

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

February 12, 2015

8:58 a.m.

MEMBERS PRESENT

Senator Bill Stoltze, Chair
Senator John Coghill, Vice Chair
Senator Charlie Huggins
Senator Bill Wielechowski

MEMBERS ABSENT

Senator Lesil McGuire

COMMITTEE CALENDAR

DEPARTMENT OF ADMINISTRATION - OVERVIEW

- HEARD

CONTINUING DISCUSSION OF THE IMPLEMENTATION OF BALLOT MEASURE
NO. 2 (13PSUM) - AN ACT TO TAX AND REGULATE THE PRODUCTION,
SALE, AND USE OF MARIJUANA

- SCHEDULED BUT NOT HEARD

SENATE BILL NO. 36

"An Act relating to electronic publication of certain municipal
notices and to publication and electronic distribution of
reports by state agencies."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 36

SHORT TITLE: ELECTRONIC DISTRIB. OF REPORTS/NOTICES

SPONSOR(S): SENATOR(S) GIESSEL

02/02/15	(S)	READ THE FIRST TIME - REFERRALS
02/02/15	(S)	STA, FIN
02/12/15	(S)	STA AT 9:00 AM BUTROVICH 205

WITNESS REGISTER

SHELDON FISHER, Commissioner
Department of Administration (DOA)
Juneau, Alaska

POSITION STATEMENT: Provided a departmental overview.

SENATOR CATHY GIESSEL
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 36.

JANE CONWAY, Staff
Senator Cathy Giessel
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided an overview of SB 36 on behalf of the sponsor.

ROBIN WARD, Acting Director
Real Estate Department
Municipality of Anchorage
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 36.

LINDA THIBODEAU, Director
Division of Libraries, Archives, and Museums
Department of Education and Early Development (DEED)
Juneau, Alaska

POSITION STATEMENT: Presented information related to SB 36.

CRAIG KAHKLEN, Policy Analyst
Office of Budget and Management
Office of the Governor
Juneau, Alaska

POSITION STATEMENT: Answered questions related to SB 36.

RUSTAN BURTON, Publisher
Juneau Empire
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to SB 36.

KATHIE WASSERMAN, Executive Director
Alaska Municipal League
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 36.

ACTION NARRATIVE

[8:58:14 AM](#)

CHAIR BILL STOLTZE called the Senate State Affairs Standing Committee meeting to order at 8:58 a.m. Present at the call to order were Senator Huggins and Chair Stoltze. He noted there was not a quorum.

OVERVIEW: DEPARTMENT OF ADMINISTRATION

[8:58:39 AM](#)

CHAIR STOLTZE announced that the committee would hear a presentation from the Commissioner of the Department of Administration.

[8:58:48 AM](#)

SHELDON FISHER, Commissioner, Department of Administration (DOA), provided a departmental overview. He began by describing the organizational chart of the department.

CHAIR STOLTZE asked Commissioner Sheldon to address some of the issues that DOA's divisions and agencies face.

[8:59:38 AM](#)

COMMISSIONER FISHER said he will address various divisional and agency functions, cuts, and areas DOA is focusing on to make some differences in state administration.

CHAIR STOLTZE also requested a review of DOA's pending fiscal challenges during the presentation.

COMMISSIONER FISHER set forth that DOA provides services both to the public and to other state agencies across Alaska. He noted that between the Division of Motor Vehicles and the Public Defender Agency, DOA covers most of the state. He added that the Office of Public Advocacy also has a number of offices, as well as DOA's main administrative offices in Anchorage and Juneau.

[9:00:51 AM](#)

COMMISSIONER FISHER explained that DOA has divisions that specifically provide services to the public, most notably the Division of Motor Vehicles (DMV). He said DOA will continue to provide focus on DMV to come up with strategies and plans to improve systems. He added that DOA's public service divisions include the Public Defender Agency (PDA) and the Office of Public Advocacy (OPA).

SENATOR HUGGINS asked if DOA will continue to have DMV use the private sector to support the division's licensing program.

[9:02:16 AM](#)

COMMISSIONER FISHER answered that DMV will continue to leverage a variety of resources to take care of people's needs: providing more capabilities to auto dealers and enhancing the division's website. He noted that DMV had 40 percent of its registration renewals done online. He said using tools that can remove people out of DMV locations makes lines in its locations fast and more efficient, and provides a better service all together. He stated that DMV has been asked to look at opportunities to expand service in a cost-effective way that provides positive service to Alaska's citizens.

[9:03:51 AM](#)

SENATOR HUGGINS called attention to personalized license plates and asked what other states are doing regarding license plate modifications.

COMMISSIONER FISHER noted that some license plate modifications are made by the legislature. He conceded that there needs to be some limits on the scope of license plate modifications.

[9:05:01 AM](#)

COMMISSIONER FISHER called attention to PDA and OPA, noting that the two organizations have constitutionally mandated requirements. He said DOA has found that the caseloads have increased substantially for PDA and OPA. He revealed that Governor Walker has established an ad hoc, criminal justice group that is looking at how DOA can address the caseload. He noted that PDA and OPA account for nearly \$50 million of DOA's \$88 million in general funds. He pointed out that DOA has tried to keep funding flat in order to minimize any impact on PDA and OPA from the current budget challenges, resulting in large cuts in other organizations. He noted that the Division of Retirement and Benefits (DRB) & Special Systems is the fourth division that provides services to the public. He said that DRB provides a fairly substantial role in managing the experience of the state's retirees, as well as managing the state's unfunded liability.

[9:06:46 AM](#)

CHAIR STOLTZE asked if Commissioner Fisher has ever thought about shifting workloads. He noted that OPA does criminal activities, but added that OPA tends to reference "kids" when talking about their mission. He asked if consideration has been

given to shift the criminal side exclusively to PDA, leaving civil and family matters to OPA. He opined that a workload shift would let each department do what it does best and focus on their missions.

COMMISSIONER FISHER replied that there has been some partial discussions and noted that, at times, there is a conflict of interest that necessitates two agencies.

CHAIR STOLTZE pointed out that he is pleased to see that PDA and OPA have retained their directors.

9:08:46 AM

SENATOR HUGGINS asked to address DOA's Alaska Public Broadcasting Commission (APBC). He pointed out that Commissioner Fisher said the positions are independent entities and the state spends \$5 million on APBC.

COMMISSIONER FISHER answered that the bulk of APBC's money is used to fund public broadcasting through grants. He detailed that APBC receives money from the state and disperses the funds to public broadcasting facilities to pay for staff. He revealed that DOA did not list the position of every public broadcasting organization.

SENATOR HUGGINS asked for three things from APBC that are funded by the state's grant.

COMMISSIONER FISHER explained that funding consists of a general grant to public broadcasting organizations that is not specific to programming. He said that the \$5.4 million provided to APBC accounts 8 to 9 percent of the overall budget for public broadcasting facilities.

CHAIR STOLTZE asked if APBC would be a priority if DOA was doing a zero-based budget.

COMMISSIONER FISHER explained that APBC's budget has been reduced by 15 percent. He noted that in certain communities, public broadcasting is all they have and support is appropriate.

CHAIR STOLTZE asked if Commissioner Fisher prioritizes within DOA for unserved communities. He inquired if Anchorage, Fairbanks, and Juneau are last on his list for public broadcasting.

COMMISSIONER FISHER replied that grant administration decisions are decided by APBC and not by DOA.

CHAIR STOLTZE asked if APBC and DOA need criteria direction for unserved communities. He stated that he is not going after APBC's program, but noted that the Governor had said nothing is sacred. He explained that competition exists within DOA for constitutionally mandated funding, as well as burgeoning costs in other divisions.

[9:12:15 AM](#)

COMMISSIONER FISHER replied that the unserved and underserved communities should be a higher priority based upon his value system.

CHAIR STOLTZE warned that Commissioner Fisher's findings on APBC's funding distribution and priorities will be provocative to some folks.

[9:12:57 AM](#)

COMMISSIONER FISHER pointed out DOA services that are provided to other state agencies. He explained that the Division of General Services (DGS) has two primary functions: one is the management of the state's leased and owned facilities, the second is the centralized portion of procurement. He explained that the Division of Personnel and Labor Relations (DOPLR) has the centralized human resources function, as well as managing the labor relations and contracting with the bargaining units. He said Enterprise Technology Services (ETS) represents the statewide information technology (IT) function.

CHAIR STOLTZE asked Commissioner Fisher to address DGS's space standards. He asked if he felt that the space standards are a good thing, bad thing, or a cost saver.

COMMISSIONER FISHER replied that he has heard people expressing concerns and frustrations over the space standards. He revealed that DOA has put a pause on space standards to do an analysis if money savings were realized. He asserted that space standards are saving the state money. He noted that the standards implemented are very similar and in some respects more generous than what is seen in the private sector. He pointed out that the equipment being used is the same that BP uses at their offices in Alaska.

[9:15:04 AM](#)

CHAIR STOLTZE asked if space standards should be a bargaining item.

COMMISSIONER FISHER answered that he does not. He said that DOA does not believe space standards is something that is required to be bargained, but noted that the bargaining units have filed an unfair labor practice complaint against DOA. He revealed that DOA has engaged in a space standards dialogue with the bargaining units to address their concerns.

CHAIR STOLTZE asked if the dialogue is a good-faith public relations effort, rather than a capitulation.

COMMISSIONER FISHER answered absolutely. He opined that space standards are an effective tool to reduce cost in an environment where the budget is going to be determined by external facts, such as the price of oil.

[9:15:32 AM](#)

SENATOR COGHILL joined the committee meeting.

COMMISSIONER FISHER explained that ETS provides the statewide IT core infrastructure. The Division of Finance (DOF) provides statewide financial and payroll systems, as well as administering e-travel, compiling the Comprehensive Annual Finance Report (CAFR), audits, and bringing online a new Integrated Resource Information System (IRIS) that will be a benefit to the state.

[9:17:20 AM](#)

SENATOR HUGGINS asked Commissioner Fisher if DOA controls the Alaska Land Mobile Radio (ALMR) system.

COMMISSIONER FISHER answered yes. He explained that ALMR sits within the ETS.

SENATOR HUGGINS asked what the direction is for ALMR.

COMMISSIONER FISHER opined that ALMR can be improved in the way it is operated to reduce cost. He added that located at many of the ALMR locations is a land-based statewide telecommunications network. He noted that DOA is looking at combining the wireless and land-based systems to be more efficient. He said that ETS currently relies primarily on a single vendor to supply equipment and DOA is looking at multiple sources to procure equipment. He summarized that DOA is looking at ways to reducing ETS's telecommunications maintenance costs. He disclosed that

ALMR is considering input that ALMR is the wrong approach all together. He noted that the state and federal government has spent a few hundred million dollars building ALMR system. He said that DOA is looking at alternatives to ALMR. He conceded that he cannot recommend an alternative system for the state to consider.

[9:20:42 AM](#)

COMMISSIONER FISHER said the final three agencies that DOA has are the Division of Administrative Services (DAS), the Division of Risk Management (DRM), and the Office of Administrative Hearings. He explained that DAS provides DOA with budgeting and financial services, and DRM manages the insurance for the administration of state assets.

[9:21:11 AM](#)

COMMISSIONER FISHER addressed DOA's budget by division. He revealed that a large percentage of DOA's budget comes from interagency transfer where other agencies pay DOA to provide services. He detailed that DOA has approximately \$88 million of general funds. He reiterated that OPA and PDA account for nearly \$50 million and reductions were moderate, resulting in cost reductions being spread out over DOA's remaining divisions.

He specified that ETS received the largest percentage reduction due to a successful renegotiation in 2014 for a core contract that forecasted substantial savings, as well as improved efficiencies from the State of Alaska Telecommunication Systems (SATS) and ALMR.

CHAIR STOLTZE asked the commissioner to address the strategy for budget percentage reductions rather than addressing agencies that might not be an appropriate government function. He asserted that straight across-the-board cuts are the friend of people with a less defensible program. He pointed out that Commissioner Fisher has a business philosophy and opined that the only way to really get to budget reductions is vertical rather than horizontal.

[9:23:47 AM](#)

COMMISSIONER FISHER answered that he agrees. He stated that the budget mandate that came to DOA is the same as the one that went to most departments. He said that DOA cut approximately 8 percent from its budget. He remarked that he is not uncomfortable with DOA's budget or the challenge. He asserted that the current budget is the first step with additional cuts required and more right-sizing to do.

CHAIR STOLTZE concurred that the initial cuts are a start. He pointed out that Commissioner Fisher has a business, rather than a government, background.

[9:25:19 AM](#)

COMMISSIONER FISHER stated that what he has said to a number of people is, "What we choose to do and what we choose not to do are important decisions." He asserted that most of DOA's services really are services to other agencies. Its budget and scaling down has to be done in collaboration with other departments. He admitted that hard decisions have to be made whether to support everything that is currently on the plate.

COMMISSIONER FISHER pointed out that divisions that were funded by receipts with no general funds did not receive a cut. He stated that DOA, as an organization, continues to look at how the department reduces cost; as an example, lease costs are funded by interagency transfers rather than general funds. DOA is looking at a number of options and evaluating its entire lease portfolio to come up proposals to reduce costs. He summarized that DOA has an ongoing focus in reducing overall costs in all of its divisions.

[9:28:06 AM](#)

COMMISSIONER FISHER said DOA believes it has core challenges and areas where the state needs to focus some attention. He declared that DOA has a leadership role in personnel costs savings, reduction of unfunded liability, procurement savings, information technology (IT), and improving facility management.

He explained that personnel cost savings encompass budget cuts that include reducing personnel. He added that the state spends a fair amount of money on healthcare, both for retirees and for active employees. DOA is actively looking at how to reduce healthcare costs. He said equally important, but more difficult to actually execute, is improving employee productivity. He asserted that there are a number of techniques that DOA is starting to develop, such as better management of current employees and redesigning processes to increase efficiency. He said DOA is becoming more effective and efficient during the right-sizing process.

He addressed the reduction of unfunded liability and explained that for reduced healthcare costs, specifically with the retirees, savings will be realized with the unfunded liability.

He revealed that the state spends approximately \$1.9 billion on goods and services. He remarked that even a modest decline of 5 to 10 percent in procurement costs will yield \$100 million to \$200 million in savings. He stated that there is a lot of opportunity to drive some savings in procurements.

He disclosed that IT services are fairly fractured across the state in how they are delivered. He revealed that DOA is working on strategies to improve IT services and deliver a better service at a lower cost.

He pointed out that DOA is working on improving facility management and noted previously mentioned space standards as one solution. He stated that DOA will be looking at reducing maintenance costs while preserving building integrity. He added that lease costs will also be addressed.

[9:31:18 AM](#)

CHAIR STOLTZE said that he will ask questions regarding personnel cost savings from wage and contract negotiations.

[9:31:33 AM](#)

COMMISSIONER FISHER addressed a list of various bargaining units that DOPLR works with. He revealed that three contracts expire in June. He noted that DOPLR has reached a tentative agreement with the Alaska Correctional Officers Association (ACOA). He said that there are two contracts from 2014 that DOPLR has not finalized: Marine Engineers' Beneficial Association (MEBA) and the Masters, Mates and Pilots (MMP).

CHAIR STOLTZE asked to verify that not all of the contract negotiations pertain to wages or cost increases. He pointed out that some contract negotiations relate to pension issues and other ancillary items that are critical parts of budget drivers with potential cost savings.

COMMISSIONER FISHER added that contract negotiations include healthcare and trust accounts.

CHAIR STOLTZE said as DOA cuts the budget for a sustainable level, there are previously negotiated built-in escalators for percentage increases. He remarked that cost reductions may be obliterated by contracted escalator increases.

[9:33:17 AM](#)

COMMISSIONER FISHER agreed and said they have had discussions with bargaining units to address escalators. At this state, they have not reached agreement.

CHAIR STOLTZE noted there could be potential freezes. He asked if the department or the executive has the legal authority to authorize freezes.

COMMISSIONER FISHER understood that escalators for the non-represented employees are defined in statute. The escalators for represented employees are governed by bargaining agreements. He opined that the department does not have the unilateral right to freezes, absent negotiation or legislation.

CHAIR STOLTZE noted that he was not trying to authorize a freeze, but rather ask for clarification.

[9:35:02 AM](#)

SENATOR HUGGINS asked about contract negotiation parameters.

COMMISSIONER FISHER specified that a team from DOA meets with the union and appropriate departments and makes a recommendation. He said his focus is on making employees productive.

[9:36:55 AM](#)

SENATOR HUGGINS asked how the Governor's Office is involved.

COMMISSIONER FISHER answered that they work with the Governor or his designee.

SENATOR HUGGINS asked who the designee is.

COMMISSIONER FISHER said they are in the process of finalizing the negotiation strategy and meetings are scheduled for next week. He expected it would be the Governor or his chief of staff.

SENATOR HUGGINS thought Alaskans should understand the process.

CHAIR STOLTZE recalled that the last commissioner was pro-active regarding cost containment. He asked if there is more to do in that area.

[9:38:21 AM](#)

COMMISSIONER FISHER noted he is working on two escalators, the step progression and cost of living allowance. They represent a

significant expense over the life of an employee. He said he is trying to determine the level of allowance for benefits. He reiterated that productivity is a bigger driver of cost to the state than cash.

CHAIR STOLTZE mentioned leave bank reforms.

COMMISSIONER FISHER said he would get back to the committee on that.

[9:40:22 AM](#)

SENATOR WIELECHOWSKI joined the committee meeting.

CHAIR STOLTZE asked what some of the typical average salaries are in each classification.

[9:42:26 AM](#)

COMMISSIONER FISHER noted that the original presentation contained that information. He offered to provide that information. He stated that the range is between \$50,000 and \$100,000.

CHAIR STOLTZE noted there were some higher salaries.

COMMISSIONER FISHER agreed. He said those are unusual.

[9:43:35 AM](#)

SENATOR HUGGINS noted contracts that were negotiated during higher oil prices. He asked how contracts are determined during times of low prices.

COMMISSIONER FISHER answered that discussions occurred yesterday on re-negotiating past contract increases. He thought it important that everyone share the pain.

[9:45:09 AM](#)

COMMISSIONER FISHER addressed the cost of health insurance and the dramatic increase recently. He credited the prior administration with starting to reduce costs. It has been difficulty with the change in plan administration and there is concern by retirees regarding the administration of the plan. The department is examining that and will make adjustments. The state has saved at least \$44 million due to the change. He suggested there are more ways to continue to drive down health care costs.

CHAIR STOLTZE asked if Commissioner Fisher has cost containment measures planned.

[9:48:29 AM](#)

COMMISSIONER FISHER answered yes.

CHAIR STOLTZE expected a thorough analysis of new health coverage mandates.

COMMISSIONER FISHER stated that the department will do so to the extent that the mandates relate to DOA. He said unfunded mandates are a major challenge.

SENATOR WIELECHOWSKI asked about the expense of the uninsured to Alaskans. He recalled there were over \$100 million in uncompensated insurance costs due to the uninsured. He wondered what the current cost is and how much it would change if Medicaid were to be expanded.

[9:50:14 AM](#)

COMMISSIONER FISHER said he does not have that information.

SENATOR WIELECHOWSKI requested that he provide that analysis.

COMMISSIONER FISHER turned to the topic of retiree health care costs. There is an unfunded liability in the aggregate of over \$10 billion and "a dollar saved today is worth a lot more than a dollar saved ten years from now."

CHAIR STOLTZE asked if Commissioner Fisher supported changing direction regarding TERS and PERS from a defined benefit to a defined contribution.

[9:51:38 AM](#)

COMMISSIONER FISHER answered that there are alternatives that the department is considering that could potentially provide a better retirement opportunity for employees without increasing costs or risk to the state. An example is a combination of defined benefit and defined contribution.

CHAIR STOLTZE commented on the current philosophy.

[9:53:14 AM](#)

COMMISSIONER FISHER addressed the effect of the \$3 billion deposited into the PERS/TRS account last year.

COMMISSIONER FISHER related that there are ways to improve purchasing, such as by using IRIS.

CHAIR STOLTZE commented that state tends to make mistakes when purchasing technology. He asked the commissioner if he has any suggestions for improvement.

COMMISSIONER FISHER noted his concern about that.

CHAIR STOLTZE asked if the state has the ability to make good business decisions.

[9:56:29 AM](#)

COMMISSIONER FISHER stated that the key to improvement is Scot Arehart, the director of the Division of Finance, who has the knowledge of the requirements and testing trials for the project. He was optimistic about a successful July launch.

SENATOR COGHILL asked the Commissioner to look for statutory barriers on procurement regarding the attempt to get the lowest cost for the best value.

COMMISSIONER FISHER offered to do so. He related that there is sufficient money and resources for a more successful IT system statewide. He said he intends to look at barriers to implementation.

[9:59:48 AM](#)

COMMISSIONER FISHER said the real challenge in a centralized versus a de-centralized system is to try and identify those services that are commodity services where specific agency requirements are not the dominating feature of the service and centralizing those commodity-like functions and driving the cost down and delivering them in the most efficient and cost-effective way, while still leaving the ability for a department to have a business-use specific service or capability that is unique to that department, which then would not be commoditized, but still be delivered specifically in that department. It is a balance between cost and efficiency in meeting the business department's needs.

SENATOR COGHILL voiced interest in maintaining core services.

[10:02:16 AM](#)

COMMISSIONER FISHER showed the list of buildings the state owns or leases. The department is currently looking at how the state

uses and manages its own facilities and the expenses of leased-versus-owned buildings.

SENATOR COGHILL noted that money has gone into energy efficiencies for state facilities. He asked the status of that funding, as well as that of deferred maintenance.

[10:04:19 AM](#)

COMMISSIONER FISHER, in response to a question from Senator Coghill, addressed leasehold improvements and the cost benefit analysis of them.

[10:04:46 AM](#)

COMMISSIONER FISHER opined that universal space standards is a strategy that has value to the state.

CHAIR STOLTZE noted sensitive information in the tax division and the need for privacy.

COMMISSIONER FISHER said he was not familiar with that issue, but he has heard that there may be a need for adjustments in space standards related to privacy issues. The goal is to help people be efficient at the lowest cost. He noted they try to make sure there are conference rooms for privacy.

[10:06:47 AM](#)

SENATOR HUGGINS asked about license plates that are excluded from the ability to have permanent registration.

COMMISSIONER FISHER offered to look into it.

[10:08:34 AM](#)

SENATOR WIELECHOWSKI asked why the manufacturing of licenses is shipped out of Alaska.

COMMISSIONER FISHER said he would find out.

[10:10:00 AM](#)

At ease

SB 36-ELECTRONIC DISTRIB. OF REPORTS/NOTICES

[10:13:18 AM](#)

CHAIR STOLTZE called the committee back to order and announced the consideration of SB 36.

[10:13:37 AM](#)

SENATOR CATHY GIESSEL, Alaska State Legislature, sponsor of SB 36, related that SB 36 would save the state \$500,000 a year and it would also save local governments money. It costs Anchorage \$25,000 to publish their annual notice of foreclosures and from \$50,000 to \$80,000 to publish notice documents. The bill would allow municipalities and the state to use electronic noticing for those publications.

She said the bill has been previously offered and the opposition brought up the amount of money they would lose. She asked the committee to consider the budget climate.

[10:15:26 AM](#)

JANE CONWAY, Staff, Senator Giessel, Alaska State Legislature, provided an overview of SB 36 on behalf of the sponsor:

Section 1 grants municipalities the authority to pass an ordinance that will allow electronic notice to taxpayers on the municipality's public Internet website instead of newspaper publication of the amount of state aid a municipality receives and the millage equivalent.

Section 2 allows a municipality to meet notice requirements by posting its foreclosure list for delinquent taxes on the municipality's public Internet website.

Section 3 allows a municipality to electronically post notice that the redemption period following foreclosure will expire in 30 days on its public Internet website.

Section 4 requires the lieutenant governor to include certain reports of state agencies on the Alaska Online Public Notice System.

Section 5 creates a new article requiring electronic production and distribution of agency reports if the agency has the technological capability to do so. It requires that reports must be posted for one year or until superseded. It creates exceptions where printing is required by other law, agreement or when a printed copy is requested. It allows electronic distribution to fulfill any agency obligation to publish, prepare, present, or submit a report. It clarifies that print copies of reports may be requested from a library

distribution and data access center. It bars a state agency from hiring a contractor to provide photographs or graphics for a report, unless no agency employee to perform the work is available, or the agency would use fewer state resources by hiring a contractor. It defines "report" and "state agency."

10:17:48 AM

CHAIR STOLTZE opened public testimony.

10:19:15 AM

ROBIN WARD, Acting Director, Real Estate Department, Municipality of Anchorage, testified in support of SB 36. She voiced appreciation for the provisions in the bill that would allow all municipalities the option to publish foreclosure notices on line in a local new publication. She said many more property owners are accessing online notices. She pointed out savings to the municipality from the passage of the bill. She noted the cost gets passed down to the property owner.

10:21:24 AM

SENATOR WIELECHOWSKI pointed out that lower-income constituents sometimes don't have computers or access to computers. He asked what parts of town the printed notices were going to.

MS. WARD said it depends on who has the lowest bid for a local newspaper distribution.

10:23:00 AM

LINDA THIBODEAU, Director, Division of Libraries, Archives, and Museums, Department of Education and Early Development (DEED), presented information related to SB 36. She said the state library that is referenced in Sections 4 and 5 is in the division. The bill works for the state library and mechanisms are already in place to distribute notices to patrons electronically or in print through inter-library loan.

CHAIR STOLTZE added that it is an access point for the public.

SENATOR COGHILL noted the cultural change to electronic postings. He asked if there is a way of tracking the number of viewers.

MS. THIBODEAU replied that they see a lot of access to online state documents. She said she could get the percentages of viewers.

SENATOR COGHILL addressed a concern with a new system of access.

10:25:10 AM

MS. THIBODEAU specified that Sections 1 - 3 of the bill do not related to the state library; only Sections 4 and 5 do.

CHAIR STOLTZE speculated that the viewers are those looking at others' property, not their own.

CHAIR STOLTZE questioned the fiscal note.

10:26:35 AM

CRAIG KAHKLEN, Policy Analyst, Office of Budget and Management, Office of the Governor, answered questions related to SB 36. He explained that the fiscal note shows a savings of \$450,000 but does not include one department's information, so the total is closer to \$500,000.

SENATOR COGHILL asked if information will be added to their existing platform.

MR. KAHKLEN said the plan is to use the Lieutenant Governor's electronic distribution system.

SENATOR COGHILL wondered if the information would be easy to find.

10:28:33 AM

RUSTAN BURTON, Publisher, Juneau Empire, testified in opposition to SB 36. He discussed the contrasting issues SB 36 provides for the Juneau Empire; public notices and profit. He addressed Section 4 that deals with administrative documents, which he said he does not take issue with except for the definition of "public." He said he does have concerns about posting municipality legal notices online. He maintained that a website would not be a good venue for those. He shared information about legislation in other states that tried to deal with legal notices, all of which failed. He maintained that the public has a right to know what their government is doing and those notices belong in newspapers. People do not access government websites for information.

10:33:30 AM

MR. BURTON addressed data from New Jersey that showed posting notices online would not save money and does not provide third-party oversight. He concluded that lack of public access is the

most important reason to not publish public notices online. Newspapers are good at mass media.

[10:37:22 AM](#)

SENATOR COGHILL commented that newspapers are becoming more electronic. He asked about the notification process for online public notices and if they would be easy to access.

MR. BURTON answered that depends on available resources. He said very few people spend much time on those pages; print is easier to browse for notices. He stressed that print is not dying.

[10:40:01 AM](#)

KATHIE WASSERMAN, Executive Director, Alaska Municipal League, testified in support of SB 36. She noted the bill provides choices for notification for municipalities. She maintained that newspapers need to react to concerns of their residents.

CHAIR STOLTZE left public testimony open and held SB 36 in committee.

[10:42:35 AM](#)

There being no further business to come before the committee, Chair Stoltze adjourned the Senate State Affairs Standing Committee hearing at 10:42 a.m.