

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

March 5, 2018

3:19 p.m.

MEMBERS PRESENT

Representative Sam Kito, Chair
Representative Adam Wool, Vice Chair
Representative Andy Josephson
Representative Louise Stutes
Representative Chris Birch
Representative Gary Knopp
Representative Colleen Sullivan-Leonard

MEMBERS ABSENT

Representative Mike Chenault (alternate)
Representative Bryce Edgmon (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 353

"An Act relating to the licensure of marital and family therapists; relating to medical assistance for marital and family therapists' services; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 277

"An Act relating to the regulation of broadband Internet; and making certain actions by broadband Internet service providers unlawful acts or practices under the Alaska Unfair Trade Practices and Consumer Protection Act."

- MOVED HB 277 OUT OF COMMITTEE

HOUSE BILL NO. 309

"An Act disapproving all recommendations of the State Officers Compensation Commission relating to the compensation, benefits, and allowances of state officers; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 353

SHORT TITLE: MARITAL & FAMILY THERAPY LIC. & SERVICES

SPONSOR(s): REPRESENTATIVE(s) SPOHNHOLZ

02/16/18 (H) READ THE FIRST TIME - REFERRALS
02/16/18 (H) L&C, FIN
03/05/18 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 277

SHORT TITLE: BROADBAND INTERNET: NEUTRALITY/REGULATION

SPONSOR(s): REPRESENTATIVE(s) KAWASAKI

01/12/18 (H) PREFILE RELEASED 1/12/18
01/16/18 (H) READ THE FIRST TIME - REFERRALS
01/16/18 (H) L&C, FIN
02/09/18 (H) L&C AT 3:15 PM BARNES 124
02/09/18 (H) Heard & Held
02/09/18 (H) MINUTE(L&C)
02/14/18 (H) L&C AT 3:15 PM BARNES 124
02/14/18 (H) <Bill Hearing Canceled>
02/28/18 (H) L&C AT 3:15 PM BARNES 124
02/28/18 (H) Scheduled but Not Heard
03/05/18 (H) L&C AT 3:15 PM BARNES 124

BILL: HB 309

SHORT TITLE: REJECT OFFICERS COMP. COMMISSION REPORT

SPONSOR(s): REPRESENTATIVE(s) GUTTENBERG

01/26/18 (H) READ THE FIRST TIME - REFERRALS
01/26/18 (H) L&C, FIN
03/05/18 (H) L&C AT 3:15 PM BARNES 124

WITNESS REGISTER

BERNICE NISBETT, Staff
Representative Ivy Spohnholz
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 353 on behalf of
Representative Spohnholz, prime sponsor.

DOROTHEA GODDARD-AGUERO, Public Member
Board of Marital and Family Therapy
Office of the Governor

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 353.

JON ZASADA, Policy Integration Director

Alaska Primary Care Association

Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 353.

ALBERT WALL, Chief Executive Officer

Peninsula Community Health Services of Alaska

Soldotna, Alaska

POSITION STATEMENT: Testified in the hearing on HB 353.

JACOB GERRISH, Staff

Representative Scott Kawasaki

Juneau, Alaska

POSITION STATEMENT: Reintroduced HB 277 on behalf of Representative Kawasaki, prime sponsor.

TOM BRADY, Engineering Manager

Microcom

Anchorage, Alaska

POSITION STATEMENT: Testified in the hearing on HB 277.

GEORGE PIERCE

Kasilof, Alaska

POSITION STATEMENT: Testified in support of HB 277.

JODE SPARKS

Soldotna, Alaska

POSITION STATEMENT: Testified in support of HB 277.

KYRSTYN KELLY

Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 277.

JEANIE PIERCE

Kasilof, Alaska

POSITION STATEMENT: Testified in support of HB 277.

ALLIANA SALANGUIT, Staff

Representative David Guttenberg

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Introduced HB 309 on behalf of Representative Guttenberg, prime sponsor.

ACTION NARRATIVE

[3:19:30 PM](#)

CHAIR SAM KITO called the House Labor and Commerce Standing Committee meeting to order at 3:19 p.m. Representatives Sullivan-Leonard, Stutes, Knopp, Birch, Josephson, Wool, and Kito were present at the call to order.

HB 353-MARITAL & FAMILY THERAPY LIC. & SERVICES

[3:20:52 PM](#)

CHAIR KITO announced that the first order of business would be HOUSE BILL NO. 353, "An Act relating to the licensure of marital and family therapists; relating to medical assistance for marital and family therapists' services; and providing for an effective date."

[3:21:29 PM](#)

BERNICE NISBETT, Staff, Representative Ivy Spohnholz, Alaska State Legislature, presented HB 353 on behalf of Representative Spohnholz, prime sponsor. She presented the PowerPoint "HB353: Marital & Family Therapist Licensure & Services" [included in committee packet].

MS. NISBETT addressed slide 2:

What is marital & family therapy (MFT) and why is this important?

- MFTs treat serious clinical issues including depression, marital obstacles, anxiety, individual psychological problems, and child-parent difficulties.
- MFTS are mental health professionals trained in psychotherapy and family systems, and are licensed to diagnose and treat mental and emotional disorders within the context of marriage, couples, and family systems.
- Source: American Association for Marriage & Family Therapy, 2018.

MS. NISBETT spoke to "What does this bill do?" in slides 3-6:

1. It requires 1,500 hours of supervision for marital and family therapists (MFTs). 100 hours of individual

supervision, and 100 hours of group supervision may be conducted by one or more supervisors.

[3:23:25 PM](#)

MS. NISBETT addressed slide 4:

2. It specifies that a qualified supervisor for individual supervision must have 5 years of experience in marital and family therapy and a license to practice. Or, that a qualified group supervisor can be licensed as another professional mental health clinician (LPC, LMFT, LCSW, Psy.D, M.D., or ANP).

MS. NISBETT addressed slide 5:

3. It defines:

- Direct supervision - one or more psychiatrists on-site a mental health physician clinic 30 percent of the time the clinic is open.
- Mental health physician clinic - operated by one or more psychiatrists and primarily provides mental health services.
- Psychiatrist - a person licensed to practice as a physician under AS 08.64 and is licensed by the State Medical Board as a psychiatrist.

MS. NISBETT addressed slide 6:

4. Lastly, it allows the Department of Health & Social Services (DHSS) to reimburse a mental health clinic for services performed by mental health clinicians who are under the direct supervision of a psychiatrist.

[3:25:18 PM](#)

MS. NISBETT paraphrased from the Sectional Analysis [included in committee packet] which reads as follows [original punctuation provided]:

Section 1. AS 08.63.100(a) is amended to clarify that before an individual can receive a license to practice marital and family therapy, they must complete 1,500 of supervised clinical hours. Of those 1,500 hours, 100 hours must be individual supervision and 100 hours

must be for group supervision. These 200 hours may be attended by one or more supervisors.

Section 2. AS 08.63.120(b) is amended to state that a supervisor who oversees a license for individual supervision must have practiced marital and family therapy for five years, be licensed under this chapter, and meet the minimum standards established by the board for approved supervisors. A supervisor who oversees a licensee for group supervision must be licensed to practice as a professional counselor, a marital and family therapist, a physician, advanced nurse practitioner, psychologist, or clinical social worker.

Section 3. AS 47.07.030(b) is amended to add marital and family therapists' services to the list of optional services that the Department of Health & Social Services (DHSS) may offer.

Section 4. AS 47.07.030(g) defines "direct supervision," "mental health physician clinic," and "psychiatrist."

Section 5. AS 47.07.030 is amending by adding a new section (h) that allows DHSS to reimburse a mental health physician clinic for services provided by a psychiatrist or an individual who works under direct supervisor and is licensed to practice as a professional counselor, a marital and family therapist, physician assistant, advanced nurse practitioner, psychologist, psychological associate, or clinical social worker.

Section 6. Authorizes DHSS and the Board of Marital and Family Therapy to adopt regulations necessary to implement this Act.

Section 7. States that Sec.6 of this Act will take effect immediately under AS 01.10.070(c).

Section 8. Not including Sec.7 of this Act, the effective date of this bill will be January 1, 2018.

[3:27:52 PM](#)

MS. NISBETT presented slide 16, "Suggestions from Stakeholders":

- Defining "direct supervision" as:
- One or more psychiatrists on-site at a mental health clinic 30 % of the time, OR
- Available by a communication device to provide general oversight.
- Allowing advanced nurse practitioners authorized by the Board of Nursing to practice as a psychiatric mental health nurse practitioner to provide direct supervision.
- Changing "mental health physician clinic" to simply, "mental health clinic."

[3:30:06 PM](#)

REPRESENTATIVE JOSEPHSON asked what prompted the proposed bill.

MS. NISBETT asked whether he was referring specifically to Licensed Marriage and Family Therapists (LMFTs).

REPRESENTATIVE JOSEPHSON answered in the affirmative.

MS. NISBETT deferred the question to a member of the board.

REPRESENTATIVE JOSEPHSON asked why marriage and family therapists are the feature of this bill.

[3:32:29 PM](#)

DOROTHEA GODDARD-AGUERO, Public Member, Board of Marital and Family Therapy, Office of the Governor, testified in support of HB 353. She explained the proposed bill would clarify the requirements to define who can be a supervisor. She added the board has very few members. She said she doesn't have the whole history of the proposed bill.

[3:33:53 PM](#)

JON ZASADA, Policy Integration Director, Alaska Primary Care Association, testified in support of HB 353. He identified the association of qualified health centers and said they are operating at 160 sites within the state. He underlined the importance of expanding the billable mental health labor force. He said over 11,000 Alaskans receive primary behavioral health care in community health centers. He underlined the problem that there is a shortage of billable providers. It was recently

discovered that Alaska health centers have a shortage of up to 18 behavioral health providers. He added at a conservative estimate, 9,000 additional Alaskans could be served if the labor force were full.

MR. ZASADA said that currently health centers can only bill under a bundled rate for services from an MD, a PhD level psychiatrist, or an LCSW. He added centers also employ LMFTs and licensed professional counselors, but they cannot bill Medicaid. He added health centers continue to attract additional investment in behavioral health and substance abuse treatment with the goal of serving more patients in comprehensive care settings. The majority of these funds would be spent on hiring additional providers, but at this time those funds aren't sustainable because additional provider types are not billable under Medicaid. With new federal funding for addressing the opioid epidemic, community health centers expect additional direction and funding to continue to provide these services. He stated LMFTs are a good match for integrated primary care settings, caring for patients through timely intervention, short-term therapy, and collaborating with care coordinators and nurse practitioner prescribers.

MR. ZASADA referenced Section 2 of the proposed bill and said the aim is to broaden the definition of a supervisor to include physicians and primary care MDs. He said these are the predominant supervising types in Alaska community health centers.

MR. ZASADA spoke to language in Section 4 of the proposed bill. He said additional clarification was being sought that the mental health clinic allows primary care federally qualified health centers to benefit from the provider expansion.

[3:38:35 PM](#)

REPRESENTATIVE SULLIVAN-LEONARD said she would like more information on Section 2.

MR. ZASADA said broader supervision of psychiatrists was being sought. He added that having a psychiatrist creates an additional bottleneck to care and could cost well over \$100,000 a year.

[3:40:24 PM](#)

REPRESENTATIVE KNOPP asked whether there was any concern over asking psychiatrists who have extensive specialized training to be supervised by less specialized professionals.

MR. ZASADA answered he is not an expert in supervision practices but said family practice physicians have a level of behavioral health supervision in their training and it is a best practice in other states.

REPRESENTATIVE KNOPP reiterated his concern about the discrepancies in education in the groups.

MS. NISBETT answered LMFTs must have a master's degree or PhD to practice and have to have 1,500 hours or two years before they can get licensed. She added LMFTs must pass an examination and maintain a clean record.

[3:43:03 PM](#)

REPRESENTATIVE WOOL asked about the types of therapy covered in the proposed bill.

MR. ZASADA answered that in a community health center the trend has been to integrate care in one site, so a care team would likely have an MD, a physician's assistant, and a nurse practitioner, a prescribing nurse practitioner, and a licensed clinical social worker. He said with the proposed bill, an LMFT would be added. He stated addressing behavioral health with medical assistance in one visit helps control the cost of care overall.

[3:46:09 PM](#)

CHAIR KITO opened public testimony on HB 353.

[3:46:19 PM](#)

ALBERT WALL, Chief Executive Officer, Peninsula Community Health Services of Alaska, testified in the hearing on HB 353. He clarified the services that LMFTs provide and how LMFTs bill. He said there is currently a way for LMFTs to bill through Medicaid. He said they can bill at a community mental health center that is a grantee of the state. He said the reimbursement rate on the rehabilitation side is very poor, so many of them do not. He explained it is the bottleneck that needs to be addressed. He added right now oversight is limited

to psychiatrists and there are not enough in the state to provide oversight for clinicians.

MR. WALL said he strongly supports an advanced nurse practitioner being given the ability to supervise as they have specialized training and it would take some of the burden off the smaller providers in the state. He said most small clinics don't have the money to hire a full-time psychiatrist and allowing advanced nurse practitioners to sign off would reduce the administrative and financial burden on the clinic, so it can provide more services for less money.

3:50:20 PM

CHAIR KITO spoke to the supervision aspect and said he was confused about a psychiatric nurse practitioner supervising a licensed psychiatrist as they would not have the same experience or be qualified to sign off on mental health experience for licensing.

MR. WALL gave the example of his organization. He stated the Chief Medical Officer (CMO) there is a psychiatrist. He added the center is under two separate sets of regulations as they are a federally qualified center and a Division of Behavioral Health grantee. He said there are also two advanced nurse practitioners with psychiatric experience. He added he is more comfortable with advanced nurse practitioners having oversight of LMFTs as they have direct contact with evidence-based practice and clinical work.

CHAIR KITO asked whether advanced nurse practitioners provide therapy services.

MR. WALL answered they can provide therapy services, but most do not because they tend to bill at the top end of their licensure.

CHAIR KITO reiterated his concern. He said he did not think the state would accept that a LMFT could sign off on the therapy hours of a licensed psychologist.

MR. WALL said he did not think the proposed bill was asking for LMFTs to sign off on hours.

CHAIR KITO stated he was trying to understand the knowledge and experience of the people who would be given the ability to sign off.

[3:55:24 PM](#)

REPRESENTATIVE JOSEPHSON surmised the aim of the proposed bill would be to expand the number of mental health practitioners that are able to bill for Medicaid. He asked whether that was the case.

MR. WALL clarified that the bill is not about supervision of client hours. He said there are two different types of supervision. He explained that when a therapist is going for licensure, they receive 15 hours of oversight in which trainers observe therapy and educate on improvements. He stated that was not in the proposed bill. The supervisors are supervising the actual clinical work only for the submission of the billing process. Currently, psychiatrists are the only people that can do that and LMFTs can't do the work they are trained to do because there are not enough people to provide oversight.

[3:59:07 PM](#)

CHAIR KITO announced he would leave public testimony open on HB 353.

CHAIR KITO held over HB 353.

HB 277-BROADBAND INTERNET: NEUTRALITY/REGULATION

[3:59:25 PM](#)

CHAIR KITO announced that the next order of business would be HOUSE BILL NO. 277, "An Act relating to the regulation of broadband Internet; and making certain actions by broadband Internet service providers unlawful acts or practices under the Alaska Unfair Trade Practices and Consumer Protection Act."

[3:59:24 PM](#)

JACOB GERRISH, Staff, Representative Scott Kawasaki, reintroduced HB 277 on behalf of Representative Kawasaki, prime sponsor. He said HB 277 would require internet service providers (ISPs) to engage in net neutrality practices for all users.

[4:00:29 PM](#)

TOM BRADY, Engineering Manager, Microcom, Testified in the hearing on HB 277. He explained that net neutrality is only

possible when bandwidth is unlimited. When an ISP has unlimited bandwidth, it has no reason to prioritize one service over another. He stated bandwidth is limited, particularly in rural Alaska. He said the market allocates the scarce resource of bandwidth. He added that technically, not all internet packets are equal. He said he wondered whether there have been complaints about packages being treated unfairly before or after 2015 when net neutrality was created. He asked, "What is the extent of the problem we are trying to solve?" He suggested the general lack of bandwidth in Alaska forces an allocation of resources. He said doing away with a market-based allocation and replacing it with a government-adjudication allocation would reintroduce a period of chaos until the government determines who gets to have what and would slow down deployment of more bandwidth in the rural market since quality of service would be differentiated based on the government's perception of need.

[4:04:01 PM](#)

REPRESENTATIVE WOOL asked what changed in 2015.

MR. BRADY answered that in 2015 the Federal Communications Commission (FCC) imposed net neutrality and it was reversed in 2017.

REPRESENTATIVE WOOL asked whether the system was neutral prior to 2015.

MR. BRADY explained that prior to 2015 there was no requirement for neutrality.

CHAIR KITO shared his understanding that before 2015, there was no regulation but there was concern that there could be differential pricing schemes put into place. In 2015, there was an administrative order that restricted that opportunity and that order was repealed in 2017. He said there were not any changes or restrictions seen in how things had been operating.

MR. BRADY restated his query whether anything had happened before or since 2015, or since 2017, that posed a problem.

CHAIR KITO said that he thought it was a concern that there might be inequitable activity in the area of internet service.

MR. BRADY answered that since Alaska has services from a national provider, if Alaska ends up being substantially

different, there is a risk of the national provider exiting the state.

[4:08:52 PM](#)

REPRESENTATIVE BIRCH shared his understanding that the issue is largely a federal issue, not a local or a state issue. He asked whether Mr. Brady felt it is a federal issue.

MR. BRADY answered in the affirmative. He clarified that in the case of AT&T, the company would have to manage its service differently in Alaska and Kansas and this could prove onerous and could be overturned at a federal level.

[4:10:12 PM](#)

GEORGE PIERCE testified in support of HB 277. He said the state depends on the freedom of the internet. He suggested that to limit access to information puts free speech on the line and is more important than pricing issue. He said 60 percent of people in the state live in rural Alaska and restricted broadband is crucial to rural Alaska's lifeline.

[4:12:50 PM](#)

REPRESENTATIVE BIRCH asked Mr. Pierce whether he has any personal experience with problems with the internet.

MR. PIERCE answered, "They slowed it down."

REPRESENTATIVE BIRCH asked for confirmation that he had personal experience with internet speeds slowing.

MR. PIERCE answered in the affirmative.

[4:14:36 PM](#)

JODE SPARKS testified in support of HB 277. He said as a youth he goes online to study, relax, shop, interact with friends, and interact with different viewpoints around the world. He gave the example of teleconferences with other students around the world. He said telecommunications is important to teaching and learning in Alaska. He said when the current administration proposed changes to net neutrality, polls cited 83 percent approval [of net neutrality]. He mentioned the executive action of the governor of Washington state against the repeal of net neutrality.

[4:17:40 PM](#)

REPRESENTATIVE KNOPP asked whether there were other states besides Washington and Montana which had taken action against the repeal of net neutrality.

MR. SPARKS answered that he did not know, but that the repeal had only occurred in December [2017].

REPRESENTATIVE BIRCH asked whether Mr. Sparks had witnessed any intentional slowing down of bandwidth.

MR. SPARKS explained that industry hasn't taken action yet, but that he felt he could not have faith in the industry self-regulating.

[4:20:31 PM](#)

KYRSTYN KELLY testified in support of HB 277. She explained that many communities do not have broad access to ISPs. She stated it was a huge concern as those communities rely on internet service for education. She shared her belief that industry would not self-regulate.

REPRESENTATIVE BIRCH said he thinks there is competition available and that a customer can choose another provider if they feel the service they receive is not adequate. He asked whether Ms. Kelly had personal experience with broadband slowing.

MS. KELLY answered that she had not, but that it is too early to see.

REPRESENTATIVE WOOL reiterated his question regarding net neutrality and whether it has changed since the inception of the internet.

MR. GERRISH answered the executive order has not gone into effect and that he thought the date would be April 23rd [2018].

REPRESENTATIVE WOOL asked whether the proposed bill is a symbolic gesture, or whether it was intended to ensure that the internet service in the state is not throttled further at a state level.

MR. GERRISH answered that he did not want to speak to the intent of the bill, but that he thought it may have both effects.

[4:26:16 PM](#)

REPRESENTATIVE BIRCH shared his understanding that the FTC managed the internet from 1996 to 2015, when the authority was moved to the FCC and it just went back to the FTC. He asked whether it was Mr. Gerrish's understanding as well.

MR. GERRISH answered it is not his understanding. He explained that 1996 was when the Title 1 and Title 2 service distinction was made. He added net neutrality has been the regulation standard since 1996. He said there have been cases of companies caught slowing services. He gave the example of ComCast slowing a site called BitTorrent. He said the FCC had issued an order to stop the throttling at the time.

[4:28:55 PM](#)

JEANIE PIERCE testified in support of HB 277. She stated that Netflix had been slowed down. She stated the repeal would not be implemented until April 30 [2018], so no change would be seen yet.

[4:30:29 PM](#)

CHAIR KITO closed public testimony on HB 277 upon ascertaining that there was no one else who wished to testify.

[4:30:33 PM](#)

CHAIR KITO commented that he felt the legislation was attempting to address something that has not happened yet. He added he thinks there is a need to ensure equitable access to the internet. He said he was not sure that the bill was the correct vehicle by which to address the issue.

REPRESENTATIVE JOSEPHSON said that something happened with net neutrality in 2017. He said he would support the bill but that he felt it would act more as a resolution than a bill.

REPRESENTATIVE WOOL commented that sending a signal to Congress was worth doing and he would support the bill.

[4:34:23 PM](#)

REPRESENTATIVE BIRCH stated his objection to moving the bill due to the risk that companies could move away. He said he thought

it was good to have a choice. He said it should be a federal issue.

REPRESENTATIVE SULLIVAN-LEONARD said she shared the concerns stated by Representative Birch. She added that she saw a "fear factor" in the proposed bill and she would not be supporting it.

[4:37:24 PM](#)

REPRESENTATIVE KNOPP said that he likes the net neutrality concept. He said he preferred to wait until there is a problem. He said he though industry should have the right to market their product as faster service.

REPRESENTATIVE WOOL said he does not pay for the fastest internet service and he does not have access to more ISPs in his area. He said he supports the net neutrality concept.

[4:39:52 PM](#)

REPRESENTATIVE WOOL moved to report HB 277 out of committee with individual recommendations and the accompanying fiscal notes.

A roll call vote was taken. Representatives Josephson, Wool, Stutes, and Kito voted in favor of HB 277. Representatives Sullivan-Leonard, Knopp, and Birch voted against it. Therefore, HB 277 was reported out of the House Labor and Commerce Standing Committee by a vote of 4-3.

The committee took an at-ease from 4:40 p.m. to 4:44 p.m.

[4:43:41 PM](#)

CHAIR KITO passed the gavel to Vice-Chair Wool.

HB 309-REJECT OFFICERS COMP. COMMISSION REPORT

[4:44:32 PM](#)

VICE-CHAIR WOOL announced that the next order of business would be HOUSE BILL NO. 309, "An Act disapproving all recommendations of the State Officers Compensation Commission relating to the compensation, benefits, and allowances of state officers; and providing for an effective date."

[4:45:03 PM](#)

ALLIANA SALANGUIT, Staff, Representative David Guttenberg, Alaska State Legislature, introduced HB 309 on behalf of Representative Guttenberg, prime sponsor. She stated Representative Guttenberg had introduced the proposed bill as he was concerned with the process leading up to the final recommendations made by the state's officers compensation commission. She said he believes the commission was enacted to depoliticize legislators' salaries and that he believes the recommendations failed to meet the obligation to recommend an equitable rate for legislators.

[4:46:03 PM](#)

REPRESENTATIVE BIRCH asked whether the only issue is the per diem for Juneau legislators.

MS. SALANGUIT said Representative Guttenberg's concern is the process leading up to that recommendation but that the proposed bill would affect legislators working within 50 miles of their residence.

REPRESENTATIVE BIRCH restated his question that the only issue at play is that anyone within 50 miles would not receive per diem.

MS. SALANGUIT said that was a result of the findings but that Representative Guttenberg was primarily concerned that "there wasn't enough data, facts, and figures" and that it was political.

[4:47:27 PM](#)

REPRESENTATIVE KNOPP commented that he also felt the first ruling was completely arbitrary. He added that he thought the second go-around was not arbitrary and asked why that was also considered arbitrary.

MS. SALANGUIT referenced the January 17 [2018] meeting and urged Representative Knopp to listen to the proceedings.

[4:48:45 PM](#)

REPRESENTATIVE JOSEPHSON moved to adopt CS for HB 309 as the working document.

VICE-CHAIR WOOL objected for the purpose of discussion.

[4:49:10 PM](#)

CHAIR KITO stated he would give a brief PowerPoint presentation [included in committee packet]. He underlined it was entirely his work and not the work of the committee or of the bill sponsor.

CHAIR KITO presented a series of slides on "ASOCC History" on slides 1-6. He began by addressing slide 1, "Compensation Methods." The slide shows a map of the United States with each state's compensation method indicated with a color key.

[4:50:53 PM](#)

CHAIR KITO moved to slide 2, "ASOCC History":

Alaska Officers Compensation Commission

- Authorized under AS 39.
- Passed as House Bill 417 during the 25th Alaska Legislature (2008).
- 2009 was the first issued report.

[4:51:19 PM](#)

CHAIR KITO addressed slide 3:

2009 Report Recommended:

- Legislator Salary of \$50,400
- An additional \$500 for President of the Senate and Speaker of the House
- Per Diem, Office Expenses and Moving Expenses to be set by Legislative Council

[4:51:31 PM](#)

CHAIR KITO continued to slide 4:

- 2011 Recommended an increase to salaries of Governor (\$125k to \$145k) and Lt. Governor (\$100k to \$115k). Recommendation was not rejected.
- 2014 Recommended an increase to salaries for Governor, Lt. Governor and Department Heads. Recommendation was rejected by Legislature and Governor.

CHAIR KITO spoke to slide 5:

- ASOCC recommended salary increases for the Governor and Lt. Governor on two occasions and for department heads on one occasion,
- 2017 was the first recommended change to legislative compensation since 2009, and that recommendation was to decrease Juneau legislators compensation.

[4:53:09 PM](#)

VICE-CHAIR WOOL commented that legislative council recommends per diem, but the commission chose to reduce the Juneau, Alaska, legislators' compensation.

CHAIR KITO added that in 2009 the compensation commission said that it would not address per diem and that it should be in the remit of Legislative Council.

[4:54:00 PM](#)

REPRESENTATIVE BIRCH remarked that Chair Kito had used the term "compensation" as it relates to per diem. He asked whether he considered per diem as part of the compensation.

CHAIR KITO said he would address the issue further along.

[4:54:44 PM](#)

CHAIR KITO moved on to slide 6:

- In 10 years of existence, the ASOCC has failed to engage in a periodic review of legislative compensation, however, has on two occasions recommended increases to executive compensation.

CHAIR KITO spoke to the slides on equitable compensation. He began with slide 8, "Current Compensation":

- Base Salary \$50,400
- Per diem based on federal short-term rate
- Relocation expenses provided
- Travel per diem provided
- Non-Juneau Base = \$75,150
- Juneau Base = \$68,692.5
- Total All Legislators Base = \$4.49 Million

[4:56:30 PM](#)

REPRESENTATIVE SULLIVAN-LEONARD shared her understanding that per diem is calculated by the [U.S.] Department of Defense. She asked about the process.

CHAIR KITO answered that per diem is adopted by Legislative Council, but since the original determination, there is nothing in the record that explains why the type of per diem or the adjustment for Juneau legislators was adopted.

REPRESENTATIVE SULLIVAN-LEONARD asked whether the Legislative Council had looked at per diem on a yearly basis.

CHAIR KITO answered that the discussion had come up during his time on Legislative Council in April [2017].

[4:59:12 PM](#)

VICE-CHAIR WOOL asked for confirmation that the Juneau-based legislators are getting 75 percent of the federal short-term rate, but Juneau legislators pay tax on it as income.

CHAIR KITO answered that it is correct that per diem is counted as taxable income for Juneau legislators.

[4:59:56 PM](#)

REPRESENTATIVE BIRCH offered the observation that Anchorage, Alaska, or over half of legislators would receive no per diem for a local special session so it would be considerable savings.

CHAIR KITO answered that it had been calculated out for a special session, and the Anchorage peridium rate is significantly higher than the rate for Juneau, Alaska, meaning a special session in Anchorage, Alaska, would cost much more.

[5:01:20 PM](#)

REPRESENTATIVE KNOPP answered Representative Sullivan-Leonard's question saying that the Department of Defense does calculate per diem.

[5:02:11 PM](#)

VICE-CHAIR WOOL held over HB 309.

[3:48:18 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 5:02 p.m.