

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

March 7, 2017

1:02 p.m.

MEMBERS PRESENT

Representative Chris Tuck, Chair
Representative Gabrielle LeDoux, Vice Chair
Representative Justin Parish
Representative Ivy Spohnholz
Representative George Rauscher
Representative Lora Reinbold
Representative Dan Saddler

COMMITTEE CALENDAR

HOUSE BILL NO. 150

"An Act relating to pay, allowances, and benefits for members of the organized militia."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 150

SHORT TITLE: PAY, ALLOWANCES, BENEFITS FOR MILITIA MEM

SPONSOR(S): MILITARY & VETERANS' AFFAIRS

03/01/17	(H)	READ THE FIRST TIME - REFERRALS
03/01/17	(H)	MLV, FIN
03/07/17	(H)	MLV AT 1:00 PM GRUENBERG 120

WITNESS REGISTER

ROBERT DOEHL, Commissioner
Department of Military & Veterans' Affairs (DMVA)
Anchorage, Alaska

POSITION STATEMENT: Presented HB 150 at the request of the House Military and Veterans' Affairs Special Committee, sponsor.

BRIAN DUFFY, Director
Administrative Services Division, Department of Military & Veterans' Affairs (DMVA)
Anchorage, Alaska

POSITION STATEMENT: Answered questions on HB 150.

COLONEL JOHN JAMES, Commander
Alaska State Defense Force

POSITION STATEMENT: Answered questions on HB 150.

ACTION NARRATIVE

[1:02:34 PM](#)

CHAIR CHRIS TUCK called the House Special Committee on Military and Veterans' Affairs meeting to order at 1:02 p.m. Representatives Parish, Rauscher, Reinbold, and Spohnholz were present at the call to order. Representatives Reinbold, LeDoux, and Saddler arrived as the meeting was in progress.

HB 150-PAY, ALLOWANCES, BENEFITS FOR MILITIA MEM

[1:03:14 PM](#)

CHAIR TUCK announced that the only order of business would be HOUSE BILL NO. 150, "An Act relating to pay, allowances, and benefits for members of the organized militia."

CHAIR TUCK stated that the bill is part of an ongoing effort of the Alaska State Legislature and the Department of Military & Veterans' Affairs (DMVA) to modernize the 1955 Alaska Military Code by providing statutory changes to better serve Alaska's organized militia. He explained that HB 150 would authorize the same pay, allowance, and benefits for the organized militia whether they are called into state active duty by the governor or adjutant general or called into federal active duty by the President.

[1:04:15 PM](#)

ROBERT DOEHL, Commissioner, Department of Military & Veterans' Affairs (DMVA), presented HB 150 at the request of the House Military and Veterans' Affairs Special Committee, sponsor. He stated his support for HB 150. He noted that Section 1 of HB 150 clarifies that when members of the organized militia - which includes the Air National Guard, the Army National Guard, the Alaska State Defense Force (ASDF), and the Alaska Naval Militia - are in state active duty, their wages would mirror the wages of federal active status, as paid by the federal government. He noted that the current situation is confusing: Those in Alaska Naval Militia, the Air National Guard, or the Army National Guard are on one pay system and the ASDF is on another pay system. He remarked:

For the first three ... we have to look back to the when the original act was enacted, take a consumer price index (CPI) on an annual basis and amortize that up to what the current value is today to set the base value, and compare that with 200 percent of the basic pay for an individual at a given rank to go forward to determine what their pay should be for a given day. That's the easy one. Ultimately you can take one or two charts like this to figure the pay.

MR. DOEHL expressed that the pay system for the ASDF is more "creative." When ASDF is called into active duty, pay is determined by the duties an individual performs on a given day. The pay range for each duty from each day is determined after correlating the performed duties to the state official position description system, a huge database of thousands of pages maintained by the Department of Administration. The pay range can vary from day to day based on the duties an individual performs in a disaster such as answering phones, assisting with field work, or doing warehouse work. He remarked:

The same individual on three different days can be in three different official position description job categories at three different ranges. And to further compound that, some of those positions are salaried positions overtime exempt, others are not.

MR. DOEHL explained that with all the different systems and permutations, administrative overhead is excessive for state active duty and the process is difficult to complete without errors. He said:

If we could take one employee and put them in one status doing one thing for an extended period, it would be easy, but that's not what happens in a disaster: In a disaster duties shift ... fluidly based on what has to be done - which is why we support this bill.

MR. DOEHL explained that an indeterminate fiscal note was submitted because it is difficult to know the personnel needs for a hypothetical disaster. He noted that the department considered the "Sockeye Fire" a data benchmark. During the fire, 179-person days were expended; the difference in pay between the payment system proposed by HB 150 and the status quo was a total increase of \$3,000. He summarized that the

difference is negligible and could go up or down depending on the type of personnel needed for a given disaster.

[1:08:51 PM](#)

REPRESENTATIVE SPOHNHOLZ asked whether the expected reduction of administrative work was calculated into the \$3,000 increase along with compensation.

MR. DOEHL answered that the calculation only considered the payment to those working the disaster. He said that he is confident that under HB 150, there would be a savings and a substantial reduction in staff burden; however, he said he is hesitant to say the savings would be \$3,000. He remarked:

That staff time and burden is charged to the disaster and the disaster relief funds that go in as additional overhead costs that we would be able to reduce in subsequent disasters by going to the new scheme. So ... that 3,000 is just what is paid out immediately to the responders to that event.

[1:09:57 PM](#)

REPRESENTATIVE PARISH asked for an approximate value of the reduced administrative burden.

MR. DOEHL said that Administrative Services Director Brian Duffy would follow up with a more complete overview of the effect on staff within 24 hours. He listed other changes that HB 150 would make to statute. Section 2 would treat all the organized militia as one entity for one compensation system. Section 2 would continue to maintain eligibility for travel allowances under the state system, which is usually less expensive than the federal system. Section 3 would set the base rate for workers' compensation calculations. Section 4 would specify that members of the Alaska Naval Militia, Air National Guard, and Army National Guard would continue to accrue benefits paid into the Alaska National Guard Naval Militia retirement system for state active duty, as they currently do.

[1:12:09 PM](#)

REPRESENTATIVE RAUSCHER asked what branches of the military HB 150 would cover.

MR. DOEHL answered that HB 150 would apply to those uniform services under the State of Alaska Department of Military & Veterans' Affairs (DMVA) - including the Alaska State Defense Force, the Air National Guard, and the Army National Guard - only when called into state active service. He explained that a fire near Sutton last fall necessitated immediate response in a federal capacity, paid entirely by "the feds." He remarked, "If that fire had continued, they would have continued being paid as the state equivalent to wildland firefighters under the [Department of Natural Resources] (DNR) pay scheme." He relayed that HB 150 would not cover any other part of state government or military, or the Air or Army National Guard, when acting with federal resources and pay under immediate response authority within the first 24 hours.

MR. DOEHL, in response to a question, clarified that the "organized militia" consists of the Air National Guard, the Army National Guard, Alaska State Defense Force, and Alaska Naval Militia. The Air National Guard, the Army National Guard, and the Alaska Naval Militia have dual federal and state training and readiness requirements. The ASDF is part of the organized militia but is a state-only entity separate from the other three.

REPRESENTATIVE RAUSCHER asked if any entity other than the state pays wages [to the organized militia] under these circumstances.

MR. DOEHL responded that there are different scenarios: In the case of immediate response by the Air or Army National Guard in the first 24 hours, the federal government pays wages; in a state only disaster, only the state pays wages; in a national disaster, the federal government pays a portion of the wages - usually 75 percent.

REPRESENTATIVE RAUSCHER asked whether [organized militia members] get other pay besides the state in a state emergency.

MR. DOEHL responded, "generally no." He explained that some employers opt to continue paying their employees who are serving in a state emergency; however, there is no statutory requirement to do so and no other government benefits are paid.

[1:16:22 PM](#)

REPRESENTATIVE REINBOLD voiced that she is a big supporter of ASDF. She drew attention to the indeterminate fiscal note and

the state's fiscal situation. She asked what Mr. Doehl anticipates the 10-year fiscal impact would be.

MR. DOEHL offered that looking back on last 10 years, the \$3,000 differential of the "Sockeye Fire" over 179 days, and the substantial reduction in administrative burden, it would come out fiscally neutral. He remarked, "I cannot tell you in the future, though, what the distribution of individuals needed for disasters will be. I believe we're within two percent of the base."

REPRESENTATIVE REINBOLD asked how much of a priority HB 150 is to the department. She stated her support for the department's program of rural outreach by the department. She suggested that all departments need to prioritize their constitutional and statutory obligations and what benefits the people of Alaska the most. She asked how HB 150 falls into the department's priorities.

MR. DOEHL reported that HB 150 is important for two things. It would contain administrative costs in addressing disasters by allowing more of the money that comes from the disaster relief fund to go to responders and reconstruction efforts rather than to the administrative staff calculating responders' pay. The bill would also make payment to responders more consistent and quicker, creating more of an incentive for volunteers to come forward and agree to serve Alaskans in a time of disaster. He relayed that eliminating the uncertainty [in pay] would increase the department's ability to provide emergency response capability.

REPRESENTATIVE REINBOLD said that she loves the defense force, she is glad HB 150 is cost neutral, and many people from her district want her to support this effort. She mentioned again that she wants the departments to prioritize. She added that she hopes "the rural outreach goes forth" because being prepared and ready is more cost effective than reacting.

[1:20:19 PM](#)

REPRESENTATIVE LEDOUX stated that she understands the bill would help militia members to know what their pay would be and to get paid quickly. She asked whether less administrative personnel would be required under HB 150. She asked how the bill would contain costs without reducing personnel positions.

MR. DOEHL explained that disaster costs are largely paid for through the Disaster Relief Fund (DRF), which is refilled by a capital appropriation as needed. The extra administrative time needed to process wages for the first responders would also be charged to the disaster. He offered his belief that the long-term financial draw would be on the capital budget through the DRF.

REPRESENTATIVE LEDOUX asked if all the wages for employees and those who administer the wages come from the DRF.

MR. DOEHL answered that generally for a state disaster the wages come from the DRF; a federal disaster is funded 75 percent by the federal government and 25 percent by the state. He remarked, "The responder pay will come out of reimbursements of the Disaster Relief Fund or other non-budget items. The second item, in terms of the administrative overhead, is also charged to the disaster for preparing those documents."

REPRESENTATIVE LEDOUX asked whether the department hires additional personnel "dealing with the paychecks" during a disaster other than those actually "fighting the disaster."

MR. DOEHL responded that for certain roles, the ASDF, the Air National Guard, or the Army National Guard may bring finance clerks on board or pay overtime to current staff. He added that some salaried employees are worked "like a rented mule."

REPRESENTATIVE LEDOUX asked whether less overtime charged would be under HB 150.

MR. DOEHL answered, "That is correct."

[1:24:32 PM](#)

REPRESENTATIVE PARISH asked if the passage of HB 150 would lessen the paperwork burden for members of the militia.

Mr. DOEHL offered his belief that paperwork would be reduced for individual ASDF members because there would be no need to track their time doing each task at each range. He said that the most exciting aspect proposed under HB 150 is the ability to pay militia members faster when they are away from a civilian employer.

REPRESENTATIVE PARISH asked what the approximate time horizon of payment is under the current system and what it would be under HB 150.

[1:26:18 PM](#)

BRIAN DUFFY, Director, Administrative Services Division, Department of Military & Veterans' Affairs (DMVA) drew attention to a calculation sheet that outlined the costs associated with "Sockeye Fire" response as calculated under the old construct and under HB 150. He remarked:

... For those 14 people that assisted in that effort, the delta is only \$364.40, an average of about \$26 per person to have a much more simplified and cleaner pay structure than the current structure that is cumbersome. We will use that example to develop the estimates associated with the reduction of administrative time to calculate that pay.

[1:27:09 PM](#)

CHAIR TUCK pointed out that the total of the old system was \$30,681.93 versus the new system total of \$31,046.33: The difference is less than \$1,000.

[1:27:32 PM](#)

MR. DOEHL agreed. He stated that he had misspoke earlier when he stated the difference was \$3,000. He added that he would follow up with Representative Parish's question about processing time.

[1:27:56 PM](#)

REPRESENTATIVE RAUSCHER asked when the organized militia got its name.

MR. DOEHL answered that differentiation between the organized and unorganized militia in Alaska occurred shortly after statehood with Title 26. He explained that all able-bodied Alaskans are a part of the unorganized militia - any of those who will step forward and do right by the nation and state. The organized militia was then identified to be the group that wears a uniform and falls into military formations.

[1:29:52 PM](#)

REPRESENTATIVE SPOHNHOLZ commented that the difference between old and new systems is \$364.40. She expressed that it is very likely that the state would save at least as much in paperwork time for [responders] documenting their transitions in activities and for the administrative personnel. She said, "I would find it hard to imagine that actually it wouldn't be revenue positive over the long run given the simplicity of the new system."

MR. DOEHL stated that [the department] intuitively agrees with Representative Spohnholz's comments, but it cannot accurately determine the costs and needs in the future.

REPRESENTATIVE SPOHNHOLZ responded that that makes sense. She added that it's important to note that the scale of the difference in costs is negligible with a commensurate reduction of administrative burden.

[1:31:20 PM](#)

REPRESENTATIVE PARISH noted that some individuals are paid more than others in the costs listed for the "Sockeye Fire." He asked if there is support within militia for HB 150.

MR. DOEHL replied that the bill came about in response to concerns voiced in the militia about predictability and quicker pay.

[1:32:19 PM](#)

CHAIR TUCK opened public testimony on HB 150.

REPRESENTATIVE PARISH asked if support for HB 150 is high within ASDF.

COLONEL JOHN JAMES, Commander, Alaska State Defense Force, emphasized, "Absolutely."

[1:33:43 PM](#)

CHAIR TUCK, after ascertaining that there was no one else who wished to testify, closed public testimony on HB 150.

CHAIR TUCK stated that the bill is part of the changes in Title 26 that would allow the department to more efficiently serve Alaska. He announced that HB 150 was held over.

1:34:27 PM

ADJOURNMENT

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at 1:35 p.m.