

SENATE FINANCE COMMITTEE

April 12, 2017

9:03 a.m.

9:03:26 AM

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Anna MacKinnon, Co-Chair
Senator Click Bishop, Vice-Chair
Senator Peter Micciche
Senator Donny Olson
Senator Natasha von Imhof

MEMBERS ABSENT

Senator Mike Dunleavy

ALSO PRESENT

Senator Bert Stedman, Sponsor; Sheldon Fisher, Commissioner, Department of Administration; Leslie Ridle, Deputy Commissioner, Department of Administration.

PRESENT VIA TELECONFERENCE

Dan Lowden, Captain, Alaska State Troopers; Brian Duffy, Administrative Director, Department of Military and Veteran Affairs; Marla Thompson, Director, Division of Motor Vehicles, Department of Administration.

SUMMARY

SB 88 AK MENTAL HEALTH TRUST LAND EXCHANGE

CSSB 88(RES) was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal note: FN1(DNR).

SB 34 DRIVER'S LICENSE & ID CARDS & REAL ID ACT

SB 34 was HEARD and HELD in committee for further consideration.

Co-Chair MacKinnon discussed housekeeping.

#sb88

SENATE BILL NO. 88

"An Act authorizing a land exchange with the federal government in which certain Alaska mental health trust land is exchanged for certain national forest land and relating to the costs of the exchange; and providing for an effective date."

[9:04:12 AM](#)

Co-Chair MacKinnon relayed that the public hearing for SB 88 had been held on April 10, 2017, and was closed. She noted the one zero fiscal note attached to the bill.

SENATOR BERT STEDMAN, SPONSOR, thanked the committee for considering the bill. He believed that the legislation would serve the state by stimulating the economy and providing communities more resources for the timber industry, while retaining iconic viewsheds.

Co-Chair MacKinnon solicited questions from the committee.

[9:05:52 AM](#)

Vice-Chair Bishop MOVED to report CSSB 88(RES) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSSB 88(RES) was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal note: FN1(DNR).

[9:06:27 AM](#)

AT EASE

[9:08:03 AM](#)

RECONVENED

#sb34

SENATE BILL NO. 34

"An Act relating to the implementation of the federal REAL ID Act of 2005; and relating to issuance of identification cards and driver's licenses; and providing for an effective date."

9:08:09 AM

Co-Chair MacKinnon relayed that public testimony for SB 34 had been taken on March 27, 2017, and was closed. She directed attention to a document authored by the Department of Administration (DOA), and dated April 11, 2017 (copy on file). The letter was in response to questions by the committee.

9:09:36 AM

SHELDON FISHER, COMMISSIONER, DEPARTMENT OF ADMINISTRATION, offered opening remarks.

Co-Chair MacKinnon referred to question 1:

1. What is currently required by REAL ID that we are not doing?

Commissioner Fisher responded that, currently, when an applicant presented a source document such as a birth certificate as proof of identity, the Department of Motor Vehicles (DMV) accepted that document at face value. The federal REAL ID Act would require DMV to verify the authenticity of that source document by confirming the information with an existing database, such as the National Bureau of Vital Statistics data base for birth certificates. Additionally, DMV would be required to take an applicant's photo at the beginning of the process as well as the end, to protect against fraud.

9:11:40 AM

Co-Chair MacKinnon asked whether there was reason to believe that individuals were fraudulently obtaining identification by the methods laid out in the REAL ID Act.

DAN LOWDEN, CAPTAIN, ALASKA STATE TROOPERS (via teleconference), responded that he did not have first-hand knowledge of an occurrence, but recalled previous testimony in the other body by an employee of the DMV, that listed approximately 5 instances of fraud per month.

Co-Chair MacKinnon asked whether there was a public safety reason for photographs on IDs.

Captain Lowden stated that troopers used the photographs and the backup documentation for various purposes. He said that missing persons posters and wanted persons were created from ID photos, as well as using the photos to identify deceased persons. He furthered that the photos were used in photo line-ups for suspect identification. He relayed that law enforcement in the field had access to the photos through dispatch centers, which is useful for identifying people who might not be carrying their ID.

[9:15:01 AM](#)

Captain Lowden stated that the photos were used when troopers wanted to identify people wanted in other states, or if a suspect escapes police custody. He specified that the documents were used to help verify validity of an identification card or driver's license. The documents and photographs were used to help in identity theft cases, and to reconcile criminal history and driving records. There were occasions when photos were used to determine whether multiple records needed to be moved into a single file.

[9:17:29 AM](#)

Co-Chair Hoffman asked Commissioner Fisher to remind the committee about the timeline for enactment and implementation of the REAL ID Act.

Commissioner Fisher detailed that the United States Department of Homeland Security had stated that without a waiver, individuals that did not have a REAL ID compliant license would require some other federally recognized form of ID to access military bases starting June 2017, and to get through TSA, starting January 2018. He said that if the legislation passed, the department believed it would be able to secure another waiver that will allow the state more time to implement. He anticipated that it would take the department until the middle of 2018, to finish the implementation and begin to issue compliant IDs. He said that the state expected the waiver to be granted, and that the implementation should not be a disruption to Alaska residents.

[9:19:17 AM](#)

Vice-Chair Bishop requested clarification about the documentation required to access military bases. He expressed concern about the spread of misinformation.

Commissioner Fisher had received assurance that if the legislation passed, the state would receive another waiver, which would allow Alaskans to access military bases and pass through TSA, for an extended period. He said that the waiver would continue until implementation was complete. He added that according to the material published by the Department of Homeland Security (DHS), a real ID would be sufficient to enter military bases.

Vice-Chair Bishop requested confirmation from DHS that the REAL ID would be accepted on military bases.

[9:21:42 AM](#)

BRIAN DUFFY, ADMINISTRATIVE DIRECTOR, DEPARTMENT OF MILITARY AND VETERAN AFFAIRS (via teleconference), assured the committee that the Real ID would be not only sufficient, but required.

Co-Chair MacKinnon shared that there was a section of the state population that was asserting that if the state did nothing, waivers would continue to be issues, and employees on military bases would be able to enter and exit without a REAL ID.

Mr. Duffy stressed that military bases in Alaska were currently in compliance with provisions of the REAL ID Act. He relayed that individuals that did not have a United States Department of Defense (DOD) identification card, or compliant ID, were either being denied entry or were being escorted by a DOD ID holder while on an installation. He said that without a change in statute by the expiration date of June 6, 2017, Alaska driver's licenses and similar identification cards from 6 additional states, would be added to the list of identification cards designated insufficient. He concluded, saying that installations had no waiver authority, and that there should be no expectation that the authority would be pursued.

[9:23:44 AM](#)

Senator von Imhof worried about what would happen regarding access during the one-year implementation process.

Mr. Duffy stated that installations would recognize current identification cards through the new extended expiration date allowed by the anticipated waiver.

Commissioner Fisher reiterated that for the expiration date to be extended the state would need to receive another waiver from DHS. He maintained that assurances had been given by DHS, that if the legislation were to pass, the state would receive the waiver. He added that if the legislation did not pass, the state should not expect to receive an additional waiver.

[9:25:02 AM](#)

Vice-Chair Bishop requested the assurances from DHS in writing.

Commissioner Fisher said that the assurances had been verbal, but that DHS had proven to be true to their word.

[9:25:42 AM](#)

Senator Micciche asked whether the current transportation worker identification card met the requirements for unescorted entrance into a military installation.

Mr. Duffy replied in the affirmative. He added that there were 20 various forms of identification that met the current requirements.

Senator Micciche asked whether the switch to a REAL ID was optional for Alaskans.

Commissioner Fisher answered in the affirmative. He said that the intent of the legislation was to give Alaskan's the choice.

Senator Micciche understood that the choice would also be available to workers requiring access to military bases. Commissioner Fisher answered in the affirmative.

[9:27:49 AM](#)

Vice-Chair Bishop requested that Captain Duffy provide the committee with a list of the 20 alternative forms of approved identification.

Mr. Duffy stated that a letter had been provided to House State Affairs that could be forwarded to the committee.

Co-Chair MacKinnon asked whether the information required for the alternative forms of ID were fed into a database.

Mr. Duffy responded that he did not have direct knowledge on the issue.

Co-Chair MacKinnon directed the question to the administration.

Commissioner Fisher understood that enhanced identification documents had similar requirements for validation. He did not know whether there was an existing database for every form of ID.

Co-Chair MacKinnon asked whether all the information required for the alternative IDs was the same.

Commissioner Fisher stated that some IDs could require more information, but that it was his understanding that the minimum was consistent across all 20 alternative forms.

Co-Chair MacKinnon asked whether Real ID simply required the verification of the information already required by alternative forms of ID.

Commissioner Fisher provided the example of a person bringing a passport as a primary source of identification, the validity of the passport would be scrutinized, similarly with a birth certificate or a social security card; primary documents that were offered would be vetted for validity.

[9:30:16 AM](#)

Co-Chair MacKinnon wondered whether the administration was bringing forward a solution to the problem Alaskan's would face of not being able to use their existing Alaska driver's license or state ID to access a federal facility as early as June 1, 2017,

Commissioner Fisher answered in the affirmative. He clarified that the date would be June 7, 2017, with the waiver expiring on June 6. He said that the first facilitates that would be affected would be military bases.

Co-Chair MacKinnon understood that the second phase would begin January 1, 2018, at which time Alaskan's ability to fly would be limited if they did not have the proper ID to board commercial aircraft.

Commissioner Fisher stated that the date would be January 22, 2018. On that date residents would be required to have a REAL ID compliant license, or another acceptable alternative, to fly.

Co-Chair MacKinnon understood that the intent of the legislation was to offer Alaskans a choice whether to comply with the REAL ID requirements or seek another acceptable alternative form of ID.

Commissioner Fisher answered in the affirmative.

[9:32:30 AM](#)

Co-Chair MacKinnon asked whether Alaskans would face other hurdles in having to re-present their verification documents each year, and would they be unable to access DMV applications online, without REAL ID compliant certification.

Commissioner Fisher explained that the governor's bill would not change the DMV's ability to retain documentation, such as photographs and copies of primary source documents. He said that if the bill as originally drafted was passed by the legislature, those that received a non-compliant license would continue to be able to renew their license in a way like the current process. He stated that some had suggested that the information should not be retained by DMV beyond a certain timeframe. He lamented that destroying the information would require residents to re-present their primary source documents each time they renewed their license.

Co-Chair MacKinnon interjected that the Senate State Affairs Committee had amended the bill to require the destruction of recorded source documents after a certain period.

[9:34:25 AM](#)

AT EASE

[9:36:12 AM](#)

RECONVENED

Commissioner Fisher clarified that the division currently maintained records for 15 years, while the Real ID would require records to be maintained for 10 years.

[9:36:39 AM](#)

Senator von Imhof asked whether the legislation would increase the workload for DMV employees, or the time it took for patrons to receive service, and whether the DMV had considered outsourcing possible work overflow.

Commissioner Fisher felt that the DMV had handled the change in the workload in a streamlined and efficient manner through process engineering. He admitted that there could be slight disruptions and possible additional steps that would need to be employed. He said that the department had considered the option of using third-party sources for work overflow and for issuing compliant IDs as well.

[9:39:32 AM](#)

MARLA THOMPSON, DIRECTOR, DIVISION OF MOTOR VEHICLES, DEPARTMENT OF ADMINISTRATION (via teleconference), commented that the division was excited to work with business partners to streamline the process and was currently in "test mode" with a vendor working on driver's licenses and IDs. She said that within the next 30 days, the division was planning to launch more partnerships.

Senator von Imhof assumed that the partners were private entities that could currently provide driver's licenses, and eventually the REL ID.

Ms. Thompson answered in the affirmative.

[9:40:39 AM](#)

Co-Chair Hoffman asked whether first time READ ID applicants would be required to provide a birth certificate to qualify for an ID. He queried what would be different from the current process when it came to license renewal.

Commissioner Fisher responded that a person would need to produce the primary source documents again, even if they had been previously presented, to receive a REAL ID for the

first time. He stated that the documents would then be validated through existing databases.

Co-Chair Hoffman asked whether applicants for the REAL ID act could anticipate the same timeframe of 7 to 10 days to receive their ID.

Commissioner Fisher answered in the affirmative.

[9:42:33 AM](#)

Senator Micciche felt that the documents that were required to be TSA compliant, post January 2018, had similar or more stringent requirements than the REAL ID. He asked whether the administration could provide a list of the documents that were TSA compliant for flying, and whether any of those documents required less information than a REAL ID.

Commissioner Fisher replied that the most common form of ID would be the passport; additionally, a foreign passport - with an appropriate visa - would qualify, or a permanent resident card. He said that all the qualifying IDs required an equal, if not more stringent, process.

[9:44:57 AM](#)

Co-Chair Hoffman expressed concern that many people in smaller communities did not have passports, and thought many did not have access to their birth certificates. He wondered how DMV could expeditiously assist rural Alaskans seeking a REAL ID.

LESLIE RIDLE, DEPUTY COMMISSIONER, DEPARTMENT OF ADMINISTRATION, stated that the department had been in communication with the DHS about the unique needs of the state regarding the rural population. She shared that a longer waiver could be sought to ensure that all Alaskans had access to a REAL ID.

Ms. Thompson added that the DMV would assist rural Alaskans to procure the appropriate source documents. She offered to research the issue and provide more information at a later date.

Co-Chair Hoffman envisioned that the issue of rural Alaskans having trouble in procuring the appropriate documents for travel would be a frequent occurrence.

[9:48:47 AM](#)

Co-Chair MacKinnon wondered whether an outreach campaign was planned for rural Alaskans upon passage and implementation of the legislation.

Commissioner Fisher assured the committee that the department would develop a strategy and come back to the committee with more information.

[9:49:43 AM](#)

Vice-Chair Bishop spoke of Commercial Driver's Licenses (CDL). He hoped that DMV branches in, and around, rural areas of the state would be sufficiently staffed to accommodate the increased workload associated with the legislation.

[9:51:17 AM](#)

Senator von Imhof pondered the list of primary and secondary source documents. She believed that the legislation could lead to an increase in requests for the documents.

Commissioner Fisher clarified that the primary and secondary source documents were not issued by DOA.

Senator von Imhof asked where residents could go to obtain a copy of their marriage license or birth certificate.

Commissioner Fisher shared that the Division of Vital Statistics housed those documents. He thought that the department could help in directing people to the division.

Co-Chair MacKinnon interjected that the person would have to travel to the state in which they were born, or married, to access those documents.

[9:53:33 AM](#)

Co-Chair MacKinnon queried the storage of personal data by the department.

Commissioner Fisher specified that the department stored original applications containing social security numbers, a copy of the submitted primary documentation, and the

photograph taken at the issuance of the ID. He said that none of that information was shared outside of the state and was stored in DMV servers, protect by the state firewall, which would not change under the legislation.

Co-Chair MacKinnon referred to question 4. She also inquired whether there had ever been a security breach.

Commissioner Fisher responded that the information was restricted on an "as needed" basis; different individuals would have different levels of access depending on their need. He added that the access was monitored and audited regularly. He shared that background checks were required for employees of the department and state partners. He stated that he was not aware of a breach of information within his tenure.

Ms. Thompson added that she was unaware of the occurrence of a security breach.

[9:56:24 AM](#)

Co-Chair MacKinnon understood that marriage and birth certificates went through extensive processing. She said that voter registration cards differed, and expressed concern that there were names on the voter registration roles that did not match current addresses. She thought that if a voter registration card were going to be allowed as primary ID for a REAL ID, then the voter registration database should be updated.

Commissioner Fisher clarified that the department used secondary documentation to verify an individual's presence in the state. He agreed that it should be examined as to whether voter registration was of sufficient reliability for a REAL ID.

[9:58:17 AM](#)

Co-Chair MacKinnon thought that the only means of updating the voter registration was to purchase the social security list of deceased Americans every year, and then cross sectioned it with the state's data, which could be expensive.

Commissioner Fisher understood that the legislature had passed a bill that allowed the state to share information

with the Electronic Registration Information Centre (ERIC). He said that the intention had been to ensure that an individual could not register to vote in multiple states. The believed that this gave the department some insight whether a person had left the state.

[10:00:04 AM](#)

Co-Chair MacKinnon asked whether the information shared within the DMV was similar to the information shared on ERIC.

Commissioner Fisher stated that most of the information was identical. He said that the DMV did not provide phone numbers or email addresses, and that the ERIC provided 4 digits of the social security number, and the DMV provided 5.

Co-Chair MacKinnon surmised that the legislature had already implemented some of the information sharing necessary to improve voter registration counts.

Commissioner Fisher answered in the affirmative.

[10:01:00 AM](#)

Senator von Imhof asked whether an effort was being made to lower the number of digits of the social security number used by the DMV, from 5, to 4.

Commissioner Fisher stated that the process had alerted the department to the sensitivity of the using the fifth digit of a social security number. He said that the process that the department worked through with the American Association of Motor Vehicle Administrators (AAMVA) the state managed, non-profit association that helped facilitate the coordination of information required 5 digits. He shared that work was being done to see if the number could be lowered to 4.

[10:02:06 AM](#)

Co-Chair MacKinnon referred to question 5:

Where is the federal requirement that Alaska use a multi-state verification system?

Commissioner Fisher read from the response letter:

PL 109-13 Division B (REAL ID ACT of 2005) requires states to work together to ensure access of data to verify identity. The Act does not specify how this is done. CFR Part 37 further addresses the issue of multi-state versification systems. DHS had stipulated the S2S system developed by the states through AAMVA will meet the requirements of the Act and corresponding regulations.

Commissioner Fisher relayed that other ways could be constructed to meet the AAMVA requirement, but they would most likely be more costly and difficult. He gave a brief background on the history of AAMVA.

[10:04:27 AM](#)

Vice-Chair Bishop commented that AAMVA included the provinces of Canada.

Commissioner Fisher concurred.

Co-Chair MacKinnon recounted the issues covered during the meeting and solicited questions from committee members. She said that fiscal notes attached to the legislation would continue to evolve as the bill was discussed in committee.

Co-Chair MacKinnon discussed housekeeping.

#

ADJOURNMENT

[10:06:07 AM](#)

The meeting was adjourned at 10:06 a.m.

