richardson, Richardson, Alaska, said he had addressed the service rendered issue with Mr. Barnhill and noted working with the U.S. Department of Veterans Affairs that Operation Enduring Freedom (OEF), which includes Afghanistan, is included in the definition, but not specified until the conflict is completely finished. He said OEF is expected to draw-down by sometime in 2015.

SENATOR WIELECHOWSKI asked if coverage for service rendered is time or location based.

MR. PIERRE replied that coverage is dependent on a person's job title and what the person is doing. For example, an individual flying Unmanned Aerial Vehicle (UAV) missions in Nevada would be included as a combat veteran. He added that every veteran's DD-214 document will have a combat identifier.

SENATOR COGHILL noted that he has a DD-214 document when he separated from the military.

CHAIR DYSON asked if the committee should consider putting wording in the bill that whenever the federal government changes their classifications on a new conflict that Alaska's statutes would follow that.

[9:12:01 AM](#)

MR. BARNHILL answered that was exactly what the bill proposes to do by incorporating reference to 5 USC 2108.

SENATOR WIELECHOWSKI asked if there were other situations where the state would not want to be bound by the federal government's definition.

MR. PIERRE replied that following the federal code for the definition of combat veteran should be safe. He advised that the state follow the federal code.

SENATOR COGHILL remarked that he usually is not a fan of tying statutes to federal code, but agrees with the proposal because Alaskan veterans will benefit due to the state's slower statute changes.

[9:13:47 AM](#)

CHAIR DYSON opened the hearing to public testimony.

[9:14:00 AM](#)

MARK SAN SOUCI, Northwest Regional State Liaison, Defense State Liaison Office, Office of the Deputy Assistant Secretary of Defense, Tacoma, Washington, stated that he will address Senator Wielechowski's proposed amendment.

[9:14:25 AM](#)

CARY BOLLING, Sales Marketing Manager, Alaska Housing Finance Corporation, Anchorage, Alaska, said he was available for questioning.

[9:14:40 AM](#)

BOB PAWLOWSKI, representing himself, Anchorage, Alaska, pointed out that he is a retired National Oceanic and Atmospheric Administration (NOAA) commissioned officer and a federally recognized veteran with service connected to injuries. He read the following statement:

I appreciate your attention to the importance that our veterans bring to our nation and our state and revealing this bill as an update to the Alaskan veteran's laws, which appears, listening to Deputy Commissioner Barnhill, has not been updated since the Vietnam era. I ask you to consider bringing consistency between the present U.S. code definitions and the Alaska statutes associated with Veterans Armed Forces, Military Service, and Uniformed Services. Specifically I am referring to: Title 10 USC, which is the Armed Forces' title; Title 37 USC, which is pay and allowances; and Title 38 USC, which is Veteran's Benefits as they apply to the definitions of active duty, military service, and uniformed services. I respect the difference of combat veterans, combat service, and armed service versus active duty military uniformed services as it pertains to the lower parts of the statute in front of you. I fully support the eras and the conflict. I am just asking that the veteran's language be brought consistent with federal code.

MR. PAWLOWSKI noted his work background work as a state employee and his inability to claim to be a service disabled veteran. He called attention to the inconsistencies in statutes.

CHAIR DYSON asked Mr. Pierre to comment on Mr. Pawlowski's testimony.

[9:18:51 AM](#)

MR. PIERRE noted that Mr. Pawlowski has some valid points and his department can take a hard look at all of the locations of "veteran" separate from what is a combat veteran and then what is a veteran in general. He said he did not know if SB 145 is the vehicle, but added that he can address Mr. Pawlowski's points and provide a recommendation.

CHAIR DYSON asked where SB 145 goes next. He inquired if SB 145 had a Senate Finance Committee referral.

SENATOR WIELECHOWSKI revealed that SB 145 goes to the Senate Floor.

CHAIR DYSON addressed Mr. Pierre and noted that he thinks Public Health Service and NOAA are not considered to be military veterans.

MR. PIERRE replied that Chair Dyson's assumption is not entirely correct. He specified that individuals that separate from NOAA receive a DD-214 document that provides for veteran status determination. He said Mr. Pawlowski is an example of someone who is a service connected veteran who the U.S. Department of Veterans Affairs (VA) says is a veteran, so the question where we have some discrepancies in the state's programs that might not require to be fixed through statute and could be fixed through regulation that specifies in personnel hiring to include veterans recognized by the VA.

[9:20:49 AM](#)

CHAIR DYSON announced that the committee will stand at ease.

[9:22:15 AM](#)

CHAIR DYSON called the committee back to order.

[9:22:57 AM](#)

SENATOR WIELECHOWSKI offered Amendment 1 to the committee.

CHAIR DYSON objected for the purposes of discussion.

[9:23:23 AM](#)

MONICA SOUTHWORTH, Staff, Senator Wielechowski, Alaska State Legislature, Juneau, Alaska, said the amendment before the committee deals with Medicaid waivers and the wait list for military families. She explained that the issue arose out of a survey that was done by a national organization called Specialized Training of Military Parents (STOMP,) which works with military families that have special needs children. She said often times the Tricare Echo Program, which is a supplemental insurance program to Tricare Standard and Tricare Prime, does not always fulfill all of the families' needs and requires families to apply for a Medicaid waiver. She related that many comments from the STOMP survey revolved around respite care not being enough and the only option for a family was Medicaid. She set forth situations where families apply for Medicaid waivers and are then stationed outside of Alaska. She revealed that Alaska's average Medicaid waiver wait list is approximately four years for home and community based care. She

said families are removed from the waiver wait list when they leave the state. She set forth that the amendment proposes that families remain on the state's waiting list and maintain their priority as long as they intend to return to Alaska within 18 months of separation. She specified that services will not follow families out of the state. She said the amendment will benefit families at Eielson Air Force Base and Joint Base Elmendorf-Richardson (JBER), but only if families return to the state. She revealed that Mr. San Souci is available for comment and noted that allowing service members to retain their Medicaid waiver priority is listed as a top ten issue for the DOD Legislative Liaison Office.

[9:25:34 AM](#)

SENATOR WIELECHOWSKI mentioned that Amendment 1 has a zero fiscal note, does not cost anything to do, and specifically preserves a service member's place on a waiting list. He specified that service members will not lose their wait list position as long as they intend to come back and permanently reside in Alaska.

MR. SAN SOUCI detailed that preserving the place on a waiting list consistently becomes a key issue for special needs families that move out of state and are required to start over from square one. He specified that in some states the wait is two to eight years with service families that move to another state having to start over. He explained that the thought for the easiest solution is to just have the legal residence of a state apply during active duty and stay in the queue for future military coverage. He specified that the request is not asking for a new entitlement or to bump anyone else off a list. He noted that family dependency will be reevaluated due to potential medical change. He noted service wait list legislation has passed in other states with zero fiscal notes.

CHAIR DYSON asked Mr. Barnhill for the Administration's position on Amendment 1.

MR. BARNHILL replied that the question pertains to the Department of Health and Social Services and DOD priorities.

[9:28:30 AM](#)

JON SHERWOOD, Deputy Director, Division of Senior & Disabilities Services (DSDS), Alaska Department of Health and Social Services, Juneau, Alaska, said DSDS oversees the Medicaid Home and Community Care Waivers (MHCCW). He explained that Medicaid waivers are alternatives to institutional care that must meet

institutional care standards for qualification. He said Alaska currently operates four Medicaid waivers. He explained that unlike the rest of the Medicaid program which could be called a pure entitlement, states are allowed to limit the number of people who are served on their waivers. Three of the state's four waivers do not operate with waiting lists and provide for immediate eligibility.

MR. SHERWOOD said the MHCCW wait list is approximately 600 people at any given time. He explained that people on the MHCCW wait list are ranked according to need-score with approximately 20 people per month moved off of the wait list. He noted that people who return to the state with a high need-score would be ranked high on the registry list. He asserted that the amendment will not have a substantial impact on the wait list.

CHAIR DYSON asked if there is a downside to Amendment 1.

MR. SHERWOOD replied that Amendment 1 would minimally impact MHCCW.

[9:31:27 AM](#)

CHAIR DYSON noted that the Permanent Dividend Fund addresses state residency. He asked if residency verification would be an issue for DSDS.

MR. SHERWOOD answered that he did not think so. He said DSDS would probably give people the benefit of the doubt if they provided a reasonable case. He noted that candidates still have to go through a thorough application process to be determined for Medicaid qualification.

SENATOR COGHILL surmised that the speed of the qualification process is slow. He noted his support for those who want to come back to Alaska. He asked if Amendment 1 would "tip the scales" in favor of a military family.

MR. SHERWOOD explained that DSDS draws people based on a numeric score and people with similar scores would be drawn at the same time.

SENATOR COGHILL set forth that MHCCW is generally services that are the last best hope for families to help them survive. He asserted that the state provides some pretty good services even though the MHCCW wait list is long. He noted that many communities are stepping up. He asked if Amendment 1 would act as a draw or a convenience for military families.

9:35:06 AM

MR. SHERWOOD answered that he did not know. He noted that multiple support services are available to Alaska residents beyond MHCCW. He noted his concern that people do not know how the MHCCW wait list works. He specified that the wait list is not time based and people do not start back at the beginning. He noted that a quarter of the people on the wait list have the lowest possible score in terms of ranking and do not identify for immediate needs. He added that lower ranked families have access to other services.

9:37:01 AM

SENATOR COGHILL expressed his concern for individuals who are waiting for the most intensive services. He said he did not want individuals to think that people are going to be moved in and individuals with intensive needs are going to be bumped off. He specified that the wait list is based on need. He said with all due respect to the military, the intent should be to assimilate military families and help them everywhere the state can; however, there are individuals with needs that must be treated as fairly and equitably as possible.

CHAIR DYSON addressed Mr. Pierre and asked to clarify that DMVA does not have a position on Amendment 1.

MR. PIERRE replied that DMVA has done a tremendous job to identify all of the top ten priorities as Senator Wielechowski has pointed out. He asserted that SB 145 deals with specific cleanup language and Amendment 1 is not in line with what the bill is trying to accomplish. He stated that Amendment 1 has good merit and stands on its own, but does align with SB 145.

CHAIR DYSON asked Senator Wielechowski if Amendment 1 fits within the title of SB 145.

9:39:18 AM

SENATOR WIELECHOWSKI replied that he thinks Amendment 1 does fit within the bill's title and noted its intent was proposed as sort of a military omnibus bill. He noted being careful not to include the intent from Amendment 1 in a number of his military bills that have fiscal notes. He stated his belief that the intent in SB 145 was to make Alaska more attractive for active duty and veterans to honor their services with Amendment 1 addressing the same intent. He reiterated that Amendment 1 holds a spot as long as the service family returns within 17 months and avoids an added three years of waiting.

CHAIR DYSON asked if Senator Wielechowski had Legislative Legal's analysis on whether Amendment 1 fits under SB 145.

SENATOR WIELECHOWSKI answered yes and explained as follows:

It's not a bill that came from the House, there's not a title change and it fits within the title. You have to insert a provision and that's what we do on page 1 of the amendment to slightly change the title, it's within the subject, so there is no constitutional issue.

SENATOR GIESSEL pointed out that the Key Coalition of Alaska was recently at the Capitol. She said she had meetings with multiple parents talking about the wait list and how heart breaking it was for them to persevere through the wait list until their opportunity came up. She remarked that while the amendment may have merit for the military folks and may not substantially change who moves up on the wait list, she shared a concern that her desperately waiting constituents may perceive being pushed aside by someone else. She set forth that she will be a no vote on Amendment 1.

[9:42:25 AM](#)

SENATOR WIELECHOWSKI replied that he certainly respects Senator Giessel's opinion. He pointed out that the people affected by his amendment are Alaska residents who are being required by the government to go out of state. He asserted that his intent is to specify the important distinction. He pointed out legislation from last year that allows the Permanent Dividend Fund to grant exemptions when an Alaska resident is forced to be out of state by the government. He asserted that the intent of Amendment 1 is similar to what is done with the Permanent Dividend Fund.

SENATOR COGHILL asked to address DSIDS and noted that it is his understanding that it is based on need and not on time. He stated that at this point it is not a matter of holding a place. He asked if a family that returns to the state would have to go through the reapplication process and would Amendment 1 help them receive their waiver more quickly.

MR. SHERWOOD replied that Amendment 1 will do nothing about accelerating Medicaid eligibility and will not materially affect an individual's score. He reiterated that individuals will have to reapply when they return to the state. He noted that the

reapplication registry process may be sped up. He revealed that the registry process takes approximately 30 days.

[9:45:27 AM](#)

SENATOR COGHILL verified that individuals would have to apply for the Medicaid waiver because that is a state run program with federal partnership.

MR. SHERWOOD answered correct. He explained that waiver services are not portable and do not follow a family if they move out of state.

SENATOR COGHILL commented that Amendment 1 may assist a military family to quickly reestablish waiver eligibility. He said he did not see any great material benefit from Amendment 1 and noted that eligibility is qualification-based rather than time-based. He asserted that verbiage in the amendment that a place is held does not help. He inquired if Amendment 1's timelines adds complexity for individuals who do not fall within its parameters.

MR. SHERWOOD answered that DSDS would have to add some degree of verification if timelines are involved. He added that Amendment 1 would not give an individual a particular qualification advantage. He said people who did not meet a timeline restriction would proceed through the registry process and essentially compete with others on the wait list based on score. He stated that Amendment 1 would not have a detrimental impact on people who did not meet its timelines.

[9:48:03 AM](#)

CHAIR DYSON announced that he will maintain his objection and asked for a roll call vote. Senators Wielechowski and Dyson voted yea; Senators Giessel and Coghill voted nay; therefore Amendment 1 fails.

[9:48:31 AM](#)

CHAIR DYSON announced the committee would stand at ease.

[9:48:35 AM](#)

CHAIR DYSON called the committee back to order.

CHAIR DYSON announced that Amendment 1 fails and asked for a motion.

[9:48:51 AM](#)

SENATOR GIESSEL moved to report SB 145, labeled 28-GS2585\A from committee with individual recommendations and attached zero fiscal note.

[9:49:05 AM](#)

CHAIR DYSON announced that without objection, SB 145 passes out of the Senate State Affairs Standing Committee.

[9:49:12 AM](#)

CHAIR DYSON announced that the committee will stand at ease.

SB 127-VEHICLE TRANSACTION AGENTS

[9:50:20 AM](#)

CHAIR DYSON called the committee back to order. He announced that SB 127 will be the next order of business. He noted that SB 127 was previously heard.

[9:50:24 AM](#)

FORREST WOLFE, Staff, Senator Giessel, Alaska State Legislature, Juneau, Alaska, said at the previous hearing it may have come across that the Division of Motor Vehicles (DMV) was being unfairly criticized. He set forth that the intent was to demonstrate the volume of work that is done by the private sector through its partnership with DMV. He said DMV has made great strides in the past two years to increase their efficiency through former Director Duane Bannock's advanced business partnership program and current Director Amy Erickson. He noted DMV's use of webcams for viewing waiting lines as well as a more efficient ticket system.

He called attention to a criticism that businesses are already receiving income from the state and why should the businesses receive even more income from the state in addition to charging fees above and beyond what the state is charging. He asserted that the issue is not how much businesses are charging for transactions and added that fees charged by businesses should be dictated by the free market. He said the issue is that there is a large volume of work being done by the private sector for the state for which they are receiving no compensation from the state at this time. He set forth that SB 127 is about fairness and noted similar programs in other departments where the state directly compensates businesses. He said SB 127 addresses fairness due to the work volume done by businesses that partner with DMV.

CHAIR DYSON stated that what Mr. Wolfe said did not make sense to him. He asked if Mr. Wolfe meant the business surcharge being placed on the delivery of service.

MR. WOLFE replied that businesses are not receiving any compensation from the state.

CHAIR DYSON asked to verify that businesses receive the surcharge that they place on delivery of service.

MR. WOLFE answered correct.

[9:53:22 AM](#)

AMY ERICKSON, Director, Division of Motor Vehicles (DMV), Alaska Department of Administration, Anchorage, Alaska, set forth that DMV supports making official its practices of partnering with private businesses to conduct title and registration services. She continued to read the following statement:

DMV provides the business partners with all of the supplies needed to conduct title and registration services including: license plates, month and year tabs, forms, driver manuals, and handicapped placards all free of charge. The DMV also provides free training to process transactions and free access to all of the agents to access the DMV data base. The business partners charge a fee to customers that are not regulated or even disclosed to DMV and some even benefit from the supplies that are free at a DMV office, including handicap placards and driving manuals. While the business partners make up approximately 26 percent of DMV revenues, these businesses do not function autonomously. DMV staff touches each and every transaction conducted by a business partner and we have a staff of seven to oversee and support their everyday operations. Even with DMV support, they too make errors that DMV must resolve and they are still paid by the customer regardless of the mistake or the accuracy of their transactions. We serve as a de facto helpdesk for the business partners and spend hours reviewing documents and correcting documents. Some of the errors can be serious and time consuming to correct. Some of the business partners have even registered a golf cart and a dune buggy for highway use which has resulted in litigation for the DMV.

MS. ERICKSON said her previous statement is not meant to say that DMV does not also make mistakes. She summarized that DMV supports the business partners in many ways. She said the business partnerships are comprised of storefronts that provide the services, car dealerships, financial institutions, commissioned agents that serve the smaller communities, driving school bus contractors, tour companies that administer road tests, and medical facilities that issue disabled parking permits. She said DMV's original fiscal note only addressed for-profit determined store fronts, but noted a letter from the auto dealers that the bill may also apply to car dealerships and financial institutions that conducts the same transactions. She stated that the clarification would affect the bill's fiscal note and DMV will be submitting a new fiscal note at the next committee meeting if the bill's implication is clarified.

[9:56:23 AM](#)

CHAIR DYSON asked Ms. Erickson to repeat her last sentence.

MS. ERICKSON responded that DMV would need to submit a new fiscal note if SB 127 really does include the car dealerships that do their own title and registration transactions in addition to financial institutions. She explained that DMV did not include car dealerships and financial institutions in their original fiscal note. She said the business partners would also benefit from the added 15 percent from proceeds if they are included in SB 127. She noted that auto dealers support SB 127.

CHAIR DYSON asked at what point DMV realizes labor savings when business partners perform part of the division's work.

MS. ERICKSON answered that she did not know and would attempt to find out.

CHAIR DYSON suggested basing the cost savings on how many transactions a DMV employee does in a day and compare the amount of transactions done by the business partners to calculate the amount of hours and benefits saved by DMV.

MS. ERICKSON replied that she would get back to Chair Dyson with the information.

CHAIR DYSON noted that a fiscal note ought to reflect both the revenue DMV does not leave and perhaps at some point expenses that DMV does not have to incur. He asked if DMV supports SB 127.

MS. ERICKSON answered that DMV absolutely supports the idea of putting into statute the business contracts. She said the fees the state pays is really a policy call that she cannot comment on.

[9:59:12 AM](#)

SENATOR GIESSEL noted that the Department of Fish and Game contracts with businesses. She addressed DMV's business partnership as a larger reach with auto dealerships. She pointed out that auto dealerships are considering dropping extended DMV services due to their added personnel costs. She noted that personnel costs are a private business's highest operational liability. She pointed out AS 28.10.431(e) allows DMV to collect local government taxes for license plate renewal. She pointed out that the statute allows DMV to retain 8 percent of the local tax fees as administrative costs for tax collection. She said while DMV may be saying it is inappropriate for private businesses to be retaining some of the motor vehicle fees, DMV is retaining money for collecting tax fees for local governments.

CHAIR DYSON noted that the bill's sponsor has expressed approval for the committee's recommendation for a Senate Finance Committee referral. He remarked that the Finance Committee may want the very kind of information that the committee asked about.

[10:01:53 AM](#)

DUANE BANNOCK, representing himself, Kenai, Alaska, announced being available to answer questions.

CHAIR DYSON asked if anyone would like to speak to the bill. He stated that seeing and hearing none, [public testimony is closed.]

[10:02:12 AM](#)

CHAIR DYSON moved SB 127 [labeled 28-LS1263\A] from Senate State Affairs with individual recommendations with attached fiscal note/s. Seeing no objection, [SB 127] moved out of committee.

[10:03:06 AM](#)

CHAIR DYSON announced that the committee will stand at ease.

HJR 23-GOOD FRIDAY EARTHQUAKE REMEMBRANCE DAY

[10:04:05 AM](#)

CHAIR DYSON announced that HJR 23 is before the committee.

10:04:12 AM

JEFF TURNER, Staff, Representative Millett, Alaska State Legislature, Juneau, Alaska, said HJR 23 will mark the 50th anniversary of the Good Friday Earthquake on March 27, 2014. He continued to read the following statement:

The 9.2 magnitude quake tore apart about 50,000 square miles of South Central Alaska and leveled entire communities and triggered massive tsunamis that brought even more devastation to the coastal areas. The purpose of HJR 23 is not to highlight the earthquake or the destruction, but to honor the thousands of Alaskans who put the needs of other before their own needs following the quake. First responders, medical personnel, the Alaska Army and the Air National Guard, the U.S. Army Corps of Engineers, and government employees were joined by everyday Alaskans to conduct search and rescue operations, provide medical care, food, shelter, and the restoration of vital services and infrastructure. It was their selfless determination that saved unknown numbers of lives and rebuilt Southcentral communities before the return of winter that year. HJR 23 recognizes how a great disaster brought out the best of all Alaskans by proclaiming March 27, 2014 as Good Friday Earthquake Remembrance Day. Representative Millett respectively asks for the committee's support for the legislation so it can be included in the events marking the 50th anniversary of the quake that will be taking place in Anchorage and other communities around Southcentral Alaska.

MR. TURNER pointed out letters of support from Valdez Mayor David Cobb and Anchorage Mayor Dan Sullivan. He informed the committee that on the phone is Mr. Chuck Volanti, an Alaska Air Guard veteran who brought the idea for HJR 23 to Representative Millett. He noted the Mr. Volanti served at Kulis Airbase during the earthquake and is one of the individuals honored under HJR 23.

10:06:20 AM

CHARLES VOLANTI, representing himself, Olympia, Washington, read the following statement:

I wish to thank Representative Millett for her compassion, humanitarian efforts, and for orchestrating overwhelming House support for this resolution that honors Alaska state history. Thank you, Mr. Chairman and Senate committee members, for the opportunity to speak on this tragic and historical event that not only affected all Alaskans, but also carried death and destruction far beyond its Alaska borders.

Today much is known about the Alaska Earthquake of 1964, it is measured 9.2 magnitude strength and wide spread areas of death and destruction are widely published and appear across a variety of written and electronic media. There are thousands of pictures and equally countless testimonials, mine is but one and my family one of lucky ones. The best way to describe my experience is to say that most of us know what a bull riding contest looks like, rider sitting on top of a massive jumping, jolting, and twisting beast that is doing everything possible to dislodge the rider, a rider who is hoping to last the required 8 seconds, if you can imagine that, then you will know what I and countless thousands of others went through not for 8 seconds, but for almost 4 minutes where seconds seemed liked hours. On March 27, 1964 I was a flight dispatcher at Kulis Air National Guard Base in Anchorage, a position that I held as part of a small contingent of civilian employees, less than 100, and an Air National Guardsmen. That evening I arrived home from Kulis just about 5:00 p.m. and waited for my wife and son to return home. Suddenly in the fading light of day at 5:36 p.m. all hell broke loose and Alaska was forever changed. I bolted for the door and tried desperately to get out to reach the screams of my neighbor and daughter, but try as I may there was no way of standing, so I sat pinned to the floor with both hands tightly wrapped around the entry way door knob, waiting and praying for the violent shaking to end. Finally after what seemed an eternity it stopped. I jumped up, ran next door, entered, checked on the women, once I saw they were alright I ran back outside just in time to see my wife pulling into the driveway with our six month old son strapped into his car seat. She said when the quake started it felt like a flat tire and promptly pulled to the curb, but soon realized this was a massive quake and not a flat tire

and she watched in horror as plate glass windows of store crashed to the sidewalk and people who sprang out of the openings being knocked to the ground. We exchanged hugs, some quick comments, and went back into our home. There was no structural damage, but plenty of disarray, it took a few minutes to see that she and our son had the basic necessities and I immediately turned to her and said I have to leave, I have to get to Kulis. She was visibly shaken, but a strong woman she replied "go," fully realizing there would be those who were in desperate need. I ran to the car and sped towards Kulis, jumping several divisions in the road and all the time wondering if there might be one I wouldn't be able to overcome, but god was gracious and within 15 minutes I made it without mishap. By now, Alaska Air Guard and Army National Guard troops were converging on Kulis in mass. We immediately set about doing what we had long been trained to do and that was to expend all efforts to alleviate and mitigate the suffering being experienced by countless citizens of Alaska, wherever that took us. Anywhere from freeing two souls trapped in the rubble of a collapsed Anchorage International Airport tower, to sending troops throughout neighboring communities to recover the dead, provide for the injured, free those still trapped, maintain civil order, and finally to forge efforts to put humanitarian relief flights in to the air.

That day, in the bond of human compassion we stood shoulder to shoulder with thousands of first responders, it was unlike anything ever seen before; they came from all walks of life beginning with your next door neighbor to those described within this resolution. Many self-sacrificing people went into unstable, unknown circumstances as they sought to render aid and assistance to those in desperate need. Tragically, some would pay the ultimate price. The quakes and tsunamis, though ravaging, destructive, and deadly as they were, is not the main focus of this event. The cornerstone to this day remains the people of Alaska, their strong will of resilience, resolve, tenacity, and their unabated selfless sacrifice became their legacy, that is what we should never forget, never take for granted, and always remember. However massive and tragic as this event was, there remains a common thread that was even stronger and more

pervasive than all of that and it was the enduring spirit that was found embedded within the milk of human kindness. On March 27, 2014 at 5:36 p.m., in an act of honor and tribute, church bells across Alaska will toll in memorial for all we have spoken of here today. Ladies and gentlemen of the Senate, your support of this resolution and its ultimate passage will ensure its rightful place in Alaska state history. I close by saying that I dedicate all efforts I have thus far expended to those who have perished, those who suffered great loss, to the thousands who selflessly served, and to those who paid the ultimate sacrifice and are mentioned within this resolution and the families that the left behind.

[10:11:16 AM](#)

CHAIR DYSON commended Mr. Volanti for his service. He noted that an international earth quake symposium will occur in Anchorage with 1,000 experts attending the spring of 2014. He asked if Mr. Volanti served with Major Herb Bedrow in the Anchorage Air Guard.

MR. VOLANTI answered yes and noted a letter addressed to him from his wife following his passing.

CHAIR DYSON noted that Major Herb Bedrow perished [in a C-123 that went down] near Cape Romanzof [on the Bering Sea Coast in 1965.]

MR. VOLANTI answered yes.

[10:14:26 AM](#)

CHAIR DYSON announced that HJR 23 will be set aside for a few minutes until the committee has a quorum.

HJR 19-BASE F-35 AIRCRAFT AT EIELSON OR JBER

[10:14:37 AM](#)

CHAIR DYSON announced that HJR 19 is before the committee.

[10:14:42 AM](#)

REPRESENTATIVE DOUG ISAACSON, Alaska State Legislature, Juneau, Alaska, said he appreciated having the opportunity to bring HJR 19 before the committee. He said HJR 19 is very similar to one that the Senate had already passed out with unanimous support.

REPRESENTATIVE ISAACSON set forth that HJR 19 is a very important bill to Alaska's economy and security. He noted that HJR 19 is identical to SJR 14 and had minimal amendments that did not change the purpose of the resolution. He noted that page 3, line 13, "and all bases in Alaska" was added. He called attention to page 3, line 14, "on all bases in Alaska" was added. He pointed out the inclusion on page 3, line 21; that copies are to be sent to Lieutenant General Russell J. Handy. He reiterated the Senate unanimously passed SJR 14, but noted the addition of two items that addresses the closure of Flint Hills Refinery and support from the Greater Fairbanks Chamber of Commerce. He explained that the Flint Hills Refinery closure will not affect the military jet fuel supply. He detailed that Petro Star has the contract for military jet fuels. He noted that encouragement has been given to Petro Star to have a railroad spur that can go to JBER to supply jet fuels and mitigate some of the negative results from Flint Hills' closure.

CHAIR DYSON commented that Representative Isaacson has a significant group of supporters.

[10:17:09 AM](#)

LUKE HOPKINS, Mayor, Fairbanks North Star Borough, Fairbanks, Alaska, remarked that he is on the record from previous testimony in support of HJR 19.

[10:17:34 AM](#)

CHAIR DYSON stated that the Chair will entertain a motion on HJR 19.

[10:18:05 AM](#)

SENATOR GIESSEL moved to report committee substitute (CS) for HJR 19, labeled 28-LS1051\C from committee with individual recommendations and attached zero fiscal note.

[10:18:20 AM](#)

CHAIR DYSON announced that without objection, CSHJR 19(MLV) passes out of committee.

[10:18:29 AM](#)

CHAIR DYSON announced that the committee will stand at ease.

[10:18:37 AM](#)

CHAIR DYSON called the committee back to order.

HJR 23-GOOD FRIDAY EARTHQUAKE REMEMBRANCE DAY

10:19:01 AM

CHAIR DYSON returned attention to HJR 23 and announced that the Chair will entertain a motion on HJR 23.

10:19:01 AM

SENATOR GIESSEL moved to report HJR 23, labeled 28-LS1038\C from committee with individual recommendations and attached zero note.

10:19:13 AM

CHAIR DYSON announced that without objection, HJR 23 passes out of the Senate State Affairs Standing Committee.

10:19:26 AM

There being no further business to come before the committee, Chair Dyson adjourned the Senate State Affairs Standing Committee at 10:19 a.m.