

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 12, 2015

8:03 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 63

"An Act naming the state library, archives, and museum building in Juneau."

- MOVED CSSB 63(STA) OUT OF COMMITTEE

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 4

"An Act relating to financial disclosures required of legislators, legislative directors, public members of the Select Committee on Legislative Ethics, and public officials."

- MOVED SSSB 4 OUT OF COMMITTEE

SENATE BILL NO. 24

"An Act relating to the applicability of the Legislative Ethics Act to legislative interns, legislative volunteers, consultants, independent contractors, sole proprietorships, and other legal entities."

- HEARD & HELD

CONFIRMATION HEARING

Commissioner, Department of Military and Veterans Affairs
Col. Laurie Hummel

- CONFIRMATION ADVANCED

SENATE BILL NO. 62

"An Act relating to the regulation of marijuana, marijuana testing, marijuana products, and marijuana accessories; relating to the licensing of marijuana retailers, producers, processors, boutique producers, brokers, and home growers; relating to taxation of marijuana; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 63

SHORT TITLE: NAMING STATE LIBRARY & MUSEUM

SPONSOR(s): SENATOR(s) EGAN

02/27/15 (S) READ THE FIRST TIME - REFERRALS
02/27/15 (S) STA
03/12/15 (S) STA AT 8:00 AM BUTROVICH 205

BILL: SB 4

SHORT TITLE: FINL. DISCLOSURE: LEGIS AND PUB OFFICIALS

SPONSOR(s): SENATOR(s) GIESSEL

01/21/15 (S) PREFILE RELEASED 1/9/15
01/21/15 (S) READ THE FIRST TIME - REFERRALS
01/21/15 (S) STA, JUD
01/26/15 (S) SPONSOR SUBSTITUTE INTRODUCED-REFERRALS
01/26/15 (S) STA, JUD
03/05/15 (S) STA AT 9:00 AM BUTROVICH 205
03/05/15 (S) Scheduled but Not Heard
03/12/15 (S) STA AT 8:00 AM BUTROVICH 205

BILL: SB 24

SHORT TITLE: LEGIS. ETHICS ACT: CONTRACTORS, INTERNS

SPONSOR(s): SENATOR(s) GARDNER

01/21/15 (S) READ THE FIRST TIME - REFERRALS
01/21/15 (S) STA, JUD
03/05/15 (S) STA AT 9:00 AM BUTROVICH 205
03/05/15 (S) Scheduled but Not Heard
03/12/15 (S) STA AT 8:00 AM BUTROVICH 205

WITNESS REGISTER

SENATOR DENNIS EGAN
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 63.

REPRESENTATIVE NEAL FOSTER

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Testified on SB 63.

CATHRYN FOSTER, Widow

late Representative Richard Foster

Richland, Washington

POSITION STATEMENT: Testified on SB 63.

RICHARD FOSTER

Son of the late Representative Richard Foster

Nome, Alaska

POSITION STATEMENT: Co-Sponsor of SB 63.

LINDA THIBODEAU, Director

Division of Libraries, Archives, and Museums

Department of Education and Early Development

Juneau, Alaska

POSITION STATEMENT: Presented information on SB 63.

COLONEL LAURIE HUMMEL, Commissioner-designee

Department of Military & Veterans Affairs (DMVA)

Anchorage, Alaska

POSITION STATEMENT: Presented information related to her confirmation hearing.

SENATOR CATHY GIESSEL

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 4.

VIVIAN STIVER, Staff

Senator Cathy Giessel

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Explained changes in SB 4.

PAUL DAUPHINAIS, Executive Director

Alaska Public Offices Commission

Anchorage, Alaska

POSITION STATEMENT: Answered questions related to SB 4.

KATHIE WASSERMAN, Executive Director

Alaska Municipal League
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 4.

SENATOR BERTA GARDNER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 24.

T.J. PRESLEY, Staff
Senator Berta Gardner
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided information on SB 24.

JERRY ANDERSON, Administrator
Legislative Ethics Committee
Anchorage, Alaska

POSITION STATEMENT: Provided information on SB 24.

ACTION NARRATIVE

[8:03:57 AM](#)

CHAIR BILL STOLTZE called the Senate State Affairs Standing Committee meeting to order at 8:03 a.m. Present at the call to order were Senators Coghill, Huggins, and Chair Stoltze. Senator Wielechowski arrived shortly thereafter.

SB 63-NAMING STATE LIBRARY & MUSEUM

[8:04:27 AM](#)

CHAIR STOLTZE announced the consideration of SB 63.

SENATOR DENNIS EGAN, Alaska State Legislature, sponsor of SB 63, explained that the bill names the state library, archives, and museum (SLAM) building for Father Andrew P. Kashevaroff in honor of his countless contributions to preserving Alaska history. The SLAM will preserve the history of the people, the state, and the territory of Alaska. Father Kashevaroff was a statewide figure of Aleut and Russian descent, who traveled all over the state. He was married to an Alaska Native woman from Sitka.

He thanked Chair Stoltze and Senator Huggins for their proposal to name a reading room in SLAM after the late-Representative Richard Foster. He said Richard spent a lot of time in the archives reading history and it is fitting that the reading room be named after him.

[8:06:51 AM](#)

SENATOR HUGGINS thanked those who worked on the amendment honoring Richard Foster, who was an institution in the legislature. He said they looked for something that was fitting, professional, and deserving to bear Richard Foster's name - the reading room.

SENATOR HUGGINS moved to adopt Amendment 1, labeled 29-LS0546\A.2, which would name the reading room in SLAM the Representative Richard Foster Reading Room.

AMENDMENT 1

OFFERED IN THE SENATE BY SENATORS HUGGINS, STOLTZE
TO: SB 63

Page 1, line 1, following "Juneau":

Insert "and the public reading room in that building"

Page 4, line 5:

Delete "Museum."

Insert "Museum, and Representative Richard Foster Reading Room. (a)"

Page 1, following line 6:

Insert a new subsection to read:

"(b) The public reading room in the state library, archives, and museum building in Juneau is named the Representative Richard Foster Reading Room."

CHAIR STOLTZE objected.

REPRESENTATIVE NEAL FOSTER, Alaska State Legislature, testified on SB 63. He recognized family members on line.

CATHRYN FOSTER, Widow of the late Representative Richard Foster, thanked the sponsor for honoring her husband in this way. She said Richard loved going to the archives room as an escape and enjoyed reading about the history of Nome and the Bering Straits Region.

[8:10:22 AM](#)

RICHARD FOSTER, Son of the late Representative Richard Foster, testified on SB 63. He thanked everyone for their work on the bill. He recalled his dad's interest in Alaska history and shared what the honor means to the family.

REPRESENTATIVE FOSTER voiced appreciation from the Foster family for the naming of the archives room after his dad, Richard Foster. He shared that one of his dad's favorite things to do was find old newspaper clippings about people's families and make copies to give to their relatives. He also recalled stories about how things used to be 100 years ago. His dad often would be absent for a vote and would have to be called back to session.

CHAIR STOLTZE removed his objection. There being no further objections, Amendment 1 was adopted.

He noted the arrival of Senator McGuire.

He recognized the addition of Senators Coghill, McGuire, and Wielechowski as sponsors to Amendment 1.

SENATOR HUGGINS told a Richard Foster story about shooting.

SENATOR MCGUIRE stated her appreciation for Richard Foster. She shared stories about him.

REPRESENTATIVE FOSTER recalled his dad's nickname - "machine gun Foster."

LINDA THIBODEAU, Director, Division of Libraries, Archives, and Museums, Department of Education and Early Development, testified on SB 63. She noted the SLAM project is on time and on budget. She said she also has fond memories of Representative Foster and would be happy to post an appropriate biography nearby.

CHAIR STOLTZE noted two zero fiscal notes.

He closed public testimony.

[8:22:35 AM](#)

SENATOR HUGGINS moved to report SB 63, as amended, from committee with individual recommendations and attached fiscal notes. There being no objection, CSSB 63(STA) moved from committee.

[8:23:10 AM](#)

At ease

CONFIRMATION HEARING

Commissioner, Department of Military and Veterans Affairs
Colonel Laurie Hummel

8:25:16 AM

CHAIR STOLTZE announced a confirmation hearing for the Commissioner of the Department of Military and Veterans Affairs (DMVA).

8:25:37 AM

COLONEL LAURIE HUMMEL, Commissioner-designee, Department of Military & Veterans Affairs (DMVA), presented information related to her confirmation hearing. She provided information about her background. She said she was in a military family and spent time in remote areas as a child. She always knew she wanted to be a soldier. Her father encouraged her to go to college and become a commissioned officer, so she attended West Point. She related that she was naïve and experienced pressures and challenges. She said that there were 53 women in her graduation class. She shared her experience in various modes of serving; military intelligence officer, human resources, and equal opportunity management.

8:32:14 AM

COLONEL HUMMEL said in 1998 she made a hard decision when stationed in Alaska and was selected for battalion command in the field army, but also as Professor of Military Science for an ROTC program at Oregon State University, and a tenured position at the U.S. Military Academy in the Department of Geography and Environmental Engineering. She opted to teach and mentor at the military academy. She went to the University of Colorado at Boulder and earned a Ph.D. in geography where she researched Military Investment in Alaska during the Cold War period. She visited many installations in Alaska, a life-changing opportunity. She concluded that she was an Alaskan and she would return to Alaska as her adopted home.

She spoke of her time in West Point as an instructor. In the summer of 2008 she became a part of an interdisciplinary team that did an external evaluation on the Human Terrain System. She explained that the Human Terrain System attempts to leverage social and environmental science expertise for the betterment of sound decisions in the field. Teams of academics were embedded in brigade combat teams in support of staff functions and command decisions. A group looked at how well the program worked.

She related that she was able to volunteer on two occasions to go to Afghanistan as an academic advisory and as a senior mentor to leadership. She said she was on a team that enabled the process needed to effect the entry of the first women cadets to the National Military Academy of Afghanistan in 2012.

[8:39:00 AM](#)

COLONEL HUMMEL said she retired in 2012 after 30 years of active duty service and moved back to Alaska. She said she has been a National Guard spouse since 2001, which has opened her eyes to the unique components of the Guard. She said she also learned about the Reserve and Guard when serving abroad. She understood that the Reserve and Guard sacrifice in many more ways than active duty soldiers. She shared some of the hardships they experienced.

She talked about watching the 297th Battlefield Surveillance Brigade activate and go to war for 15 months. She said she realized the importance of the Reserve and Guard in combat areas and to communities.

[8:42:59 AM](#)

COLONEL HUMMEL spoke of the difficulty of retiring. She shared the great opportunity she has now to work as the Commissioner of the Department of Military and Veterans Affairs (DMVA). She described some of the services DMVA provides. She thanked the committee for listening to her story.

[8:45:33 AM](#)

CHAIR STOLTZE asked Ms. Hummel to describe her two roles.

COLONEL HUMMEL explained as Commissioner she works on various activities for the state in the DMVA, such as homeland security, emergency management, Veterans Affairs, and the Alaska Military Youth Academy. She said she also works as the Commander of the National Guard, Naval Militia and the Alaska State Defense Force. She said she is a state employee and a soldier and paid by both federal and state governments. She added that sometimes she wears both hats at once and has to be deliberate about income and human resources.

[8:47:27 AM](#)

SENATOR WIELECHOWSKI thanked Ms. Hummel for her service. He said she has an impressive resume and Alaska is fortunate to have her serve in the Guard. He inquired what she would like to convey to those who have never served about those who have served.

COLONEL HUMMEL replied that one-half of one percent of the U.S. population is in service. Many more Alaskans are directly connected to service. She said she made her decision to join the military in 1978 during the Cold War. She stated she is immensely impressed by the persons who have joined up to serve during the time of war. She spoke of the sacrifices military soldiers encounter and said she honors those who serve. She shared a story of a family she met at West Point and her job in funeral duty to hand a flag to a widow. She described a quote from a funeral card. She said she uses that family's selflessness as an inspiration of selflessness for herself.

8:55:06 AM

SENATOR HUGGINS asked how she separates her roles.

COLONEL HUMMEL explained that she retired as a colonel with a federal rank, and now she is a Brigadier General in the Active Reserves of the Alaska National Guard, as appointment by the Governor in Alaska. She is going through the federal approval process to recognize that same rank.

SENATOR HUGGINS asked about the number of stars allowed in Alaska.

COLONEL HUMMEL thought there could be up to three stars allowed in Alaska. The goal of the National Guard Bureau is to have all adjutants general be major generals. There is no commander relationship between the Alaska National Guard and National Guard Bureau, which advises and provides resources. She explained without being a viable partner, Alaska's resourcing will diminish. She stressed the importance of good working relations and of the Alaska National Guard for defense, especially in light of Arctic strategy. Alaska has to be relevant and ready.

9:01:20 AM

SENATOR HUGGINS said he was a combat soldier. He questioned her ability to lead at her age.

COLONEL HUMMEL said the motto of military intelligence is "always out front" and today everyone is out front. In terms of physical readiness she said she has some injuries. She said went through a medical evaluation process in order to be reinstated and she is fit. She said soldiers look for command presence and she qualifies in spite of a VA disability. She said it is a 24/7 job and she has to take care of herself.

SENATOR HUGGINS asked about nepotism and the investigation into the Guard.

COLONEL HUMMEL said there is a statute prohibiting nepotism in state government. A Commissioner's close relative cannot be employed in the same department. She explained that her husband was a Brigade Commander in the Alaska Army National Guard, so the plan is that he will stay a member of the Army National Guard, but will not work there and instead will work in the National Guard Bureau J-3 section. Alaska's nepotism laws are more stringent than in other states.

[9:12:37 AM](#)

SENATOR MCGUIRE said she is impressed with Ms. Hummel's qualifications. She noted that gender is sometimes an issue. She said she is proud of Ms. Hummel as a role model. She spoke of the recent investigation into the Alaska National Guard and said she is waiting for Judge Collins' report. She stressed the importance of morale in the National Guard and the perception of the inability to report sexual harassment. She requested to know how Ms. Hummel plans to turn the morale around.

COLONEL HUMMEL said one of the problems that came out of the investigation was command climate, such as a feeling of powerlessness to have a voice. She stressed that the first key to change is hope. She opined that due to the broad changes at the top, there is now a broad feeling of hope. The next important step is to go beyond hope to begin "walking the walk" by establishing doctrine-based processes that are known, deliberate, repeatable, and relatively transparent. She provided an example of jockeying and politicking for getting jobs, rather than advancement based on qualifications. There is now a process to gather information about potential candidates and their qualifications and includes input from other leaders. She concluded that it could be made more deliberate by advertising what will be discussed regarding positions. She said that predictability combined with a standard process and representation of leadership should dispel the perception of "clubiness" or "boys' club". Most people in the organization are ready for that change; those who are not need to exit. There also needs to be ways to recognize good performances and increase the esprit de corps.

[9:24:07 AM](#)

SENATOR MCGUIRE asked about prevention and response programs on the issue of sexual harassment and sexual assault.

COLONEL HUMMEL recognized the work of Brigadier General Mike Bridges who led the way during the investigation. She listed the findings of fault: sexual assault, equal opportunity and equal employment opportunity, law enforcement, military justice, and command climate, as well as fraud, which was addressed by an audit. The Guard initiated an implementation planning team. They created a robust training program to educate, assess, and assist with sexual assault prevention and response. They devised a "commander on the spot assessment" for evaluating the reporting of sexual abuse and assault. Corrections were made to the reporting chain of the Sexual Assault Prevention and Response Coordinator (SARC) who is now in Colonel Hummel's office. There is a special victim's counselor, an attorney who will advise victims of sexual assault. There is a full-time state equal employment manager.

She continued to say that the Guard has done a thorough re-training of equal opportunity personnel who can now train others. There is now a full-time provost marshal who is an Anchorage police officer and an active duty Guard member. There is an Adverse Action Blotter Report to manage and improve transparency on corrective actions and to build morale. There is an increased focus on mentorship programs to help professionalize Guard relationships. Also, there is an improved process for officer and enlisted assignments and promotions so that it is fair and deliberate and without politicking. She gave full credit to General Bridges for these improvements.

[9:34:22 AM](#)

COLONEL HUMMEL said she will focus on communication with the troops to find out their needs. She pointed out that commanders need better information in their training programs and courses. Staff support should make life easier for commanders to receive excellent training.

[9:35:41 AM](#)

SENATOR COGHILL noted entry into the Guard is voluntary and has a variety of missions. He asked what is working well and what can be improved.

COLONEL HUMMEL spoke to meaningful missions in the Air National Guard first. She said their federally enacted missions, which are more than in any other state, are naturally meaningful. There are resources available, the missions are relevant, and airmen are motivated. The Army National Guard is more of a challenge because it does not have federal missions and their training is for things that may or may not happen, such as

emergency preparedness and combat skills. A small, full-time force is authorized to engender the conditions for the regular soldiers to come to training on their weekends and 15 days of active duty training. She said in her estimation, too much time is spent on "make work projects" that do not go to the core for preparedness for soldiers. She opined that improvements need to be made in meaningful training.

[9:40:13 AM](#)

SENATOR COGHILL asked about lessons learned from previous deployments that would lead back to basics.

COLONEL HUMMEL replied that they learned that taking care of family is a basic need. Also, soldiers need to have full confidence in the competence of their leadership, so the professional education training of leadership is important.

[9:43:03 AM](#)

CHAIR STOLTZE asked about the Kodiak Launch Project.

COLONEL HUMMEL said she would not speak for General Campbell. She related that there is a unique new opportunity to launch a satellite family. People are paying more attention to the Arctic where there will be more need than ever for geographic information. She opined there are good things ahead for the launch facility.

CHAIR STOLTZE asked if there is a future for Alaska State Defense Force (ASDF).

COLONEL HUMMEL hoped so, however, she said that National Guard Regulation 10-4 has emasculated ASDF and no federal funds are available for it. The department may ask for state money for ASDF training. All states that have a state defense force are banding together to form a caucus to meet with Congressional delegations to state their case.

CHAIR STOLTZE appreciated that effort.

CHAIR STOLTZE asked about declining recruitment and retention in rural Alaska.

[9:47:16 AM](#)

COLONEL HUMMEL spoke of the value of all the networks in rural areas. She said the Governor is invested in renewing the Guard in rural areas. She pointed out that she has put together a Commander's Action Group and the Commissioner's Task Force to

research state travel initiatives and the relationship between the Guard and rural areas.

She said she is addressing increasing recruiting and retention in rural areas. She proposed to bring back a National Guard counter-drug program - drug demand reduction. It consists of federal resourcing to help educate and reduce drug use in the force. Currently, there is no counter-drug program in the National Guard. She said it is a learning process to get the funding back. Also, there is a need for medical waivers for rural recruits due to the common problem of hearing loss. There is also a need for educational waivers in rural areas. She said she needs to petition the federal government to make amendments to the joint travel regulation in order to allow rural soldiers to travel to drill centers. She said she also needs to find ways for professional military education and advanced civilian education for rural soldiers so they can raise their rank. She stressed the importance of making it known in Washington that Alaska is different. She opined that Alaska needs to think beyond the National Guard when it comes to rural engagement and leverage other sections of DMVA to enable improvements in recruiting and retention in rural areas.

[9:53:30 AM](#)

CHAIR STOLTZE thanked Colonel Hummel.

[The name Colonel Laurie Hummel for Commissioner of the Department of Military & Veterans Affairs was forwarded to the full legislature sitting in joint session for a vote.]

[9:53:58 AM](#)

At ease

SB 4-FINL. DISCLOSURE: LEGIS AND PUB OFFICIALS

[9:55:21 AM](#)

CHAIR STOLTZE announced the consideration of SB 4.

SENATOR CATHY GIESSEL, Alaska State Legislature, sponsor of SB 4, explained that the bill changes the filing date for the Annual Public Official Financial Disclosure required by the Alaska Public Offices Commission (APOC) from March 15th of each year to May 15th of each year. It affects all citizens serving on certain boards and commissions, municipal officers, and public officials such as legislators. Some municipalities have opted out of this disclosure date.

She pointed out that the required financial documents must be accurate and are required by the IRS. Many of those who must file own their own businesses and do not have their financial information ready by March 15. She referred to a document in members' packets entitled "APOC Civil Assessments" that lists possible assessed penalties for inaccurate filings. She noted letters of support for the bill.

[9:58:40 AM](#)

She said SB 4 does not change what will be disclosed, it only offers an opportunity to ensure 100 percent accurate disclosures.

VIVIAN STIVER, Staff, Senator Cathy Giessel, Alaska State Legislature, explained changes in the bill. It changes the date to May 15 and lists who is required to file.

SENATOR HUGGINS asked why it was written as March 15 originally.

MS. STIVER understood that the date was chosen because it was during the legislative session and a financial disclosure is required. She pointed out that legislators must file a financial disclosure when they run for state office and, if elected, or if a person is appointed to a commission or board, they must file again within 30 days. The requirement to file was to give voters a chance to see a candidate's financial interests.

SENATOR HUGGINS asked if both he and his wife have to file by March 15.

MS. STRIVER said yes.

SENATOR HUGGINS asked where the information is stored.

MS. STRIVER said it is stored on line. She did not know if the public was aware of those documents.

SENATOR HUGGINS recalled issues in the past in the legislature and knee-jerk reactions to them. He preferred a date based on the people, not the legislature. He said many may want to run for office, but don't want to show their financial interests. He spoke in support of the bill.

[10:04:35 AM](#)

CHAIR STOLTZE related that the change was made to March 15 in 1998, as an amendment. The original date was February 15 and coincided with APOC disclosure deadlines.

PAUL DAUPHINAIS, Executive Director, Alaska Public Offices Commission, offered to answer questions related to SB 4.

CHAIR STOLTZE asked for APOC's opinion of the bill.

MR. DAUPHINAIS said APOC is against changing the date for reasons of transparency, but would enforce the deadline as the legislature sees fit.

[10:07:11 AM](#)

KATHIE WASSERMAN, Executive Director, Alaska Municipal League, testified in support of SB 4. She said the change will help attract people to run for offices.

CHAIR STOLTZE closed public testimony.

[10:08:37 AM](#)

SENATOR HUGGINS asked Mr. Dauphinais about his comment regarding transparency.

MR. DAUPHINAIS clarified that when APOC took its position on the bill they were concerned about the legislature and the possibility of a legislator running for office, submitting a financial disclosure, and then potentially signing business contracts, and not having to file a disclosure statement until after the session was over and voting on issues was in the past.

SENATOR HUGGINS noted that before legislators vote they must declare a conflict of interest.

MR. DAUPHINAIS said that provision is under the Legislative Ethics Act, not APOC.

SENATOR HUGGINS said it is the same thing.

MR. DAUPHINAIS had no response.

SENATOR HUGGINS said he is not trying to get special consideration for legislators and is thinking more about other people who are required to file.

CHAIR STOLTZE asked the sponsor if she has considered separating legislators out.

[10:12:10 AM](#)

SENATOR GIESSEL maintained that legislators face the same accuracy issues and are subject to the same fines.

CHAIR STOLTZE noted a zero fiscal note.

SENATOR WIELECHOWSKI said he is concerned with pushing the date back for legislators because the public wants to see legislators' financial disclosures. He encouraged separating out legislators, even though it is sometimes a challenge to get the paperwork done. Candidates have to fill out disclosures. A better policy is to keep the date where it is.

CHAIR STOLTZE also had concerns, but wanted to move the bill. He maintained it was a straightforward change and he supports moving the bill out of committee.

SENATOR COGHILL said the difference between legislators and others is that there is a higher level of scrutiny and accountably required of legislators. He said he does not mind disclosing his finances and supports the change of dates.

[10:18:31 AM](#)

CHAIR STOLTZE said he does not have conflicts to disclose.

SENATOR COGHILL moved to report SSSB 4 from committee with individual recommendations and attached zero fiscal note. There being no objection, the motion carried.

[10:19:09 AM](#)

At ease

SB 24-LEGIS. ETHICS ACT: CONTRACTORS, INTERNS

[10:21:13 AM](#)

CHAIR STOLTZE announced the consideration of SB 24.

SENATOR BERTA GARDNER, Alaska State Legislature, sponsor of SB 24, explained the bill is a "clean up bill" and is at the request of the Legislative Ethics Office. About a year ago the outgoing administrator of Legislative Ethics discovered a statute that had not been enforced and deemed it needed some changes.

T.J. PRESLEY, Staff, Senator Berta Gardner, Alaska State Legislature, provided information on SB 24. Through a routine

advisory opinion process, the Legislative Ethics Administrator discovered that independent contractors and consultants were considered legislative employees in statute and were subject to the ethics code. The statute said that all the requirements of legislative employees must be levied on the independent contractors and consultants. He used West Law Dictionary as an example of a contractor and said it is not practical or feasible to ask such a contractor or a corporation to fill out the required paperwork.

He related that in 2012 interns and volunteers were given their own place in the Ethics Act and now legislation is needed to fix the problem of the contractors and consultants. The Legislative Ethics Committee established a subcommittee with Senator Gardner and Representative Millet to establish legislation that would fix the problem.

10:25:12 AM

MR. PRESLEY concluded that they came up with a solution that included a focus on conflicts of interest and unethical conduct. He referred to recommendations by Legislative Ethics subcommittee followed when writing SB 24. The bill puts independent contractors and consultants into their own category in the Ethics Act, with reasonable, enforceable requirements.

10:26:50 AM

JERRY ANDERSON, Administrator, Legislative Ethics Committee, provided information on SB 24. He said the bill is the product of 14 months of meetings. He noted the subcommittee did extensive work on the bill. He said the bill is important to delineate the exact sections of the Ethics Act that apply to contractors. Contractors are not subject to the training requirements. It is an important bill.

CHAIR STOLTZE asked for the Ethics Committee's opinion of the bill.

MR. ANDERSON said the Ethics Committee supports the bill.

SENATOR WIELECHOWSKI noted the legislature hires a lot of consultants. He voiced concern about a consultant who is a client of the oil industry.

MR. PRESLEY replied that there is contract language in place regarding unethical conduct. There is an expectation of no conflict of interest in contract matters. However, enforcement is another issue.

SENATOR WIELECHOWSKI summarized that the change SB 24 provides is that contractors would not have to file a financial disclosure form.

MR. PRESLEY referred to challenges other states have had when dealing with ethics and subcontractors. He questioned the problems with determining if contractors are legislature employees. The Ethic Statutes list what provisions apply to independent contractors and consultants.

[10:33:47 AM](#)

SENATOR GARDNER pointed out that this proposal is not endorsed by the Ethics Committee as a whole, but by the administrator and the out-going administrator, by a public member who is an ethics attorney, and by the chair.

CHAIR STOLTZE asked for something in writing.

SENATOR GARDNER said the Ethics Committee did request the legislation, but did not take a vote to endorse it.

CHAIR STOLTZE asked for the process in writing.

[10:35:03 AM](#)

SENATOR MCGUIRE noted the matrix of other states and she read from Connecticut's: "For most purposes a consultant is neither a public nor state official and therefore not subject to the State Ethics Act." She said another provision applies to contractors and consultants and prohibits the consultant's use of confidential information, the acceptance of other state contracts which would impair their judgement, or the acceptance or giving of anything of value that influences a consultant's actions. She said she liked that statement and saw it as getting to the core of the issue.

She voiced concern about good people not applying for positions because they don't want to deal with all the filing requirements. She also had concerns about a consultant's fear of political ramifications from ethics complaints. She gave an example of an LB&A chair who might hire an oil and gas consultant who is targeted with an ethics complaint by dissatisfied opposition.

[10:37:59 AM](#)

SENATOR HUGGINS said he understands the need for ethics committees, but they don't make dishonest people honest. He

opined it was not the oil and gas industry that had the greatest conflicts of interest, but workers compensation consultants. He recommended hiring consultants that are honest.

[10:40:11 AM](#)

SENATOR GARDNER summarized that currently contracts and consultants are subject to the entire ethics code and the bill tries to keep that which is meaningful and workable and get rid of what does not work. She concluded, "There is a place that protects our interest and allows us to move forward in a meaningful way without creating mountains of data."

CHAIR STOLTZE held SB 24 in committee.

[10:41:32 AM](#)

There being nothing further to come before the committee, Chair Stoltze adjourned the Senate State Affairs Standing Committee at 10:41 p.m.