

SENATE FINANCE COMMITTEE  
March 16, 2015  
1:36 p.m.

[1:36:09 PM](#)

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 1:36 p.m.

MEMBERS PRESENT

Senator Anna MacKinnon, Co-Chair  
Senator Pete Kelly, Co-Chair  
Senator Peter Micciche, Vice-Chair  
Senator Click Bishop  
Senator Mike Dunleavy  
Senator Lyman Hoffman  
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT

Carlton Smith, Juneau; Michael Gallagher, Anchorage.

PRESENT VIA TELECONFERENCE

Christopher Cooke, Anchorage; Mary Jane Michael, Anchorage;  
Renee Piszczek, Fairbanks.

SUMMARY

CONFIRMATION HEARINGS:

ALASKA MENTAL HEALTH TRUST AUTHORITY BOARD OF TRUSTEES  
ALASKA OIL AND GAS CONSERVATION COMMISSION  
BOARD OF CERTIFIED REAL ESTATE APPRAISERS

^CONFIRMATION HEARING: ALASKA MENTAL HEALTH TRUST AUTHORITY  
BOARD OF TRUSTEES

[1:37:01 PM](#)

Co-Chair MacKinnon shared that Alaska Mental Health Trust Board of Trustees was located in AS 47.30.016. The board was established, and had the authority governed by the Board of Trustees. The board consisted of seven members appointed by the governor and confirmed by the legislature. The members appointed under the subsections, would be appointed based on their ability in financial management investment; land management or services for the beneficiaries of the trust. She explained that the board must include someone from the Alaska Mental Health Board; a member of the Governor's Council on Disabilities; a member of the Advisory Board on Alcohol and Drug Abuse; a member of the Alaska Commission on Aging; a member of the Alaska Native Health Board; and one person selected by the authority.

CARLTON SMITH, JUNEAU, introduced himself, and shared that he had practiced commercial real estate for 25 years. He stated that he had the only commercial firm in Southeast Alaska, and furthered that he had an interest in a residential brokerage. He had experience in land management with Sealskin Corporation, and as a CEO of the largest rural village corporation. He shared that he had worked with investors nationwide in commercial real estate. He was passionate about the mission of the trust, because his mother was a beneficiary of the trust for many years. He saw the current challenge of the trust related to generating additional revenue. He felt that the demand curve was exponential for the trust. The trust land office had done some tremendous work to ensure that the minerals, assets, timber, non-cash assets, and commercial real estate were performing at a much higher level. He stressed that the work was important, because there would be a substantial number of future beneficiaries.

Vice-Chair Micciche asked which seat Mr. Smith would be occupying. Mr. Smith replied that it was the last seat selected by the trust.

Vice-Chair Micciche noted that Mr. Smith was appointed by Governor Parnell in 2010. He wondered if the it was typically a three-year seat, and whether he was appointed to a vacated seat in 2010. Mr. Smith responded that he was currently applying for a five-year position.

Vice-Chair Micciche asked for more information regarding the 2010 seat. Mr. Smith replied that there was an

administrative error in the 2010 appointment process. He relayed that he previously held a position with Legislative Affairs, so he resigned from the trust because of the potential for administrative conflict. He stated that the agency was not able to reconcile that error, so the appointment occurred at the same time of his employment with Legislative Affairs.

[1:42:19 PM](#)

CHRISTOPHER COOKE, ANCHORAGE (via teleconference), shared that he was an attorney, and had lived in Alaska for 47 years. He served 10 years as Superior Court Judge in Bethel. He remarked that he his children and grandchildren lived in Alaska, and were all Native Alaskans. He had first-hand experience with mental health needs for effective programs and services. He expressed concern and praise for the emphasis that the trust placed on providing services for beneficiaries in rural Alaska, for crafting innovative programs that addressed the needs and challenges of serving the beneficiaries. He had no previous involvement with the authority, but shared that he had educated himself over the previous months. He expressed confidence in the board and employees of the authority. He was impressed with the intelligence and emphasis that the authority brought to dealing with the difficult issues, and provide services to individuals who may otherwise be overlooked. He understood that there were many different targeted groups in the programs including those with developmental disabilities; varying lifelong disabilities; aging people; the elderly; those with substance abuse treatment needs; and other mental health issues. He stressed that some people end up in the court and correctional system, without proper treatment. He stated that his background as an attorney influenced his positive feelings about the treatment of the beneficiaries.

[1:46:30 PM](#)

Co-Chair MacKinnon wondered to which position he was being appointed. Mr. Cooke replied that he did not know, and shared that he was not aware of the detailed categories.

MARY JANE MICHAEL, ANCHORAGE (via teleconference), explained that she was applying for a second five-year term, the program area of expertise. She stated that she had 25 years' experience working as a provider and advocate

in the developmental disabilities and mental health fields. She was involved in many capital projects related to disability programs. She shared that she had served on two committees in the most recent five years: the resource management committee; and the planning and programming committee. She felt that the resource management committee was very successful in five years, by tripling its revenue generated through the resources. The increase was due primarily to expanding the authority's opportunities into real estate development. The planning and programming committee worked on the focus areas, which had evolved over time. The "Bring the Kids" home project was successful by bringing teenagers and children back to Alaska from hospitals outside of the state. That project was winding down, and the focus had evolved to housing and long-term services and support; beneficiary employment; disability justice; and substance abuse treatment. She stated that it was an honor to serve on the authority, and announced that there had been great recent progress. She shared that the state revenue decline and discussions of Medicaid and marijuana were all at the forefront of the authority's process.

Co-Chair MacKinnon FORWARDED the appointments of Carlton Smith, Christopher Cooke, and Mary Jane Michael to a Joint Session for consideration in accordance with AS 39.05.080. This did not reflect an intent by any member to vote for or against the confirmation of the individuals during any further sessions.

^CONFIRMATION HEARING: ALASKA OIL AND GAS CONSERVATION COMMISSION

[1:51:31 PM](#)

Co-Chair MacKinnon stated that the Alaska Oil and Gas Conservation Commission was located in AS 31.05.005. It was composed of three commissioners appointed by the governor and confirmed by the legislature in a joint session. The governor shall consider and give preference to a person who demonstrated experience in oil and gas operations in the state. Qualifications for the members included one member should be a petroleum engineer, who held a certificate of registration as an engineer, had earned a degree from the university in the field of engineers, and had at least ten years of professional sub-surface experience in oil and gas industry drillings. A person obtained an undergraduate or

graduate degree in engineering that met the requirements for program accreditation by the Engineering Accreditation Commission of the Accreditation Board of Engineering and Technology. Another member must be a geologist who held a certificate of a professional geologist, had earned a degree in the field of geology from a university accredited in the field of geology, and had a minimum of ten years professional experience in the field of petroleum geology. Lastly, one member must have training and experience that influenced a fundamental understanding of the oil and gas industry in the state.

MICHAEL GALLAGHER, ANCHORAGE, shared his credentials and reasons for his interest in the appointment. He felt that he could contribute to the commission with his knowledge and experience in the oil and gas industry. He understood the importance of the commission, and, if confirmed, he would continue to protect the public's interest in exploration and development of Alaska's oil, gas, and geothermal resources through the application of conservation practices designed to ensure greater ultimate recovery and the protection of health, safety, fresh ground waters, and the rights of all owners to recover their share of the resource. Alaska had provided for him and his family, and was grateful for the opportunity to give back to Alaska. He shared that he and his wife raised their children in Alaska, and were all current Alaska residents. He had over 38 years' experience in the oil and gas civil and vertical construction industry. He spent over 19 years in the Labors International Union of North America Local 341, as a business agent, vice-president, president, and business manager. He negotiated bargaining agreements with other employers and managed the day-to-day operations of the local union. As the business manager, he was a trustee of a \$560 million pension plan, and \$14 million health and welfare plan. He was involved in many judicial hearing, and the board of trustees was responsible for conducting appeal hearings. He was required to look at the facts and evidence, and make a decision on those factors according to the plan document. He felt that this appointment would be an opportunity for learning, and was pleased to serve Alaska on a well-respected commission in concert with distinguished colleagues.

[1:56:06 PM](#)

Vice-Chair Micciche shared that he had interviewed the nominee. He was impressed with his politeness, but did not feel that he was qualified for the appointment.

Senator Bishop commented that he had first-hand experience with oil and gas engineers. He stated that there was "black art" associated with the downhole experience in Prudhoe Bay.

Co-Chair MacKinnon echoed Vice-Chair Micciche's concerns. She stressed that the focus of the commission was understanding the resources in the ground, and how to access those resources to benefit Alaska.

Senator Olson asked for a response to the stated concerns. Mr. Gallagher replied that he was qualified based on the statutory guidelines, because he was familiar with the oil and gas industry. He had educated himself regarding digging a well and downhole expectations. He felt that he could bring a perspective based on Alaska benefit.

Co-Chair MacKinnon FORWARDED the appointment of Michael Gallagher to a Joint Session for consideration in accordance with AS 39.05.080. This did not reflect an intent by any member to vote for or against the confirmation of the individuals during any further sessions.

^CONFIRMATION HEARING: BOARD OF CERTIFIED REAL ESTATE APPRAISERS

[2:02:21 PM](#)

Co-Chair MacKinnon stated that the Board of Certified Real Estate Appraisers was located in AS 08.87.010. The board was composed of five members appointed by the governor. At least one member shall be a person certified under the chapter as a general real estate appraiser. At least one member shall be a person certified under the chapter as a residential real estate appraiser. At least one member shall be an executive in the mortgage banking entity; and at least one member shall represent the public.

RENEE PISZCZEK, FAIRBANKS (via teleconference), introduced herself.

Co-Chair MacKinnon asked how Ms. Pixzczek was qualified for the position. Ms. Piszczek explained that she had worked in residential lending for 20 years, and underwrote a residential appraisal daily through the loan process. She was required to understand Fanny May and Freddie Mac criteria. She wanted to assist the board with public comment on appraisals.

Co-Chair MacKinnon wondered how long Ms. Piszczek had resided in Alaska. Ms. Piszczek replied that she had been in Alaska since 1985.

Co-Chair MacKinnon FORWARDED the appointment of Renee Piszczek to a Joint Session for consideration in accordance with AS 39.05.080. This did not reflect an intent by any member to vote for or against the confirmation of the individuals during any further sessions.

#

ADJOURNMENT

2:05:45 PM

The meeting was adjourned at 2:05 p.m.