

**ALASKA STATE LEGISLATURE**  
**SENATE LABOR AND COMMERCE STANDING COMMITTEE**

March 19, 2020

2:02 p.m.

**MEMBERS PRESENT**

Senator Click Bishop, Chair  
Senator Gary Stevens, Vice Chair  
Senator Mia Costello (via teleconference)  
Senator Joshua Revak  
Senator Elvi Gray-Jackson

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

CONFIRMATION HEARING(S)

Marijuana Control Board

Christopher Jaime - Soldotna  
Bruce Schulte - Anchorage  
Casey Dschaak - Dillingham

- CONFIRMATIONS ADVANCED

Board of Certified Direct-Entry Midwives

Bethel Beilisle - Anchorage

- CONFIRMATION ADVANCED

SENATE BILL NO. 215

"An Act relating to the Alaska savings program for eligible individuals; relating to education savings programs; relating to the Education Trust of Alaska; relating to the Alaska advance college tuition savings fund; relating to the Alaska education savings program for children; and relating to the Governor's Council on Disabilities and Special Education."

- HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 215

SHORT TITLE: AK ED SAVINGS PROGRAMS/ELIGIBILITY

SPONSOR(s): SENATOR(s) GIESSEL

02/21/20 (S) READ THE FIRST TIME - REFERRALS  
02/21/20 (S) L&C, FIN  
03/19/20 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)

**WITNESS REGISTER**

BETHEL BELISLE, Appointee  
Board of Certified Direct-Entry Midwives  
Division of Corporations, Business & Professional Licenses  
Department of Commerce, Community and Economic Development  
Anchorage, Alaska  
**POSITION STATEMENT:** Testified as appointee to the Board of Certified Direct-Entry Midwives.

CHRISTOPHER JAIME, Appointee  
Marijuana Control Board  
Department of Commerce, Community and Economic Development  
Soldotna, Alaska  
**POSITION STATEMENT:** Testified as appointee to the Marijuana Control Board.

BRUCE SCHULTE, Appointee  
Marijuana Control Board  
Department of Commerce, Community and Economic Development  
Anchorage, Alaska  
**POSITION STATEMENT:** Testified as appointee to the Marijuana Control Board.

CASEY DSHAAK, Appointee  
Marijuana Control Board  
Department of Commerce, Community and Economic Development  
Dillingham, Alaska  
**POSITION STATEMENT:** Testified as appointee to the Marijuana Control Board.

EMMY JACKSON, Staff  
Senator Cathy Giessel  
Alaska State Legislature  
Juneau, Alaska  
**POSITION STATEMENT:** Presented a sectional analysis of SB 215 on behalf of the sponsor.

CLARE BALDWIN, Intern  
Senator Cathy Giessel  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Delivered a PowerPoint on SB 215 on behalf of the sponsor.

STUART SPIELMAN, Senior Vice President  
Autism Speaks Inc.  
Washington, DC

**POSITION STATEMENT:** Testified in support of SB 215.

SANA ELFIRD, Assistant Commissioner  
Department of Health and Social Services (DHSS)  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on SB 215.

KRISTIN VANDAGRIFF, Executive Director  
Governor's Council on Disabilities and Special Education  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of SB 215.

PAMELA LEARY, Director  
Treasury Division  
Alaska Department of Revenue (DOR)  
Juneau, Alaska

**POSITION STATEMENT:** During the hearing on SB 215, spoke in support of transferring the ABLE program from the Department of Revenue to the Department of Health and Social Services.

TAMMI WEAVER, Chief Treasury Officer  
University of Alaska Fairbanks  
Fairbanks, Alaska

**POSITION STATEMENT:** Provided information during the hearing on SB 215.

## **ACTION NARRATIVE**

[2:02:35 PM](#)

**CHAIR CLICK BISHOP** called the Senate Labor and Commerce Standing Committee meeting to order at 2:02 p.m. Present at call to order were Senators Stevens, Gray-Jackson, Revak, Costello (via teleconference), and Chair Bishop.

## **CONFIRMATION HEARING(S)**

**Board of Certified Direct-Entry Midwives**  
**Marijuana Control Board**

[2:03:32 PM](#)

CHAIR BISHOP announced the first order of business would be consideration of governor appointees to boards and commissions. He asked each appointee to place their name and affiliation on the record, give a brief introduction, and discuss the reason they want to serve on the board or commission. He advised that public testimony would be taken after all appointees have testified and the names would be forwarded to the full body for consideration. This hearing was not a recommendation on any subsequent vote.

[2:04:36 PM](#)

BETHEL BELISLE, Appointee, Board of Certified Direct-Entry Midwives, Division of Corporations, Business & Professional Licenses, Department of Commerce, Community and Economic Development (DCCED), Anchorage, Alaska, said she was licensed as a certified direct-entry midwife and as a certified professional midwife. She owns and operates a birth center in Anchorage and she also has a home birth practice. She said her 20 years of experience in midwifery will help her serve on the board to ensure that it continues to meet the health and safety needs of pregnant women and to further excellence in midwifery in Alaska.

CHAIR BISHOP thanked her for her willingness to serve.

He asked Christopher Jaime to come forward. He noted that this is a reappointment to the public safety position on the Marijuana Control Board.

[2:06:12 PM](#)

CHRISTOPHER JAIME, Appointee, Marijuana Control Board, Department of Commerce, Community and Economic Development, Soldotna, Alaska, said he was appointed to serve in the public safety position of the Marijuana Control Board. He said he has lived in Alaska for 27 years and has served as an Alaska State Trooper for 19 years, currently as a lieutenant and deputy commander for the Northern Division. During his career he has had the opportunity to work in several communities throughout the state and he has forged professional relationships in all of them. He has learned significantly by serving on the board. He will work to continue to balance public safety with the vision the governor has related about entrepreneurship and cutting red tape for businesses. He assured the members that he has not

received any direction or instruction from the governor's office or his staff. He thanked members for their consideration.

[2:06:59 PM](#)

SENATOR REVAK thanked him for his service in the U.S. Army.

[2:07:35 PM](#)

BRUCE SCHULTE, Appointee, Marijuana Control Board, Department of Commerce, Community and Economic Development (DCCED) Anchorage, Alaska, said his consideration would be his second appointment to the board. He first served on the board in 2015-2016 when the Marijuana Control Board was created. In 2014, he served as a spokesperson for Ballot Measure 2. He has also served on nonprofit organizations and is familiar with the development of the initial regulations for the board. He said that he does not have any financial interest in the industry, but he is interested in seeing the industry become successful.

CHAIR BISHOP noted the letters of support in the packet.

[2:09:24 PM](#)

CASEY DSHAAK, Appointee, Marijuana Control Board, Department of Commerce, Community and Economic Development (DCCED), Dillingham, Alaska, said that he was appointed to the rural seat on the board. He came to Alaska in the U.S. Army, then worked in the oil industry. He next worked with rural communities at the DCCED for two years as a local government specialist. He offered his view that this experience gave him insight into the challenges that rural communities face. He said he is engaged in policy and interested in developing regulations for the marijuana industry.

CHAIR BISHOP thanked him for his military service. He asked Senator Costello if she had any questions and she did not respond.

[2:10:52 PM](#)

CHAIR BISHOP stated that in accordance with AS 39.05.080, the Senate Labor and Commerce Standing Committee reviewed the following and recommends the appointments be forwarded to a joint session for consideration:

Board of Certified Direct-Entry Midwives  
Bethel Beilisle - Anchorage

Marijuana Control Board  
Christopher Jaime - Soldotna

Bruce Schulte - Anchorage  
Casey Dschaak - Dillingham

Signing the reports regarding appointments to boards and commissions in no way reflects individual members' approval or disapproval of the appointees; the nominations are merely forwarded to the full legislature for confirmation or rejection.

[2:11:29 PM](#)

At ease

**SB 215-AK ED SAVINGS PROGRAMS/ELIGIBILITY**

[2:12:48 PM](#)

CHAIR BISHOP reconvened the meeting and announced the consideration of SENATE BILL NO. 215, "An Act relating to the Alaska savings program for eligible individuals; relating to education savings programs; relating to the Education Trust of Alaska; relating to the Alaska advance college tuition savings fund; relating to the Alaska education savings program for children; and relating to the Governor's Council on Disabilities and Special Education."

He noted that this was the first hearing for the bill.

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At ease

[2:13:10 PM](#)

CHAIR BISHOP reconvened the meeting.

[2:13:52 PM](#)

EMMY JACKSON, Staff, Senator Cathy Giessel, Alaska State Legislature, Juneau, Alaska, introduced herself.

CLARE BALDWIN, Intern, Senator Cathy Giessel, Alaska State Legislature, Juneau, Alaska, introduced SB 215 on behalf of the sponsor with a PowerPoint: SB 215: ABLE Update Bill.

[2:14:11 PM](#)

MS. BALDWIN turned to slide 2, What is an ABLE Account. She explained that the acronym stands for achieving a better life experience. ABLE Accounts provide tax-free savings account for individuals with qualifying physical and mental disabilities and blindness. Up to \$2,000 can be put into an ABLE Account and be used to pay for housing, education, and transportation. These

funds do not count against eligibility for Medicaid, FAFSA, Social Security Income, or needs-based income.

2:15:20 PM

MS. BALDWIN explained that the ABLE Act was passed in 2013 and in July 2016 the Alaska ABLE Act was signed into law largely due to the efforts of Senator Giessel and Representative Saddler. The University of Alaska Fairbanks (UAF) helped the sponsors better understand 529 accounts and the Department of Revenue provided information on how to set up these accounts. The Alaska Mental Health Trust Authority provided funding for FY 2017 and FY 2018. The bill provided start-up funding for outreach to help inform individuals about the 529 accounts. In 2013, the National ABLE Alliance helped the program become self-sustaining through account owner fees and gave account owners in 17 states access to the alliance's staff and lawyers for help with financial planning, college savings programs, and health and social services.

MS. BALDWIN said that in Alaska, the ABLE programming, research, and outreach is conducted by the Governor's Council on Disabilities and Special Education.

2:17:23 PM

MS. BALDWIN reviewed the updates to the ABLE Act outlined on slides 6-7. She advised that the 2017 ABLE to Work Act increased the annual contribution levels to encourage disabled individuals to find employment. Contribution levels currently are limited to \$15,000 annually, and this bill expands that amount to \$27,060 per year.

MS. BALDWIN said the next update was the 2017 ABLE Financial Planning Act that allowed individuals who incurred disabilities after they established 529 college savings plan to roll those savings into an ABLE account. She relayed that the ABLE Age Adjustment Act is pending legislation that would increase the threshold age of eligibility from 26 to 46 to allow more participation in ABLE accounts.

2:18:53 PM

MS. BALDWIN turned to slide 10 that highlights the updates proposed in SB 215. It reassigns department responsibility from the Department of Revenue to the Department of Health and Social Services. It also expands the age eligibility limits to match the federal guidelines. the bill also contains matching federal language so Alaska law will change automatically with federal changes.

[2:19:36 PM](#)

SENATOR STEVENS asked if age 46 is for eligibility but individuals can keep accounts after that.

MS. BALDWIN answered yes.

[2:20:03 PM](#)

MS. JACKSON provided a sectional analysis for SB 215:

Section 1 Establishes AS 06.65.020(b). Requires the Department of Health and Social Services to consult with the Governor's Council on Disabilities and Special Education when overseeing the Alaska Savings Program.

Section 2 Expands the age of eligibility from 26 to match proposed federal law age of 46.

Section 7 Removes the distinction of higher education when referring to an education savings account.

Section 8 Removes the distinction of postsecondary education when referring to an education savings account. Renames the "Alaska Higher Education Savings Trust" to the "Education Trust of Alaska".

Section 10 Establishes AS 14.40.802(f)(3). Expands options for an account participants to change their beneficiary to any individual.

Allows account participants to transfer funds between accounts if the amount transferred does not exceed federal limits and the contribution is for a new beneficiary who is a family member who is eligible for their own account.

Section 12 Allows a program participant to designate a successor participant to their account and allows changes to take effect immediately.

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At ease

[2:23:20 PM](#)

VICE CHAIR STEVENS said he was chairing remainder of the meeting to allow Chair Bishop to attend another meeting.

He asked if the ABLE program has been successful and the number of accounts in Alaska.

MS. BALDWIN answered that that currently, there are 365 account owners. The program is very successful with additions each year.

VICE CHAIR STEVENS moved to invited testimony.

[2:24:39 PM](#)

STUART SPIELMAN, Senior Vice President, Autism Speaks Inc., Washington, DC, spoke in support of SB 215. He said Autism Speaks is the largest autism science and advocacy group in the country and it has been a longstanding proponent of ABLE accounts. These accounts were established in 2016 and in 2019 the number of accounts had grown to 56,332 with total assets under management of \$354.8 million. These very important accounts establish equity for people with disabilities that didn't previously exist.

He relayed that he is the parent of a child with autism and before ABLE accounts were established, he discouraged people from making financial contributions to his son out of concern that it could jeopardize other needed benefits. Because of ABLE accounts, individuals with disabilities are allowed save for the future without fear of losing essential benefits like Medicaid. Autism Speaks and the disability community in general embraces this program.

VICE CHAIR STEVENS asked him to talk about limits on the way the funds can be used and whether the account can go to a successor.

MR. SPIELMAN replied there are provisions in law related to rollovers. The money can be used in broad ways such as to purchase a speech enhancement device for an autistic person or it could be used to provide support, such as a job coach. These accounts are available to people with autism and other disabilities.

VICE CHAIR STEVENS asked what happens to the funds when the account holder passes away.

MR. SPIELMAN answered that the statute allows rollovers to other individuals with disabilities and there is a possibility that the funds could go into the deceased's estate. It depends on the money that is available at the time of passing.

VICE CHAIR STEVENS said he was pleased that the funds could go to another person with a disability.

MR. SPIELMAN agreed that could happen.

[2:29:41 PM](#)

SANA ELFIRD, Assistant Commissioner, Department of Health and Social Services (DHSS), Juneau, Alaska, said she was available to answer questions related to the provision that transfers the ABLE program to the Department of Health and Social Services since the Governor's Council on Disabilities and Special Education already falls under the DHSS.

VICE CHAIR STEVENS asked if the ABLE program previously was under the Department of Education and Early Development (DEED).

MS. ELFIRD answered no; it has always been under the Department of Revenue (DOR) because DOR took the lead to perform the analysis and establish the financial side of how the accounts would be managed.

VICE CHAIR STEVENS asked if DHSS was ready to accept or assume the responsibility.

MS. ELFIRD answered yes.

[2:32:14 PM](#)

KRISTIN VANDAGRIFF, Executive Director, Governor's Council on Disabilities and Special Education, Anchorage, Alaska, stated that the council commends the sponsor for introducing SB 215 to align the state's statutes that govern ABLE account programs with the federal program authorizing the funds. These accounts provide a valuable tool for Alaskans with disabilities because ABLE accounts allow a higher cost of living and greater self-sufficiency and savings for qualifying disability expenses without jeopardizing vital public benefits such as Social Security and Medicaid. Many of the amendments in SB 215 will improve the flexibility of the savings plans including allowing rolling the 529 college savings accounts into an ABLE account. The council is ready and willing to provide the lead department with disability-related consultation and support for the ABLE account program objective through advocacy and advice, outreach and training, promotion and marketing, and reports to the legislature on data and stakeholder input. It is the Governor's Council on Disabilities and Special Education's understanding that the DHSS's finance and management services division will oversee all the financial management and investment aspects of

administering the Alaska ABLE program. The council's executive committee submitted a letter to the sponsor, in members' packets, that provides additional details.

VICE CHAIR STEVENS asked if she supports the transfer from the DOR to the DHSS.

MS. VANDAGRIFF replied the council views this as a positive.

[2:35:43 PM](#)

PAMELA LEARY, Director, Treasury Division, Alaska Department of Revenue (DOR), Juneau, Alaska, stated that she has participated in the National Alliance of States, now 17 strong, in developing and procuring a vendor for the ABLE program. It has rapidly grown to 414 funded accounts in Alaska with \$2.4 million in those accounts as of March 14, 2020. She spoke in support of transferring the ABLE program from the Department of Revenue to the Department of Health and Social Services (DHSS). She said that she has enjoyed being part of the national alliance but the program will be better served in the DHSS since it has direct contact with the Governor's Council on Disabilities and Special Education and the constituents who will receive the direct benefits of the ABLE program.

[2:37:08 PM](#)

TAMMI WEAVER, Chief Treasury Officer, University of Alaska Fairbanks, Fairbanks, Alaska, stated that the university serves as the trustee for the Education Trust of Alaska, which administers Alaska's programs. The bill will allow rollovers of the current accounts to ABLE accounts.

[2:38:00 PM](#)

VICE CHAIR STEVENS determined no one wished to comment and closed public testimony on SB 215.

[2:38:30 PM](#)

VICE CHAIR STEVENS held SB 215 in committee.

[2:38:38 PM](#)

There being no further business to come before the committee, Vice Chair Stevens adjourned the Senate Labor and Commerce Standing Committee meeting at 2:38 p.m.