

HOUSE FINANCE COMMITTEE

April 17, 2017

1:26 p.m.

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CALL TO ORDER

Co-Chair Seaton called the House Finance Committee meeting to order at 1:26 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Paul Seaton, Co-Chair
Representative Les Gara, Vice-Chair
Representative Jason Grenn
Representative David Guttenberg
Representative Scott Kawasaki
Representative Dan Ortiz
Representative Lance Pruitt
Representative Tammie Wilson
Representative Mark Neuman (Alternate)

MEMBERS ABSENT

Representative Steve Thompson
Representative Cathy Tilton

ALSO PRESENT

Representative Sam Kito; Crystal Koeneman, Staff,
Representative Sam Kito; Tom Lucas, Paralegal II,
Administration, Alaska Public Offices Commission (APOC);
Bianca Carpeneti, Staff, Representative Sam Kito; Terry
Bannister, Legislative Legal Services, Alaska State
Legislature; Stephen Trimble, Founder and CEO, Arctic Solar
Ventures, Anchorage; William Clark, Attorney, Drinker,
Bindle, and Realth, Pennsylvania; Representative Matt
Claman, Sponsor; Lizzie Kubitz, Staff, Representative Matt
Claman; Margaret Brodie, Director, Division of Health Care
Services, Department of Health and Social Services; Michele
Michaud, Chief Health Official, Division of Retirements and
Benefits, Department of Administration; Anna Latham, Deputy
Director, Insurance Division, Department of Commerce; Sarah
Bailey, Insurance Specialist III, Insurance Division,
Department of Commerce; Alyson Currey, Legislative Liaison,

Planned Parenthood Votes Northwest and Hawaii; Elizabeth Figus, Self, Sitka; Elizabeth Eilers, Self, Juneau; Alica Cargill, Policy Specialist, Alaska Network on Domestic Violence and Sexual Assault; Pamela Samash Self, Right to Life, Nenana; Paige Hogson, Self, Anchorage; Robin Smith, Self, Anchorage; Justine Webb, Self, Fairbanks; Vhemia Peterson, Self, Anchorage.

PRESENT VIA TELECONFERENCE

SUMMARY

HB 25 INSURANCE COVERAGE FOR CONTRACEPTIVES

HB 25 was HEARD and HELD in committee for further consideration.

HB 91 APOC REGISTRATION FEES; LOBBYIST TAX

HB 91 was HEARD and HELD in committee for further consideration.

HB 124 BENEFIT CORPORATIONS

HB 124 was HEARD and HELD in committee for further consideration.

SB 88 AK MENTAL HEALTH TRUST LAND EXCHANGE

SB 88 was SCHEDULED but NOT HEARD.
[See meeting held on April 18, 2017 at 9:45 a.m. for detail]

Co-Chair Foster reviewed the agenda for the day.

#hb91

HOUSE BILL NO. 91

"An Act relating to fees for certain persons filing disclosure statements or other reports with the Alaska Public Offices Commission; relating to a tax on legislative lobbyists; and providing for an effective date."

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REPRESENTATIVE SAM KITO, introduced HB 91. He explained that the Alaska Public Office Commission (APOC) was granted increased receipt authority but not the statutory authority to adjust its fees. The bill provided the statutory authority, a \$50 financial disclosure form filing fee per legislative or public official, a \$100 fee for candidates, and a fee schedule for lobbyist registrations based on a contracted amount. The fees added up to approximately \$280 thousand of additional receipt authority.

CRYSTAL KOENEMAN, STAFF, REPRESENTATIVE SAM KITO, read the sectional analysis:

Section 1: Amends AS 15.13.054. Administrative registration fee. Adds a new section that requires a candidate, group, or nongroup entity to pay a \$100 registration fee. This does not apply judges, constitutional convention delegates, exempt municipal candidates, or nongroup entities with an operating budget of \$250 or less.

Section 2: Amends AS 15.13.390(a). Civil penalty; late filing of required reports. Includes language referencing the administrative registration fee.

Section 3: Amends AS 24.45.041(g) Include language referencing the administrative registration fee and removes the current \$250 registration fee and sets a fee of \$350 for a contract with a value of less than \$30,000; \$650 for a contract with a value of between \$30,000 and \$60,000; and \$850 for a contract with a value of over \$60,000.

Section 4: Amends AS 24.60 to include a new section AS 24.60.238. Administrative registration fee. Requires legislators, public members or the committee, and legislative directors filing financial disclosures to pay an administrative registration fee of \$50.

Section 5: Amends 24.60.240. Civil penalty for late filing. Allows APOC to assess a civil penalty of not more than \$10 a day for failure to pay the administrative registration fee as levied under section 4 of the bill.

Section 6: Amends 37.03.146(c). Definition of program receipts and non-general fund receipts. Add fees collected by APOC to the list of program receipts.

Section 7: Amends AS 39.50 to include a new section AS 39.50.132 Administrative registration fee. Requires governors and lieutenant governors filing financial disclosures to pay an administrative registration fee of \$50.

Section 8: Civil penalty; late filing of required reports. Allows APOC to assess a civil penalty of not more than \$10 a day for failure to pay the administrative registration fee as levied under section 7 of the bill.

Section 10: Establishes a January 1, 2018 effective date.

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Co-Chair Foster noted that Representative Neuman joined the committee.

Co-Chair Foster asked whether the fees were payable online.

TOM LUCAS, PARALEGAL II, ADMINISTRATION, ALASKA PUBLIC OFFICES COMMISSION (APOC), responded in the negative and indicated that the reason was due to a lack of funding. Currently, payments were mailed or brought to the commission's office. Co-Chair Foster asked how the collection system worked. Mr. Lucas answered that a provision in the legislation required payment on or before registration.

Representative Kawasaki asked what amount of funding APOC needed to operate each year. Mr. Lucas was unable to answer the question due to lost positions caused by the last two fiscal year's budget cuts. He noted that the commission was "struggling to hire a data person."

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Representative Kito replied that APOC's FY17 budget was \$1.05 million. He detailed that \$800 million was general funds (GF) and \$245 thousand in program receipt authority.

However, the current statutory authority for program receipts was limited to \$107 thousand.

Representative Kawasaki asked in regards to APOCs historical budget, what the highest level of full funding was. Ms. Koeneman replied that in FY 15 the budget was approximately \$1.3 million GF resulting in actuals of \$1.1 million GF and \$119 thousand in program receipts.

Representative Kawasaki asked whether the bill impacted "representational" lobbyists. Representative Kito answered in the negative and added that a fee was also not charged to volunteer lobbyists. Representative Kawasaki appreciated the bracketing for lobbyist fees, which he thought was a fairer system. He suggested a smaller fee bracket for lobbyists making a very small fee. He asked whether the fiscal note reflected the fee brackets. Ms. Koeneman was aware that APOC was working on a revised fiscal note. She added that the fiscal note from the Department of Revenue (DOR) FN 2 (REV) was no longer applicable due to the changes in the House State Affairs Committee version.

Representative Guttenberg commented that he thought APOC had suffered from budget cuts. He wondered whether APOC differentiated between program receipts and fines. Representative Kito replied that currently the only program receipts available were the lobbying registration fees of \$250 and were used for the commission's work. The penalties that were assessed by APOC were deposited into the GF and were not used to support the commission. Representative Guttenberg asked whether the additional fees in the bill were program receipts. Representative Kito responded in the affirmative. Representative Guttenberg asked whether the program receipts resulting from the bill would cover the additional administrative costs or were more available to cover other APOC functions. Representative Kito responded that the legislation allowed for a slightly higher receipt authority in anticipation of the same budget. He indicated that the objective was for APOC to eventually hire another person with policy experience to address lobbying issues. He wanted the commission to ultimately strengthen their mission.

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Vice-Chair Gara asked what proportion of the fees were generated from lobbying and what proportion from other

fees. Representative Kito was uncertain of the exact percentages but relayed that a much higher portion was received from lobbying and a much smaller portion from candidate and financial disclosure fees.

Ms. Koeneman shared that an updated fiscal note from APOC was not available. However, she confirmed that the previous fiscal note reported that APOC expected to receive \$15 thousand from candidates, \$18 thousand from groups, \$3 thousand from entities, \$67.6 thousand from public officials, and \$3 thousand from legislators totaling \$106,600. The figure did not include the \$120 thousand from lobbying. Vice-Chair Gara had received complaints from school board members and "public officials from smaller governmental entities" that they had to comply with the same reporting requirements as legislators. He queried whether the entities were subject to the fees. Ms. Koeneman responded in the affirmative. She offered that she completed a historical review of the genesis of APOC. The commission was established via a citizens' initiative in 1974 and was upheld by a court decision, which determined that the citizens had the right to know whether a conflict of interest existed with any elected official, "no matter how great or small" the position. Vice-Chair Gara asked whether the financial disclosures included information regarding sources of income and investments. Ms. Koeneman responded in the affirmative.

Vice-Chair Gara commented that the reporting requirement became more stringent after the 2006 legislative corruption issue. He did not agree with charging school board members for financial disclosure reporting. Representative Kito responded that the fees were a legislative policy call. He elaborated that some of the financial disclosures were reviewed and reported on and he wanted the reporting supported by fees. Currently, the Division of Elections charged a \$30 registration fee for its administrative costs. Campaigns and candidates were currently not charged an APOC fee.

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Representative Neuman asked whether APOC was planning to hire additional personnel in the future. Mr. Lucas answered that APOC was currently seeking an individual to fill an IT position. Representative Neuman asked whether the position

was funded but unfilled. Mr. Lucas replied in the affirmative.

Representative Neuman referred to FN 2 (REV) and noted that DOR would have to alter its tax management system to accommodate the fee collection and wondered how it would integrate into the department's existing tax collection system. He wondered whether HB 91 created additional administrative costs for the department. Representative Kito recounted that the State Affairs Committee discovered complications with implementing a tax instead of a fee. In response, the committee substitute removed the tax component, which eliminated the need for DOR's fiscal note and a forthcoming updated APOC fiscal note would reflect the change from a tax to a fee. Representative Neuman asked whether the APOC fee collection could be integrated into DOR's tax system. Representative Kito relayed that another issue identified with a tax was the inability to designate the revenue to APOC. He preferred to leave the tax component out of the bill due to the difficulties of administering a dedicated tax and ensuring APOC's receipt authority from the fee revenue.

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Co-Chair Seaton had a question on page 1, line 11 of the bill and read the following:

...a candidate shall pay an administrative fee of \$100 to the commission when the candidate files the name and address of the candidate's campaign treasurer under AS 15.13.060(c).

Co-Chair Seaton assumed that the fee was in addition to the fee charged by the Division of Elections. Representative Kito responded in the affirmative.

Co-Chair Seaton asked whether the fee applied if the candidate was acting as her own campaign treasurer. Ms. Koeneman responded that all candidates were required to register with APOC and pay the fee regardless if a candidate was acting as their own treasurer. Co-Chair Seaton wondered whether the provision was written adequately to ensure that a candidate acting as his own treasurer was required to pay the fee. Ms. Koeneman responded that AS 15.13.060 (a) required the candidate or group to designate a campaign treasurer.

Co-Chair Seaton referred to page 3, Section 4 and read the following:

A person required to report under this chapter shall pay an administrative registration fee of \$50 to the Alaska Public Offices Commission each year in which a report is due.

Co-Chair Seaton queried whether the fee included the candidate. He cited page 3, line 26 [27 through 29] as follows:

... a public official or former public official required to file a report under AS 39.50.020 shall pay the commission an annual administrative registration fee of \$50 each year in which a report is due.

Co-Chair Seaton wanted to ensure that candidates and public officials were both covered under the bill. Representative Kito answered that the bill contained two separate provisions: candidates were required to register and pay the \$100 fee and public officials were required to file a financial disclosure form costing \$50. Co-Chair Seaton asked whether the \$50 fee in section 4 was an additional fee. Representative Kito responded in the negative. The section addressed a different group of filers other than candidates or elected officials.

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Representative Wilson asked whether the fees collected were deposited into a specific designated fund. Representative Kito replied that the fees were designated program receipts which enabled APOC to receive and expend the funds.

Ms. Koeneman interjected that the fees were deposited into fund code 1005 program receipts.

Representative Wilson wondered whether program receipts were able to be spent as needed without legislative appropriation. Representative Kito explained that the legislature authorized the receipt and expenditure for program receipts via the fund source code on a line item in the appropriation bill. Representative Wilson asked whether the sponsor intended to back out undesignated general funds (UGF) and replace them with the additional fees or the fees were in addition to UGF. Ms. Koeneman replied that the

intent was to offset a portion of APOC UGF. She furthered that the amount depended on the level of funding appropriated by the legislature. Ms. Koeneman detailed that any amount collected in fees that were above the level of funding APOC needed to function could replace UGF with program receipts.

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Representative Kito added that the legislature appropriated GF and an amount for program receipt authority. The legislation enabled APOC to increase its ability to collect the higher amount of program receipts in order to meet its budget obligations. Representative Wilson provided a hypothetical scenario where APOC collected a higher amount in fees than the amount authorized by the legislature. She deduced that APOC could not expend the amount above what was authorized. Representative Kito answered that APOC could expend the additional fee revenue through a request for authorization approved by the Legislative Budget and Audit Committee. Representative Wilson asked what the fee schedule was for state and municipal candidates. Representative Kito indicated that the bill contained separate provisions for state and municipal candidates. The state candidates were required to pay a \$30 fee for the Division of Elections and an additional \$100 fee for APOC. Candidates were not required to file a financial disclosure form; only elected officials were mandated to file the \$50 fee for financial disclosures. He noted that aside from the APOC and Division of Elections fee, a municipal candidate was required to file an APOC financial disclosure form that carried the \$50 filing fee in some municipalities where the disclosure was mandated by law.

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Representative Grenn thought APOC provided a low income exemption for the candidates filing fee and asked whether the bill covered the exemption. Ms. Koeneman answered in the affirmative and elucidated that the legislation did not remove or alter the exemption.

Representative Pruitt asked about the fiscal notes and whether they were current. Ms. Koeneman relayed that a revised APOC fiscal note was forthcoming and the DOR fiscal note would be zeroed out. Representative Pruitt spoke to the difficulties for some public officials especially for

certain boards and commissions that had a difficult time finding members. He asked about the sponsor's thoughts on every public official paying the \$100 fee. Representative Kito corrected that the applicable fee would be the \$50 financial disclosure fee. He acknowledged that although the legislature was trying to protect the public from "undue outside interests," on "low level boards" financial disclosures and conflicts of interest "might not be as pertinent." He reported that the issue was discussed in the previous committee and they were unable to determine a way to equitably identify what public officials could be waived from the filing fees. The process to separate out certain public officials became "unbelievably cumbersome." Representative Pruitt asked whether the fee would hinder the ability of boards and commissions to find members. Representative Kito believed that the requirement for financial disclosure was more of an obstacle than the fee. He opined that once the individual committed to the requirement for financial disclosure the \$50 fee was a negligible determinate. Representative Pruitt relayed that APOC was not able to collect fees online. He wondered how the inability to pay APOC fees online would affect potential filers. Representative Kito was concerned with the issue and wanted to address the issue with APOC. He felt online filing was preferred.

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Representative Pruitt questioned the potential for all people to be able to run for office with a fee of \$100. He wondered what impact the fee would have on people's ability to run for office. Representative Kito thought Representative Pruitt brought up a fair point and revealed that the issue was discussed in a previous committee. He explained that a candidate who planned to raise less than \$5 thousand were exempted from the APOC fees. He believed that the APOC fees were nominal, once a candidate reached the \$5 thousand threshold and was still raising more campaign funds. Representative Pruitt asked whether the APOC fees could be paid with campaign funds. Representative Kito responded in the affirmative and added that the fees were "an eligible campaign expense." Representative Pruitt inquired about the lobbyist's fees and the number of lobbyists in each of the listed fee brackets in the bill. He asked how many lobbyists in the lower brackets were required to pay the APOC fees. Representative Kito answered that the fee was based on the "client value" or contract

amount. He explained that if the lobbyist had 10 clients the contracts might vary from \$10 thousand to \$60 thousand or more. The fees had been split up in order to minimize the costs for clients paying a lower lobbying contract as opposed to the clients paying the higher lobbying contracts. He indicated that changing the fees were in recognition that clients who could pay more for a lobbying contract could pay a higher registration fee for its lobbyist.

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Representative Pruitt thanked Representative Kito for the clarification. He asked for the definition of "Representational Lobbyist." Representative Kito explained that a representational lobbyist was a lobbyist who lobbied on behalf of an organization without receiving any payment for services, including per diem and lodging. Representative Pruitt wondered how the APOC fees applied to lobbyists who received a salary from and worked for the organization she represented. Representative Kito communicated that the employee lobbyist had to report how much of their salary was attributed to lobbying and the fee was calculated on the amount.

Representative Pruitt asked whether the language in HB 91 covered the employee salary situation and what the amount the fees were based on. Ms. Koeneman related that currently the lobbyist reported their entire salary but the bill required that the lobbyist would have to determine how much of the lobbyists salary was related to lobbying services. The registration fee was based on the amount of salary related to lobbying.

Representative Pruitt restated his concern about the term "Lobbying Contract" covering the situation described. Representative Kito stated he would confirm with Legislative Legal Services that the language matched the intent of the provision.

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Representative Kawasaki queried whether a lobbyist with two \$10 thousand contracts would pay the \$350 registration fee for each \$10 thousand contract. Representative Kito responded in the affirmative. Representative Kawasaki wondered whether a lobbyist would ask for a contract fee of

\$59,999 in order to save \$200 for the higher fee. Representative Kito deduced that the fee would be up to negotiations between the client and lobbyist. Representative Kawasaki remembered that members of the planning commission in the Fairbanks North Star Borough were required to fill out a financial disclosure. He asked whether the intent of the sponsor was for municipal planning commission members to pay the \$100 registration fee. Representative Kito relayed that they would not pay the \$100 registration fee required of candidates but would pay the \$50 fee for the financial disclosure form. He added that the previous committee discussed the burden for public officials serving voluntarily but could not find a fair way to exempt them. The members determined that the \$50 fee was nominal and that actually filling out the financial disclosure was "a higher hurdle." Representative Kawasaki assumed that lobbyists were not supportive of the bill. Representative Kito replied that he heard "very little opposition" but was aware of some who were opposed to the bill.

Ms. Koeneman interjected that some lobbyists acknowledged the state's financial situation and were "willing to pay their fair share" to keep APOC in operation.

Representative Wilson cited page 3, lines 1 through 5 of the bill relating to the fee schedule. She provided a hypothetical scenario where the client divided the contract into two \$30 thousand contracts and offered the second one at a later date in order to save money in fees. She wondered whether the language applied to the scenario since the bill provision was by contract and not client. Representative Kito responded that the scenario was possible under the bill. He did not anticipate the scenario in actual practice. Representative Wilson opined that the scenario was likely to occur due to cost savings.

Vice-Chair Gara thought that APOC required lobbyists to report their annual income from lobbying. He asked whether an alternative fee schedule could be based on lobbyists' yearly income to quell the concern over split contracts. Representative Kito relayed that the original bill based fees on yearly compensation therefore; the fees were considered a tax. He delineated that a tax became problematic for reasons previously discussed. Revenue collection based on compensation might be realized in the future through inception of a statewide income tax.

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Vice-Chair Gara was "struggling with charging someone" for financial disclosures. Representative Kito reminded the committee that someone running an exempt campaign - \$5000 or less - was excused from paying a registration fee. The sponsor felt that the fee was nominal in support of APOC's function. Vice-Chair Gara asked whether all of the Political Action Committees (PACS) were required to pay. Representative Kito responded that anyone required to register would pay the same fees. Vice-Chair Gara wanted to see additional fees towards PACs or other groups that contributed "soft money." He stated that 65 percent of all soft money was spent for negative campaign adds. Representative Kito thought a "carve out" for certain groups created "constitutional equitability issues."

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Co-Chair Foster OPENED Public Testimony.

Co-Chair Foster CLOSED Public Testimony.

Co-Chair Foster reported that amendments were due by 5:00 p.m. on Wednesday, April 19, 2017.

HB 91 was HEARD and HELD in committee for further consideration.

#hb124

HOUSE BILL NO. 124

"An Act relating to corporations, including benefit corporations, and other entities; and providing for an effective date."

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Representative Kito briefly reviewed the legislation. He summarized that the bill established a separate corporate classification called "benefit corporations." He voiced that benefit corporations allowed corporations to follow direction other than fiduciary and perform other functions besides profit driven objectives in order to operate and provide benefits to other organizations.

BIANCA CARPENETI, STAFF, REPRESENTATIVE SAM KITO, read from a prepared statement:

My testimony will start with the aim of this bill, some of the arguments in favor of a benefit corporation, and then offer an overview of the bill itself. After my presentation, there are two individuals online for invited testimony. Also, Janey Hovenden, Director of Division of Corporations, Business & Professional Licensing is here to take questions for the department. Finally, Terry Bannister from Legislative Legal is on the phone to answer drafting questions.

The purpose of HB 124 is to expand the options for Alaskan entrepreneurs and investors by placing a new type of corporate entity, a benefit corporation, in Alaska statute. A benefit corporation is a for-profit corporation that incorporates public benefits and community improvements into their business practices, no matter the principal services or products provided. Corporate law generally requires corporations to consider the financial impact to their shareholders as the top priority when making decisions. Maximizing corporate returns can interfere with other corporate goals, such as electing to do something beneficial for the community by enhancing social benefits.

A benefit corporation is a corporate entity that would have an expanded purpose beyond maximizing share value to explicitly include general and specific public benefit;

- Considers/balances the impact of their decisions not only on shareholders but also on their stakeholders;
- Must make available to the public a regular benefit report that assesses their overall social and environmental performance against a third party standard.

Three arguments in support of laws establishing public benefit corporations:

- Creates legal requirements that regulate corporations claiming to work towards social good: Becoming a benefit corporation as a legal entity means a business that says it is dedicated to the public good will have to substantiate this

claim, similar to how qualifying as tax-exempt helps define nonprofits as charitable. Moreover, benefit corporations' reporting requirements to shareholders, the state, and the public provide a degree of transparency that corporations could otherwise refuse to provide.

- Promotes societal benefits by clarifying fiduciary duty: Entrepreneurs are more likely to pursue lines of business in a socially beneficial way when the law ensures that pursuit of profits does not need to be the highest priority. Likewise, investors concerned with the public good are given an alternative.
- Provides legal protection for companies that seek purpose-driven partnerships. Benefit corporation legislation allows entities to undertake beneficial partnerships that conventional corporations might shun out of fear that shareholders would not see it as a venture likely to be profitable.

Ms. Carpeneti read the sectional analysis of HB 124:

Section 1 10.06.633(a) Establishes how corporations may be dissolved and is amended to include benefit corporations; (a8) declares that a benefit corporation is dissolved if delinquent for 6 months or more in including its benefit report in the biennial report or in paying the benefit report filing fee.

Section 2 Adds a new chapter to AS 10 Alaska corporations code, chapter 60- Benefit Corporations.

Article 1

Establishes how a business corporation may incorporate or amend its status to become a benefit corporation; that the benefit corporation shall have a purpose of creating general public benefit from all effects of its business and operations and may identify a specific public benefit; requires that any status change must be approved by the minimum two-thirds vote.

Section 10.60.010 Establishes how a new business corporation or an existing entity may become a benefit corporation; declares that an amendment of an existing corporation must be adopted by at least the minimum two-thirds vote.

Section 10.60.020 States that if an existing entity that is not a benefit corporation will become one as a result of a merger or other status change, the plan of merger or status change must be approved by at least the minimum required vote.

Section 10.60.030 In addition to its corporate purpose under existing corporate statute AS 10.06.005, this states that a benefit corporation shall have a purpose of creating general public benefit from all effects of its business and operations and creation of the general public benefit is determined to be in the best interest of the benefit corporation.

Section 10.60.040 Allows a benefit corporation to identify or amend its articles to include a specific public benefit purpose in addition to its general public benefit purpose and lists examples of specific public benefits.

Section 10.60.050 Clarifies that a professional corporation formed under AS 10.45 does not violate this statute by being a benefit corporation under 10.60.

Section 10.60.060 Provides that a benefit corporation may terminate its benefit status by amending its articles, or by being party to a merger or other status change, which would terminate its benefit corporation status; both must be approved by at least the minimum required vote.

Section 10.60.070 States that if a benefit corporation disposes of all or substantially all of its assets the transaction, unless it is in the usual and regular course of business, must be approved by the minimum status vote required.

Article 2

Establishes the duties of the board and the directors and enumerates seven factors that must be considered while making decisions; clarifies that a director of a benefit corporation is not personally liable for the failure to create a general public benefit if they are acting in compliance with the chapter and in good faith.

Section 10.60.100 Establishes seven factors that the board of directors and individual directors of a benefit corporation shall consider while discharging their duties. The directors of the benefit corporation are not required to give priority to any one of these listed factors unless the intention to prioritize has been identified in the benefit corporation's articles of incorporation.

Section 10.60.110 States that consideration of these factors is not a violation of existing Alaska statutes regarding the duties and rights of corporate boards (AS 10.06.450).

Section 10.60.120 Except as provided in the articles of incorporation, this states that a director of a benefit corporation is not personally liable for monetary damages for action, inaction, or failure of the benefit corporation to create a general public benefit if the duties of the director were performed in compliance with this chapter or AS 10.06.450.

Section 10.60.130 Clarifies that a director of a benefit corporation does not have a duty to a person solely because that person is a beneficiary of the benefit corporation's general or specific public benefit purpose.

Section 10.60.140 Declares that a director of a benefit corporation who makes a business judgment in good faith fulfills their duties under this chapter if they are not personally invested in the subject, are informed on the subject of the judgment, rationally believe the business judgment is in the best interest of the benefit corporation, and consider the interests and factors listed under AS 10.60.100 (above).

Article 3

Directs how the board of a benefit corporation may designate a benefit director, who shall not have a material relationship with the corporation; outlines the benefit director's role, especially relating to the biennial benefit report; allows that the benefit director shall have the same role and rights as any other director of the benefit corporation.

Section 10.60.150 Allows that a board of directors of a benefit corporation may include a designated benefit

director. A benefit director shall have the same duties and rights as other directors but shall also have additional duties (described below), such as the preparation of the annual compliance statement.

Section 10.60.160 States that the board of a benefit corporation will elect and remove a benefit director following the manner of general Alaska corporate law under AS 10.06.453.

Section 10.60.170 Directs that a benefit director shall not have a material relationship (defined under AS.10.60.220) with the benefit corporation or its subsidiaries and allows for additional benefit director qualifications under the benefit corporation's articles or bylaws.

Section 10.60.180 Declares that a benefit director shall prepare a biennial compliance statement to be included in the benefit corporation's annual report. The compliance statement will include the benefit director's opinion on the benefit corporation's achievement of its general public benefit purpose, any specific public benefit purpose, the director's compliance with their duties, and any failures in these sections.

Section 10.60.190 Equates the actions or inactions of a benefit director with actions or inactions of any director of the benefit corporation.

Section 10.60.200 States that a benefit director is not personally liable for actions done in their capacity as benefit director unless the action constitutes willful misconduct or violation of law.

Section 10.60.210 Provides that a benefit director of a professional corporation that is also a benefit corporation is not prohibited from having a material relationship with the benefit corporation or a subsidiary.

Section 10.60.220 Establishes the guidelines for determining whether a benefit director of a benefit corporation has a material relationship with the benefit corporation or a subsidiary.

Article 4

Directs an officer of a benefit corporation to consider the factors enumerated under the board of directors; clarifies the duties of an officer acting in good faith; and allows that a benefit corporation may designate a benefit officer, who shall have duties similar to the benefit director.

Section 10.60.230 Directs an officer of a benefit corporation to consider the factors listed in AS 10.60.100 (duties of the directors) if the officer is in the position to act in a way that may influence the creation of general public benefit or specific public benefit.

Section 10.60.240 States that an officer does not violate current general corporate statutes regarding duties of officers (AS 10.06.483) when considering the factors previously mentioned above.

Section 10.60.250 Except as provided in the articles of incorporation, this states that an officer of a benefit corporation is not personally liable for monetary damages if their duties were performed in compliance with Alaska statutes.

Section 10.60.260 Clarifies that an officer of a benefit corporation does not have a duty to a person solely because that person is a beneficiary of the corporation's general or specific public benefit.

Section 10.60.270 Declares that an officer of a benefit corporation who makes a business judgment in good faith fulfills their duties under this chapter if they are not personally invested in the subject, are informed on the subject of the judgment, rationally believe it is in the best interest of the benefit corporation, and if they consider the factors listed in AS 10.60.100.

Section 10.60.280 Allows that a benefit corporation may designate an officer as a benefit officer, who shall have duties that are related to the creation of general public benefits and specific public benefits. The benefit officer shall prepare the annual benefit report required in Article 6.

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Ms. Carpeneti continued reading prepared remarks:

Article 5

Identifies the persons that may bring actions or claims against a benefit corporation for a failure to pursue general or specific public benefit.

Section 10.60.300 States that persons identified under AS 10.60.320 may bring an action or claim against a benefit corporation for a failure to pursue general or specific public benefits as set out in their articles or for a violation of duties under this chapter.

Section 10.60.310 Clarifies that a benefit corporation is not liable for monetary damages for a failure to create a general or specific public benefit.

Section 10.60.320 Identifies the persons or entities that may bring a claim or action against a benefit corporation under AS 10.60.300.

Article 6

Defines what must be contained in the required biennial benefit report; requires that the benefit report must be held against a third party standard; establishes a timeline for the delivery of the report to shareholders; requires public availability of the report; and directs the benefit corporation to file the benefit report with the department as part of their biennial report.

Section 10.60.500 Requires a benefit corporation to file a biennial benefit report as a part of the biennial report required by AS 10.06.805.

Section 10.60.510 Declares what must be contained in the biennial benefit report. The report will include descriptions of how the benefit corporation pursued the general and any specific public benefit, circumstances that hindered that pursuit, and why the third-party standard was selected or changed; an assessment of the overall performance of the general public benefit purpose held against a third-party standard; the name and address of the benefit director and benefit officer, if any; the compensation paid to

each director; the compliance statement of the benefit director; and any connection between the creator of the third-party standard and the benefit corporation.

Section 10.60.520 Requires that, if a benefit director resigns or is removed, the benefit report shall include any written correspondence regarding the resignation or removal.

Section 10.60.540 Establishes a timeline for delivery of the benefit report to the shareholders.

Section 10.60.550 Directs the benefit corporation to post all of its benefit reports on the benefit corporation's public website, if the website exists. The posted reports may omit director compensation, financial or proprietary information that was included in the report to the shareholders.

Section 10.60.560 Requires a benefit corporation that does not have a website to provide a copy of the most recent benefit report free of charge to any person who requests it. The report may omit director compensation, financial or proprietary information that was included in the report to the shareholders.

Section 10.60.570 Requires the benefit corporation to provide the Department of Commerce, Community, and Economic Development with a copy of the biennial benefit report for filing as a part of its biennial reports (AS 10.06.805), omitting any director compensation, financial or propriety information, and requires the department to establish a fee for the filing of the benefit report. A failure to deliver the report or pay the filing fee within six months or more constitutes a basis for involuntary dissolution of the benefit corporation (AS 10.06.633). Subsection (c) allows that the department may file the benefit report in hard copy, rather than electronically.

Article 7

Identifies the process necessary for a benefit corporation to effect a status change; allows for shareholder dissent under a status change; defines guidelines for the third-party standards; clarifies that a benefit corporation is not eligible for any tax exemptions beyond those available for a traditional

corporation; and states that this chapter does not prevent a non-benefit corporate entity from considering a general or specific public benefit.

Section 10.60.700 Establishes that a status change (merger, amendment, etc.) for a benefit corporation or domestic entity other than a business corporation must be approved by at least a two-thirds vote of all shareholders entitled to vote.

Section 10.60.710 Allows a shareholder to dissent if the business corporation amends its article to become a benefit corporation. Shareholder dissent is covered under current business corporate statutes AS 10.06.574-10.06.582.

Section 10.60.720 Establishes statutory guidelines for third-party standards used as an assessment tool in the required annual benefit report.

Section 10.60.730 Clarifies that a benefit corporation is not eligible for any tax exemptions beyond what is available to corporations that are not benefit corporations.

Section 10.60.740 Clarifies that this chapter does not prevent a non-benefit corporate entity from including the consideration of or donation to a general or specific public benefit in its general powers.

[2:38:29 PM](#)

Ms. Carpeneti continued reading prepared remarks:

Article 8

Allows from the creation of regulations for this chapter; clarifies that this chapter does not affect non-benefit corporate entities; declares that benefit corporations are subject to Alaska corporate law unless specifically addressed; and defines terms used in the chapter.

Section 10.60.910 Allows the department to adopt regulations to implement chapter 10.60.

Section 10.60.920 Clarifies that this chapter does not affect statutes or laws that apply to business corporations that are not benefit corporations.

Section 10.60.930 Clarifies that a benefit corporation is subject to general Alaska corporate law (AS 10.06 and AS 10.45) unless specifically addressed by this chapter, in which case this chapter takes priority over provisions in previous chapters.

Section 10.60.940 States that a provision of the articles or bylaws of a benefit corporation may not limit, be inconsistent with, or superseded a provision of this chapter.

Section 10.60.990 Defines terms used throughout the chapter.

Section 3 Allows the Department of Commerce, Community, and Economic Development to adopt regulations to implement this Act, not to take effect before July 1, 2018.

Section 4 Implements Section 3 immediately.

Section 5 Provides an effective date of July 1, 2018 for this Act except for Section 4 (above).

[2:38:40 PM](#)

Ms. Carpeneti provided closing remarks about benefit corporations. She delineated that benefit corporations were formed voluntarily and had the same tax status of any other for-profit corporation. The required bi-annual benefit report was meant to provide accountability to shareholders and offer transparency to investors. She concluded that the bill established a strong foundation for benefit corporations to achieve "mission alignment and value creation" and "created more flexibility when evaluating potential sale and liquidity actions."

Vice-Chair Gara asked where the Alaska Statutes addressed a corporation's duty to maximize the benefit for shareholders.

TERRY BANNISTER, LEGISLATIVE LEGAL SERVICES, ALASKA STATE LEGISLATURE, replied that she was not aware of a specific

provision in the state's corporate code. She pointed out that the issue was addressed in a number of out-of-state court cases that decided the only allowable goal of a corporation was "improving the finances of the shareholder."

[2:40:56 PM](#)

Representative Neuman asked whether an existing corporation could become a benefit corporation and how it would accomplish the change. Ms. Carpeneti replied in the affirmative. She detailed that the transition process was delineated in Section 10.60.010, which included a two-thirds vote by its shareholders.

Representative Neuman stated that throughout the bill and on page 16 there was language related to a "specific public benefit." He wondered how public benefits were defined in regulation. He felt that excessive regulation would be necessary to ensure a public benefit. Representative Kito replied that public benefits would be defined by corporate boards and shareholders and clearly identified in the corporate bylaws. Representative Neuman asked whether the benefit corporations could write their own regulations. Representative Kito clarified that the benefits and goals would be included in the corporation's bylaws and the only guideline in Alaska Statute required that the benefit corporation would provide a public benefit. Representative Neuman asked how a "benefit partnership" would form. Representative Kito clarified whether he was referring to a type of a corporation. Representative Neuman answered in the affirmative. Representative Kito understood that the bill created a separate type of corporation and was uncertain whether a partnership was applicable.

Ms. Carpeneti did not believe a partnership would qualify as a benefit corporation.

Representative Neuman provided a hypothetical scenario where another for-profit corporation provided funds to the benefit corporation for its public benefit objective. Representative Kito thought Representative Neuman was suggesting that one corporation could provide monetary support to another corporation. He offered that a benefit corporation's goal was not to receive grants from other corporations but to generate revenue from business services or products and "interact with the community, state, or

other customers or partners" based on its bylaws. Representative Neuman was concerned if there was any opportunity for money to flow from one corporation to another by entering into a partnership with a benefit corporation that could write their own rules on what is a public benefit or not a public benefit. He queried whether the scenario was possible. Representative Kito ascertained that a benefit corporation could enter into an agreement with any other corporation as a standard business practice and supposed that any agreements would be implemented through a contract just like any corporation could have a contract with another. The legislation would not change any existing laws regarding how corporations could interact. The legislation only allowed a corporation to have other "goals, values, or directions" other than a fiduciary responsibility to its shareholders. Representative Neuman suggested that the for-profit corporation's shareholders might be opposed to the public benefit of the benefit corporation. Representative Kito thought that the shareholders of the for-profit corporation approved distribution of its monetary assets or profits and the non-benefitted corporation had to proceed in accordance with shareholder wishes. He thought the scenario was unlikely. Representative Neuman believed that his scenario was possible. Representative Kito judged that "a corporation was not able to violate its fiduciary responsibility [to its shareholders] in order to support a benefit corporation."

[2:50:14 PM](#)

Co-Chair Seaton suggested a scenario where a sporting outfitters benefit corporation had a benefit of extending trails or supported little league or other community sports teams. He surmised that the benefit corporation could not be sued by its shareholders for supporting its public benefit goal. He asked whether his understanding was accurate. Representative Kito answered that a benefit corporation could act even more broadly and allow its employees to participate in trail building, which was "counter to the fiduciary responsibility" of a for-profit corporation. He furthered that if trail building supported the activity of the benefit corporation's bylaws allowing employees to help build trails, the activity was allowable. Co-Chair Seaton added that corporations could provide community benefits as long as it was justified as an activity that would ultimately boost profit to

shareholders. He deduced that a benefit corporation allowed social benefits without risking shareholder lawsuits. Representative Kito answered in the affirmative.

[2:53:38 PM](#)

Representative Pruitt cited Section 10.60.730 [page 15, line 3] and read the following:

Sec. 10.60.730. Tax exemptions. A benefit corporation may not claim a tax exemption under AS 43.20 (Alaska Net Income Tax Act) if the tax exemption is not also available to corporations that are not benefit corporations.

Representative Pruitt asked whether benefit corporations were taxed the same as other corporations. He asked for the best comparison to other types of corporations in terms of taxation. Ms. Carpeneti responded that a benefit corporation would either be a C or S corporation and the benefit designation did not affect its tax status. Representative Pruitt asked if the position of benefit director had the same voting authority as other directors on corporate matters. Ms. Carpeneti answered in the affirmative.

Representative Pruitt asked about specific language listed in Article 2 under standards of conduct for directors. He queried whether a benefit director was the professional equal to and subject to the same Alaskan statutes as any other type of corporate director. Representative Kito understood that the one duty a benefit director performed that was different from a regular corporate director was to "manage and oversee the beneficial operations of the corporation as identified in the bylaws." He continued that the benefit director carried out duties without the fiduciary goal but in accordance with the beneficial purpose of the corporation. Representative Pruitt hypothesized a scenario where the benefit director was a "minority shareholder." He asked what the "rights of the shareholders were to determine whether or not the benefit director was operating within its bylaws." Representative Kito replied that the articles of incorporation for the benefit corporation designated the directors' responsibilities. He elaborated that the other directors had the ability to remove a questioned or underperforming director and all directors had a responsibility to the

corporation and its bylaws. Representative Pruitt inquired about the burden imposed on the other directors in the process of removing the questioned benefit director and the ability to determine his performance. Representative Kito restated that the corporation's structure was contained within its bylaws.

Ms. Carpeneti interjected that Article 5, Section 10.63.20 outlined the process and the right to bring action by the shareholders. Representative Pruitt remarked that current statute was "pretty extensive" regarding removing a director that was not operating within the corporation's bylaws and wanted to ensure the provisions applied to benefit corporations to protect the shareholders.

Representative Pruitt questioned the definition of general public benefit. He wondered who determined what a general public benefit meant and who wrote the regulations regarding what a public benefit was. He referred to page 16, line 8 and read the following:

(7) "general public benefit" means a material positive effect on people and their surroundings, taken as a whole, assessed against a third-party standard;

Representative Kito replied that a national B corporation organization existed and worked with benefit corporations around the country. He elaborated that the organization identified standards and clearly identified what types of public purposes a benefit corporation could participate in or support.

Ms. Carpeneti added that B Lab Corporation was the national organization that provided third party consultation and lists of third party standards. She exemplified that a third party standard existed for agriculture and offered to provide the list. She informed the committee that many kinds of third party standards existed in many other areas that a benefit corporation evaluated itself against for the purpose of its biannual report.

[3:02:22 PM](#)

Representative Pruitt requested a copy of the standards list. He wondered whether the benefit had to correlate with the type of business the benefit corporation engaged in. Ms. Carpeneti responded that the benefit did not have to

correlate with the product or services the corporation provided. Representative Kito provided a hypothetical example to illustrate the point.

[3:03:59 PM](#)

Vice-Chair Gara appreciated the representative bringing the bill forward and reminded the committee that a similar bill was heard last year. He spoke of a philosopher who stated that "the reward is the deed itself." He surmised that a corporation who did perform public benefits to gain profits from its good works, but did not alert the public could expose it to shareholder law suits. He wondered whether the benefit corporation could engage in public benefits without the threat of shareholder law suits. Representative Kito indicated that the "disposition of profits" for a for-profit corporation was at the discretion of the directors. However, without shareholders' support the corporation could be sued. The benefit corporation was largely immune to fiduciary shareholder lawsuits as long as the public benefit was consistent with its identified beneficial purpose. Vice-Chair Gara alluded to comparisons with Alaska National Interest Lands Conservation Act (ANILCA) that allowed native corporations to "benefit their shareholders" and were also protected from lawsuits for creating social service organizations. He believed the bill allowed for more freedom and stated his support. Representative Kito deduced that HB 124 offered additional benefits for native corporations. He suggested that an Alaska Native Claims Settlement Act (ANCSA) corporation might choose to designate some beneficial functions to support cultural or shareholder activities as a benefit corporation that was restricted under current corporate statute.

Co-Chair Foster welcomed invited testifiers.

[3:08:12 PM](#)

STEPHEN TRIMBLE, FOUNDER AND CEO, ARCTIC SOLAR VENTURES, ANCHORAGE, spoke in favor of the legislation. He relayed that his company was a solar design and installation company serving residential and commercial clients. He remarked that his company wanted to become a benefit corporation and he thoroughly examined the bills and laws in other states pertaining to benefit corporations. He shared that 30 states enacted legislation allowing benefit corporations. He thought that the legislation was integral

to his company's survival. He mentioned the growing interest in benefit corporations and reported having coached at least 5 companies that wanted to peruse benefit corporation designation out of many others that desired the designation in Alaska. He elaborated on the involvement and function of B Lab Corporation and explained that they were the third party international certification organization that helped benefit corporations who were accountable from a reporting perspective. The company offered the "B Corp. Certification" that was a business certification and offered a compendium for the legal protections for benefit corporations by state. He shared that his company received the certification out of only two in Alaska and four thousand worldwide. The certification and recording process was extremely rigorous. He detailed that his company enacted changes to its bylaws to state its beneficial purpose and acted in the manner of a benefit corporation but lacked the legal protection in the state. He pointed out that "mission driven businesses were becoming increasingly important to the future of business both inside and outside of Alaska." He spoke of the millennial workforce that would comprise 78 percent of the active workforce by 2025. He relayed that 77 percent of the millennial workforce considered mission driven business as a factor for employment. He relayed that all of his job candidates applied due to the fact that the company was a certified B corporation and had a "commitment to society and the environment." He felt the B corporation status attracted quality employees and investment.

[3:14:04 PM](#)

Representative Pruitt asked what type of corporation his company was registered as in Alaska. Mr. Trimble responded that the company was a C corporation that elected taxation as an S corporation. Representative Pruitt asked about the number of shareholders. Mr. Trimble replied that his corporation had 5 shareholders and was small and privately held. Representative Pruitt assumed that the percentage of ownership among shareholders varied. Mr. Trimble answered in the affirmative.

[3:15:04 PM](#)

WILLIAM CLARK, ATTORNEY, DRINKER, BINDLE, AND REALTH, PENNSYLVANIA, reported that he was a corporate lawyer in Philadelphia and worked in support of benefit corporation

enactment in a number of states pro bono. He offered that Washington D.C. adopted the legislation along with 30 other states. He delineated that the first law permitting benefit corporations passed in 2010 and now over 5000 were in existence. He reported that Delaware who "set the tone for all United States (U.S.) [corporate] law" authorized the legislation four years ago and had almost one thousand registered B corporations. The Chief Justice of Delaware supported the concept in order to avoid shareholder lawsuits. He spoke to the discussion concerning corporate governance issues and the removal of directors. He emphasized that "the benefit corporate statute relied completely on the normal existing rules for all corporations with respect to the governance of the corporation." How the benefit director was elected, removed, or whether the shareholders approved of the director's decisions were controlled by existing corporate law. The B Corporations were "run exactly like other business corporations" which was why the tax status was the same as for-profit corporations. Therefore, the only change was the new rules concerning governance and not structure. He appreciated the committee discussion.

[3:19:25 PM](#)

Representative Ortiz asked whether there were any general opposition in the country to benefit corporation. Mr. Clark replied in the negative. He qualified that the one persistent question was whether the law establishing B Corporations was necessary. He elucidated that legal challenges to director's decisions were rare. The lawsuits that often occurred related to the change in control of the corporation due to sale. In that scenario, the law was "very clear" that the director's duty was to maximize profit over mission in the transaction. He thought a widespread understanding of the positive consequences of the concept was evident due to the unanimous votes in 13 states in support of the legislation.

Representative Wilson asked about the tax status. She asked whether a "C" Corporation that became a "B" Corporation was taxed as a "C" Corporation. Mr. Clark answered in the affirmative.

[3:21:56 PM](#)

Vice-Chair Gara recalled a situation where a corporation created a daycare for its employees and the shareholders sued the company. He asked whether Mr. Clark was aware of the case. Mr. Clark was unaware of the situation but maintained that the situation was what "B" Corporation status addressed.

Representative Neuman asked whether there were any current lawsuits from the general public that questioned the public benefit of the benefit corporation. Mr. Clark responded in the negative and added that the law prohibited the general public to challenge the actions of its directors. However, shareholders had sued directors of corporations. Representative Neuman wondered about the amount of shareholder challenges for benefit corporations. Mr. Lucas responded that he was unaware of any shareholder challenges to benefit corporations but they were common with traditional corporations. He named Revlon, eBay, and craigslist.

Representative Pruitt inquired whether a benefit corporation that wanted to benefit its employees had to list the benefit in its bylaws. Mr. Clark answered in the negative and offered that two concepts in the law were significant. He detailed that one concept was a general public benefit that produced a "material positive effect" for the company's stakeholders. The other concept was the "ability to specify" an explicit public benefit. The corporation that did not elect a specific public benefit but was committed to a material positive effect on its stakeholders could include activities or benefits that benefitted its employees and how it acted in the community as a corporate citizen. He summarized that there was a general benefit approach and in addition a "precise mission" if elected. Representative Pruitt clarified that general benefits to the public were specific to "B" corporations but benefits to employees were not exclusive to benefit corporations. He asked whether a regular corporation could include employee benefits in its bylaws or had to register as a benefit corporation to provide benefits to its employees in order to shield the corporation from litigation. Mr. Clark speculated that two different concepts were under discussion. He expounded that every benefit corporation was committed to the first concept as stated on page 3, [lines 1 through 9] Section 10.60.030 that was derived from the business and operation of the benefit corporation and intended to result in

material positive impact. The corporation could also elect to specify a particular mission [Section 10.60.040., page 3, line 10]. Both the general commitment and the specific commitment were part of a benefit corporation. He pointed out that a normal corporation could amend its bylaws to include a specific benefit but was not subject to benefit corporation statutes.

Co-Chair Seaton OPENED Public Testimony.

Co-Chair Seaton CLOSED Public Testimony.

HB 124 was HEARD and HELD in committee for further consideration.

#hb25

HOUSE BILL NO. 25

"An Act relating to insurance coverage for contraceptives and related services; relating to medical assistance coverage for contraceptives and related services; and providing for an effective date."

[3:31:21 PM](#)

REPRESENTATIVE MATT CLAMAN, SPONSOR, read a prepared statement:

Good afternoon members of the Committee, for the record, my name is Matt Claman, and I am the State Representative for House District 21 in West Anchorage. First off, I would like to thank you all for hearing House Bill 25 this afternoon.

All across Alaska, women do not always have ready access to women's health services. Women living and working in rural areas, the tourism industry, the military, and on the North Slope face additional barriers, geographical and otherwise, to obtaining greater access to family planning options.

Currently, women who use hormonal contraceptives must return to the pharmacy every month to three months to refill their prescriptions. House Bill 25 requires health insurers to offer consumers the option to

receive a 12-month supply of hormonal contraception at a time. The women in my family support House Bill 25, and that tells me a lot. They support it not only because it is often time consuming and inconvenient to obtain a prescription contraceptive every 3 months or, in some cases, every month, but they support it because they know that improved access to contraceptives means huge reductions in unintended pregnancies.

Unintended pregnancy has a profound effect on the overall well-being of Alaskan families. Unintended pregnancy is associated with adverse maternal and child health outcomes. Along with health concerns, unintended pregnancy is a dramatic cost driver to public health programs. I believe, and I hope the members of the committee will agree, that with Alaska's financial challenges, we should look for ways to reduce costs in the short-term and long-term, and this bill does exactly that.

House Bill 25 makes sense for Alaskan women and families. With that, I will turn it over to my staff, Lizzie Kubitz, to explain the details of the bill.

LIZZIE KUBITZ, STAFF, REPRESENTATIVE MATT CLAMAN, read from a prepared statement:

Thank you members of the committee, for the record, my name is Lizzie Kubitz and I am staff to Representative Claman. Thank you all for hearing House Bill 25 today.

House Bill 25 would require health insurance companies to, at the request of the consumer, provide coverage for a 12-month supply of contraceptives at one time and provide reimbursement to a health care provider or dispensing entity. In the bill, prescriptive contraceptives include hormonal contraceptives, namely oral contraceptives, commonly known as "the pill." Section 1 of the bill lays this out. Section 1 also gives health care insurers the ability to enact reasonable cost containment measures. In subsection (d), cost containment is defined as incentivizing the use of generic or lower cost medications or the use of

health care providers or pharmacies that offer services or prescriptions at a lower rate.

The inclusion of this language gives insurers the ability to steer towards generics as a cost containment strategy—a provision that the Department of Administration has advocated for as it could substantially reduce their costs in covering a 12-month supply of birth control.

However, subsection (e) states if the covered therapeutically equivalent version of a prescription contraceptive is not available or is considered medically inadvisable by the health care provider of the insured, a health care provider shall provide coverage without cost sharing for an alternative therapeutically equivalent version of the prescription contraceptive that is prescribed for the insured.

The inclusion of this language makes it clear that even though insurers will be allowed to steer towards generics, if a particular generic or brand is determined medically inappropriate by the health care provider, then the insurer must accommodate the insured.

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Ms. Kubitz continued to read a prepared statement:

Finally, Section 1 also includes a religious exemption, so health plans sponsored by certain exempt religious employers are not subject to the requirements of Section 1.

Section 2 amends AS 39.30.090(a), which relates to policies of group insurance covering state employees—by adding a new subsection (13) to capture group health insurance policies covering employees of a participating governmental unit.

Section 3 amends AS 39.30.091, which relates to self-insurance and excess loss insurance—by adding language to capture a self-insured group medical plan covering active state employees.

Sections 2 and 3 clarify that the requirements of Section 1 apply to active state employees. I will note for the record that Michele Michaud from the Department of Administration is present to answer questions relating to Title 39.

Section 4 directs the Department of Health and Social Services to cover the 12-month supply of prescription contraceptives for eligible recipients of medical assistance.

Section 5 directs the Department of Health and Social Services to amend and submit for federal approval a state plan for medical assistance coverage consistent with Section 4.

Section 6 is a conditional effect of Section 4 of the bill, and

Sections 7 and 8 pertain to effective dates.

One major premise behind House Bill 25 is that when women have greater access and availability to contraceptives, unintended pregnancies are reduced. Reductions in unintended pregnancies have a direct cost savings to the state, which is reflected in the fiscal notes from the Department of Health and Social Services. And I will note for the record that Margaret Brodie from the Department is online and available to answer questions about the department fiscal notes.

According to a study, which I believe is in your bill packets, in 2010, 48% of all pregnancies in Alaska were unintended. Additionally, the study estimates that 64.3% of the unintended pregnancies in 2010 were publicly funded. As a State, Alaska spent \$113.7 million on unintended pregnancies. Of that, \$70.8 million was paid for by the federal government and \$42.9 million was paid by the state.

An additional study, included in your packet, looks at 84,000 women in California who were given various supplies—1 month, 3 months, and yearlong—of oral contraceptives. The researchers of that study observed a 30% reduction in the odds of conceiving an unintended pregnancy when given the yearlong supply of oral contraceptives. That study also showed that over

the course of the year, California's family planning program paid \$99 more annually for women who received 3 cycles, and \$44 more for women who received one cycle, than it did for women who received a yearlong supply all at once. This was mostly due to the costs of associated visits and the higher use of pregnancy tests among women who received fewer cycles. Women who received 3 cycles were almost twice as likely as women who received the 12-month supply to visit a clinic to get a pregnancy test.

It is important to note that this bill does not change who is eligible for coverage. What the bill does is allow women, who already receive coverage for prescription contraceptives, to receive, if she so chooses, 12 months of that prescription at one time.

I wanted to take a moment to address some concerns we have received from the Alaska National Federation of Independent Business (NFIB) and America's Health Insurance Plan (AHIP).

The NFIB has brought forward concerns about whether this bill would apply to the state employee programs. We have addressed that concern with the inclusion of language found in Sections 2 and 3 of the bill.

An additional concern from the NFIB is the cost burden of supplying 12 months of contraception at one time. In response to that concern, multiple studies over the past two decades have found that contraceptive coverage does not raise insurance premiums and that employers providing such coverage can, in fact, save money by avoiding costs associated with unintended pregnancy. The average commercial insurer payment for all maternal and newborn care ranges from \$18,000 to \$28,000. The average hormonal birth control costs range from \$100 to \$600 a year. By preventing just one unintended pregnancy, an insurer can save a minimum of \$17,000. That is enough savings to pay for 29 additional years of contraception.

AHIP also brought forward concerns.

Their initial concern is that a 12-month supply of contraceptives could compromise patient safety, due to potential decreased visits to a prescribing physician,

and efficacy, due to potential improper storage of a 12-month supply of birth control.

To address the concern of safety—research shows that birth control pills can be safely prescribed based on a careful review of your medical history and blood pressure measurement. For most women, no further exams are necessary. A Centers for Disease Control and World Health Organization study in 2013 recommended dispensing a year's supply of contraception and advising women to return at any time to discuss side effects, other problems, or changing the method being used, but that no routine follow-up is required.

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To address the concern of efficacy—according to the Centers for Disease Control and Prevention, oral contraceptives have a shelf life of three to five years, depending on the manufacturer. This timeframe can be diminished depending on things like temperature and moisture, but we trust that women who would opt for a 12-month supply (women who are regular users of hormonal contraception) know how to properly store their medication.

Additional concerns from AHIP include waste, fraud, and abuse.

To address the concern of waste—in the study included in your bill packets, researchers in California found that women who were dispensed a yearlong supply on average “wasted” about one cycle of prescription contraceptives. Wasting one cycle of pills is fairly insignificant in comparison to the cost savings, such as fewer total clinician and pharmacy visits, the costs associated with pregnancy, and so on.

Overall, House Bill 25 would have huge advantages for Alaskan women. From eliminating the inconvenience of refilling their prescription every 1 or 3 months at a time, to the real inability for some Alaskan women to make it to the clinic, hospital, or pharmacy to refill that prescription at all. Fisherwomen sometimes spend 3 to 4 months out on a boat at one time. Women who are attending college often have busy schedules balancing school and a job. Women in rural Alaska often have

trouble making it to the clinic or hospital due to lack of transportation and limited operating hours. This bill ensures the freedom for Alaskan women to make decisions about their health and their futures.

Ms. Kubitz offered to answer any committee questions.

[3:43:50 PM](#)

Representative Wilson asked for the definition of unintended pregnancy. Ms. Kubitz replied that the pregnancy was not planned or desired by the individual. Representative Wilson countered that it was necessary to know which definition applied - unplanned or undesired. She spoke to concern about the fiscal note. She spoke to statistics and the distinction between unplanned and unwanted. She believed that not all unplanned pregnancies were unwanted.

Co-Chair Seaton asked Representative Wilson for clarification. He provided the scenario where a woman misses taking the pill due to a one month or three month prescription and wondered what distinction she inquired about. Representative Wilson referred to analysis in the fiscal note and expected savings regarding the number of unintended pregnancies due to the twelve month prescription. She deduced that the "whole premise behind the savings in the fiscal notes" was based on unintended pregnancies. She relayed from personal experience that it was not a problem to obtain contraceptives for an extended period. She believed the distinction between unplanned and "unwanted" was germane to the fiscal notes.

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Ms. Kubitz replied that the statistics only applied to the rates of unintended pregnancies. She cited the study ["Increased Contraceptive Supply linked to Fewer Unintended Pregnancies" University of California San Francisco (copy on file)] statistics that reported a 30 percent reduction in the odds of a pregnancy and a 46 percent decrease in the odds of an abortion for women given a one-year supply of birth control. She noted that the "whole point" of the bill was for women to receive the entire supply of the contraceptive prescription for a 12-month period. She stated that if women had access they were more likely to use it which limited the chance of pregnancy.

Representative Wilson reiterated her belief that women had access to contraceptives. She asked whether the bill made contraceptives available for men as well.

Representative Claman replied that "sadly" hormonal prescription contraceptives were not available for men.

Representative Wilson opined that condoms could be provided for men. She remarked that women must remember to take the pill on a scheduled basis or they risk pregnancy. The issue did not apply to condom use. She believed the legislation placed the burden and fault on women. Ms. Kubitz discerned that adding condoms would erode the cost savings in the fiscal note. The cost savings in the fiscal note was predicated on the amount of unintended pregnancies avoided when women were prescribed a twelve month supply of contraceptives. Representative Wilson wondered whether current statute prohibited a twelve month prescription.

MARGARET BRODIE, DIRECTOR, DIVISION OF HEALTH CARE SERVICES, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, responded that currently all prescriptions were available for the maximum of 90 days. Representative Wilson asked where she could find the provision in statute. Ms. Brodie was uncertain and offered to provide the information later.

Representative Wilson referred to Page 1, line 11 of the bill concerning voluntary sterilization procedures and wondered whether the provision applied to both men and women. Ms. Kubitz thought the provision applied to both sexes. She stated that the provision was added to ensure sterilization was a covered service.

Ms. Brodie conveyed that sterilization was covered for both sexes.

[3:52:24 PM](#)

Representative Neuman understood that contraceptive pills were also used for other purposes such as migraines. He inquired whether other uses were covered. Ms. Kubitz answered in the affirmative. Representative Neuman asked Representative Claman about facts in the sponsor statement. He referred to the \$42.9 million cost to the state for unintended pregnancies and asked for a breakdown of costs. Ms. Kubitz reported that the number was based on a study included in members bill packets from the Guttmacher

Institute titled, "State Facts About Unintended Pregnancy" (copy on file). She informed the committee that the data was from 2010 and was the most recent available. In Alaska, the state and federal governments spent \$113.7 million for unintended pregnancies broken down to \$70.8 million or 52 percent was spent by the federal government and \$42.9 million was spent by the state.

Co-Chair Seaton verified that the cost savings resulted in the avoidance of the unintended pregnancies. Ms. Kubitz nodded affirmatively.

Representative Neuman maintained that he wanted a better understanding of the costs associated with the savings. Ms. Kubitz deferred to Ms. Brodie to clarify the numbers.

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Ms. Brodie relayed that the cost savings to the Medicaid program was \$1.355 million that represented the cost of 420 unintended pregnancies for the cost of delivery, medical services, and prenatal doctor visits. Representative Neuman was "trying to add validity" to the statements provided.

Representative Grenn quoted the following from the Guttmacher Institute document:

In 2010, 3000 or 64.3% of unplanned births in Alaska were publically funded..

Representative Grenn calculated from the \$43 million figure that the cost was roughly \$14.3 thousand per unintended pregnancy. He deduced that the amount was approximate to the cost per delivery from his personal experience. He deemed that the facts provided in the sponsor statement were accurate. He thought that complicated births were factored into the calculations. Ms. Brodie answered in the affirmative.

Co-Chair Seaton wondered whether the fiscal note reflected the cost of the contraceptives or savings from avoided births. Ms. Brodie explained that the fiscal note reflected the savings from unintended pregnancies. The state currently paid for the cost of the contraceptives four times a year along with dispensing fees each time therefore; no additional funding for the contraceptives

were necessary. She added that the costs for contraceptives would likely decrease due to fewer dispensing fees.

Representative Grenn suggested that the intent of the bill was to provide access. He wondered whether the intent of HB 25 was providing access or cost savings. Representative Claman responded that the intent was both, a cost savings to the state and better access.

[4:02:02 PM](#)

Representative Kawasaki agreed with the underlying bill. He had personally obtained a 90-day prescription for the legislative session and had to go to Fred Meyer to have it refilled. He wondered whether a physician typically prescribed for twelve months or did length of prescriptions correspond with refills. Ms. Kubitz understood that length of prescription was dependent on what the insurance companies covered. Representative Kawasaki wondered whether there might be some situations where a physician would not want to prescribe a 12-month prescription for birth control. Ms. Kubitz responded that the purpose of the bill allowed a woman to opt for a 12-month prescription but ultimately the decision belonged to the doctor. Representative Kawasaki inquired whether the choice was ultimately up to the patient if the 12-month prescription was advisable. Ms. Kubitz responded that a twelve month supply was an option rather than mandatory.

Representative Guttenberg relayed information from personal experience about the difficulty of obtaining the refills for his personal prescriptions that was prescribed every 30 and 90 days. He suggested that the way pharmaceuticals were prescribed was part of the inherent problem of escalating costs. He thought that the way drugs were prescribed by statute was burdensome and expensive for the state. He remarked that Alaska was doing health care by statute. He asked for clarification. Ms. Brodie responded that prescribing had to be addressed in statute so the insurance company would know coverage was possible for the entire period of time.

[4:07:44 PM](#)

Vice-Chair Gara appreciated and supported the bill.

Representative Wilson asked whether Alaska Care prohibited a woman from receiving a 12-month prescription for contraceptives.

MICHELE MICHAUD, CHIEF HEALTH OFFICIAL, DIVISION OF RETIREMENTS AND BENEFITS, DEPARTMENT OF ADMINISTRATION, replied that currently the plan allowed for 90 days but the plan administrator who was the Commissioner of the Department of Administration could change the amount of coverage. Representative Wilson asked whether a contraceptive prescription could be extended before the 90 day period ran out through a phone call. Ms. Michaud responded in the affirmative and added that Alaska Care allowed for vacation overrides. Representative Wilson asked whether any type of contraceptive coverage was available for men. Ms. Michaud responded in the negative and elucidated that condoms were not covered under the plan. Representative Wilson asked whether she was aware of other provider's practices regarding contraceptive extensions. Ms. Michaud responded that she was uncertain of how other providers handled the situation. She assumed other insurers had similar provisions. Representative Wilson requested more information identifying the problem and wondered what the bill was "trying to fix."

Representative Guttenberg asked for a definition of a vacation override. Ms. Michaud explained that the vacation override was variable and was based on the individual's circumstances and needs. She elaborated that the override had to be requested each time it was necessary, even if work travel was routine and overrides were needed for each 90-day prescription.

Vice-Chair Gara also mentioned problems when getting his personal prescriptions refilled. He wondered whether a person's doctor had to be contacted when a contraceptive prescription needed to be refilled. Ms. Kubitz responded that it depended on whether refills were part of the prescription. She reminded the committee that the point of the bill was access to a twelve month supply all at once. She pointed out that other circumstances interfered with women getting to a pharmacy and/or obtaining refills every 90 days.

[4:13:41 PM](#)

Representative Pruitt asked what percentage of insurance plans were separate from Alaska Care in the state. Ms. Kubitz responded that the bill encompassed Alaska Care, Medicaid recipients, and private health insurers. She did not know actual percentages.

Representative Pruitt asserted that the state was unable to regulate all private insurers. He wondered what percentage of private insurances the bill affected. Representative Claman responded that the bill applied to private sector insurers and underwriters who covered employees in the state.

ANNA LATHAM DEPUTY DIRECTOR, INSURANCE DIVISION, DEPARTMENT OF COMMERCE COMMUNITY AND ECONOMIC DEVELOPEMNT, replied that roughly 50 percent of the plans were captured under the bill. She detailed that the Employee Retirement Income Security Act (ERISA) plans and the self-insured were exempt but large and small group plans and State of Alaska plans were covered under the legislation. Representative Pruitt asked that if Alaska Care and Medicaid recipients were carved out what percentage of covered plans were left. He felt the legislation's mandate affected small "mom and pop" companies.

[4:17:30 PM](#)

SARAH BAILEY INSURANCE SPECIALIST III - INSURANCE DIVISION, DEPARTMENT OF COMMERCE, responded that the division regulated approximately 20 percent of the health care market in Alaska including, individual, small and large employer.

Representative Pruitt asked whether there was anything that prevented private insurers from implementing the twelve month contraceptive coverage. Ms. Bailey responded in the negative.

Representative Pruitt determined that the bill mandated 12-month contraceptive coverage to 20 percent of the insurance market in the state. He wondered whether his statement was accurate. Ms. Latham answered in the affirmative. Representative Pruitt asked about the religious exemption in the bill. He read the following [page 3, lines 1 through 10]:

the state a health care insurance plan in the group market 1 to a religious employer is exempt from the

requirements of this section with respect to the health care insurance plan of the religious employer if the religious employer opposes the coverage required under this section and is an

(1) organization that meets the criteria set out in 26 U.S.C. 6033(a)(3)(A)(i) or (iii) (Internal Revenue Code of 1986), as amended; or

(2) eligible organization that has self-certified in the form and manner specified by the United States Secretary of Labor or has provided notice to the United States Secretary of Health and Human Services, under the requirements set out in 45 C.F.R. 147.131(b)(1) - (3).

Representative Pruitt commented that there were employers that had legitimate religious concerns. He wondered what protections the legislation provided to employers with religious affiliations. Ms. Latham responded that based on her assessment religious groups were exempt.

Ms. Kubitz pointed out that the bill was tailored to match provisions in the Affordable Care Act (ACA) regarding religious employers and organizations exemptions. She believed that the 12-month contraceptive mandate did not apply to the religiously exempt group.

Representative Pruitt remarked that ACA could be repealed. He asked whether religious entities would be able to maintain their exemptions. Ms. Latham responded that if the ACA was repealed so would the contraception mandate and religious organizations and would "probably need an exemption." Representative Pruitt suggested that the bill created a mandate regardless of the ACA. He disagreed and asserted that HB 25 was based on the ACA as a guideline to some of the provisions in the bill. Representative Claman was unsure how a court would handle the situation. He predicted that the department and courts would provide exceptions. The intent in the bill provided for religious exemptions and he thought that a court would interpret the exemption to apply even if the ACA was repealed or altered.

[4:24:41 PM](#)

Representative Pruitt remembered that years ago a previous proposed constitutional amendment meant to protect the

Permanent Fund Dividend referenced an existing statute. A legal opinion regarding the amendment determined that attaching it to existing statute that was possible to alter was tenuous. He believed that the same argument applied to the religious exemption provision in HB 25. Representative Claman thought that the number of hypothetical arguments were limitless and maintained that he answered the question to the best of his ability.

Vice-Chair Gara recommended adding a date to the statutes that referenced the ACA provisions and noted that there was precedent for that type of clarification. He exemplified the language, "as existed on January 1, 2017" and suggested that the language could be added later by amending HB 25. Representative Claman agreed to examine the issue.

Co-Chair Seaton surmised that Section 1 contained the language, "the health care insurer that offers" and interpreted that if the ACA was repealed the provisions would not apply. If the insurer no longer offered contraceptive coverage due to the repeal the statute no longer applied to those insurers. He thought that the scenario was "frustrating." Healthcare was driving much of the budget and economy of the state. He believed that the discussion should focus on passing bills that help control costs and improve efficiency in the health care system.

[4:28:32 PM](#)

Representative Wilson shared her concern that Alaska Care and Medicaid could change the policy on its own and if so, why it wasn't changed. She wondered if the legislation would force a doctor to prescribe a 12 month prescription. She stated that some doctors wanted to see patients every three months. Ms. Kubitz replied that the bill did not place a mandate on the doctors. Most doctors who prescribed contraceptives would not think that numerous checkups were necessary. Representative Wilson inquired whether any insurance company could provide information regarding the necessity of the legislation and what if anything prevented them from covering a 12 month supply of contraceptives.

Vice-Chair Gara was given the gavel to temporarily chair the meeting.

Vice-Chair Gara OPENED Public Testimony.

ALYSON CURREY LEGISLATIVE LIAISON, PLANNED PARENTHOOD VOTES NORTHWEST AND HAWAII, read a prepared statement:

Thank you, Mr. Chair and members of the committee for the opportunity to testify today. My name is Alyson Currey. I am a resident of Juneau and I represent Planned Parenthood Votes Northwest & Hawaii.

Planned Parenthood has provided birth control and other high-quality health care across the nation for more than 100 years and we strongly support HB 25. In Alaska, we currently serve more than 7,700 patients, which includes providing birth control to nearly 3,000 women. There are many different kinds of birth control, and no one method will work for every person at every stage of their life. Women who are not satisfied with their contraceptive method, are less likely to use it consistently. Therefore, every person should have full access to the birth control method that works best for them, without barriers based on cost and regardless of their insurance plan, in order to increase consistent use. House Bill 25 would remove such barriers.

Family planning is a basic economic issue for women and families. Unintended pregnancies put women at greater risk of homelessness, family hunger, poor birth outcomes, and long-term dependence on publicly funded programs. Family planning also creates costs savings for public and private insurance plans. Allowing women to access a full range of FDA-approved contraceptives and providing a year's supply of birth control instead of limiting dispensing to one or three cycles lowers direct costs on follow-up visits, pregnancy tests, and long-term costs associated with unintended pregnancies.

Eight other states have passed legislation similar to HB 25, including Washington, Virginia and California. In an analysis of California's bill, the California Health Benefits Review Program found that the reduction in unintended pregnancies and doctor visits would result in about \$42.8 million in savings for the state in its first year of existence. AK's cost-savings analysis of HB 25 shows a higher savings per capita.

By taking steps to decrease unintended pregnancies, the state will decrease its long-term social service spending and save money. Please support comprehensive birth control access for all women and vote yes on HB 25.

[4:35:23 PM](#)

ELIZABETH FIGUS, SELF, SITKA, spoke in favor of HB 25. She shared that she was a doctoral student at the University of Alaska in Fairbanks and Juneau resident and in the summer months she skippered a troll fishery tender. She felt that the bill was a "no brainer" in a state where so many people worked in remote locations seasonally. She spoke about the unnecessary expense and difficulty in finding any time for doctor's appointments or pharmacy visits during her busy fishing season. She believed the bill was only about streamlining prescription pick-ups. She was certain that the committee "understood the importance of economic efficiency for all Alaska residents." She urged members to vote "yes" on the bill.

[4:37:04 PM](#)

ELIZABETH EILERS, SELF, JUNEAU, spoke in favor of HB 25. She stated that "politicians cannot grow the economy and simultaneously limit access to birth control" and thought that the "state's economic health and women's reproductive health were linked." She indicated that she paid a high amount for birth control and believed that created numerous challenges to access. She spoke of the high costs of all types of birth control in out-of-pocket expenses. She thought meaningful access to a variety of methods was "critical" and a women's right. She maintained that without insurance coverage the cost of birth control was unattainable. She urged members to support HB 25 and "not leave women behind."

[4:38:58 PM](#)

ALICA CARGILL, POLICY SPECIALIST, ALASKA NETWORK ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT, supported the legislation. She spoke to "contraceptive coercion," access, and equity. She relayed that in FY16 her agency served over 6,300 women and was "heavily invested in reproductive health, access, and equity." She explained that "power and control was the overall basis of domestic violence and

sexual assault." She stated that "a victim's autonomy was fundamental in both preventing and responding to violent acts. One critical element of this autonomy was access to both affordable and consistent reproductive healthcare." She felt that the bill enabled a women's autonomy. She explained that contraceptive coercion was when an abuser controlled a woman's ability to contraceptive access and use. She explained that the bill expanded coverage for long-acting reversible contraceptives such as intrauterine devices and implants and assisted the woman living as safely as possible in the short-term. She felt that unintended pregnancies could occur without the long-acting reversible contraceptives. She noted the correlation between unintended pregnancies and domestic violence that imposed "an even greater vulnerability for the victim." She added that the bill increased women's access in underserved rural populations.

[4:41:25 PM](#)

Representative Wilson asked whether she was concerned because the bill only applied to insurers who already covered contraceptives and some might choose to halt coverage due to increased costs related to the bill. She wondered if she was concerned with the possibility of less coverage. Ms. Cargill responded that she had not considered the scenario and would like to do further research. She guessed that her agency would still support the bill. Representative Wilson was concerned about any unintended consequences.

[4:42:53 PM](#)

PAMELA SAMASH SELF, RIGHT TO LIFE, NENANA, opposed HB 25. She expressed concern over the discussion regarding cost savings from unintended pregnancies in rural populations and equated it to a discussion about "rural population control." She talked about doctors wanting to have routine follow-ups as a way to prevent serious side effects. She believed that unintended pregnancies were called "miracles." She said children were the "future" and not "dollar signs." She restated her opposition to HB 25. She did not believe in giving women 12 months of birth control and did not want to pay for emergency contraceptives.

[4:45:56 PM](#)

PAIGE HOGSON, SELF, ANCHORAGE, spoke in support of HB 25. She offered that a lot of research existed that supported the benefits of the legislation; for women, their families, cost saving for the state, and society. She related that the access delayed child bearing until planned. She thought Alaska needed to be proactive. She urged members to support the bill.

[4:47:04 PM](#)

ROBIN SMITH, SELF, ANCHORAGE, indicated that she was driving and would prefer to testify the following morning.

Vice-Chair Gara agreed to the request.

[4:47:38 PM](#)

JUSTINE WEBB, SELF, FAIRBANKS, spoke in favor of HB 25 She shared that she was a social work student at the University of Alaska in Fairbanks and grew up in Sitka. She relayed from personal experience the issues and difficulties regarding her limited access to contraceptives receiving only a 30 day supply at a time. She had missed classes and experienced other inconveniences accessing contraception. She conveyed that she was not able to refill her prescription with only 2 days of pills left. She could not imagine the added difficulties of accessing birth control in remote areas of the state in light of her experiences living in urban areas. She asked members to support the legislation.

[4:50:04 PM](#)

VHEMIA PETERSON, SELF, ANCHORAGE, supported the legislation. She relayed that she graduated from the University of Alaska in Anchorage and currently worked two jobs and volunteered and participated in the community. She felt that her access to a long term supply of birth control contributed to her success. She noted the high sexual assault and abuse rate for women as well as a wide wage gap between men and women. She urged members to support the bill.

[4:51:38 PM](#)

Vice-Chair Gara indicated the meeting would recess until April 18, 2017 at 9:45 a.m. He relayed the agenda for the afternoon meeting.

^RECESSED UNTIL TUESDAY, APRIL 18, 2017 AT 9:45 A.M.

#

ADJOURNMENT

[4:52:31 PM](#)

The meeting was adjourned at 4:52 p.m.