

HOUSE FINANCE COMMITTEE  
May 16, 2022  
2:18 p.m.

2:18:20 PM

CALL TO ORDER

Co-Chair Merrick called the House Finance Committee meeting to order at 2:18 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Kelly Merrick, Co-Chair  
Representative Dan Ortiz, Vice-Chair  
Representative Ben Carpenter  
Representative Bryce Edgmon  
Representative DeLena Johnson  
Representative Andy Josephson  
Representative Bart LeBon  
Representative Sara Rasmussen  
Representative Adam Wool

MEMBERS ABSENT

Representative Steve Thompson

ALSO PRESENT

Senator Gary Stevens, Sponsor; Tim Lamkin, Staff, Senator Gary Steven; Representative Jonathan Kreiss-Thompkins, Sponsor; Jeff Stepp, Staff, Representative Jonathan Kreiss-Thompkins; Representative Chris Tuck, Sponsor; Senator Bill Wielechowski, Sponsor.

PRESENT VIA TELECONFERENCE

Debra Riddle, Division Operations Manager, Department of Education and Early Development; Emily Nauman, Deputy Director, Legislative Legal Services, Alaska State Legislature; Gail Fenumiai, Director, Division of Elections, Office of the Governor; Thomas Flynn, Assistant Attorney General Department of Law.

SUMMARY

HB 66 ELECTIONS, VOTING, BALLOTS

HB 66 was HEARD and HELD in committee for further consideration.

HJR 1 CONST AM: PERMANENT FUND; POMV; EARNINGS

HJR 1 was HEARD and HELD in committee for further consideration.

CSSB 25 (FIN)

STATE GOV'T FINANCES: WEBSITE

HCSCSSB 25 (STA) was REPORTED out of committee with three "do pass" recommendations and three "no recommendation" recommendations and with one previously published fiscal impact note: FN 2 (ADM).

CSSB 72 (FIN)

SEC. SCHOOL CIVICS EDUCATION

CSSB 72 (FIN) was HEARD and HELD in committee for further consideration.

Co-Chair Merrick reviewed the agenda for the meeting.

#sb72

CS FOR SENATE BILL NO. 72 (FIN)

"An Act relating to civics education, civics assessments, and secondary school graduation requirements; and providing for an effective date."

[2:18:52 PM](#)

Co-Chair Merrick reported that SB 72 was heard during the morning meeting [05/16/22 9:00 A.M.].

Co-Chair Merrick OPENED public testimony.

[2:19:19 PM](#)

Co-Chair Merrick Closed public testimony.

Co-Chair Merrick indicated there was one published fiscal impact fiscal note from the Department of Education and

Early Development (FN3 (EED)). She invited the department to review the fiscal note. She indicated Vice-Chair Ortiz and Representative Johnson had joined the meeting.

2:19:56 PM

AT EASE

2:24:40 PM

RECONVENED

Co-Chair Merrick indicated Representative Wool, Representative Josephson, and Representative Rasmussen had joined the meeting.

2:25:03 PM

DEBRA RIDDLE, DIVISION OPERATIONS MANAGER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT (via teleconference), explained that there would be a one-time cost of \$6000 for legal fees to implement the necessary regulation changes and for the development of civics standards. The bill added reporting requirements for the departments data collection system that added setup costs. In addition, grants would be offered to educators in all school districts for the development of a civics curriculum.

2:26:16 PM

Representative LeBon MOVED to ADOPT the previous committee substitute that was adopted in the Senate Finance Committee, CSSB 72(FIN), 32-LS0478\D, as the working document.

Co-Chair Merrick OBJECTED for discussion.

Representative LeBon explained that the current bill version referred out of the House Education Committee contained significant changes. He noted that the Committee Substitute (CS) eliminated passing a civics exam as a requirement for graduating from high school. The Senate Finance Committee CS allowed a student to pass the assessment with a score of at least 70 percent, provided waivers for students with disabilities, and allowed a student to take the test as often as necessary to receive a passing score. He offered that an assessment insured that the educational tools were working, and students were learning. Without the assessment, it was impossible to

measure civics education proficiency among students and inform policy makers if changes were warranted.

[2:28:05 PM](#)

AT EASE

[2:34:34 PM](#)

RECONVENED

Co-Chair Merrick WITHDREW the OBJECTION.

Representative Wool OBJECTED. He applauded the desire to include civics education in high school. He mentioned "cramming" studying to pass a test and professed that most of the information was eventually forgotten. He believed that taking a test did not adequately measure proficiency but felt that the civics education was valuable. He thought that the topic was complicated and some of the information was obtuse. He appreciated the desire to instill the information. He commented that students were graduating at a very low rate and currently there was a teacher shortage. He asked the sponsor whether there were other tests necessary to graduate and discovered that no other test was required. He did not believe the test should be mandatory.

[2:36:32 PM](#)

Representative Rasmussen indicated that if the state did not have a way to measure whether the students were learning the information, she would prefer not to adopt the bill. She spoke of personal experience in high school and that without the testing she did not want to fully engage in required classes. She thought that without an assessment, it would be difficult to measure whether the curriculum was successful and contributed to a better education or if the time would be wasted. She supported adopting the CS.

Representative Carpenter thought that if the test model was based on the U.S. Citizenship and Immigration Services Test (copy on file) that contained 128 Civics questions, the student would not need to retain all the information with a 70 percent passing grade standard. He hoped that all school curriculums addressed 70 percent of the material throughout a child's education. He thought that there were questions he would have a difficult time answering but some of the information was important to know. He exemplified questions

concerning what the rule of law was and the nation's economic system. He restated that with a score of 70 percent at least a percentage of the information should be retained before the student engaged in civic activities like voting. He opined that he could forget a significant amount of Algebra, but there were many things on the civics test he should never forget. He deemed that graduating students lacking a Civics instruction was probably the reason for the current societal problems. He favored the CS.

[2:40:24 PM](#)

Vice-Chair Ortiz agreed with most of Representative Carpenter's statement. However, he deduced that out of the 128 question test, the teacher would randomly select 20 questions. He thought that some of the questions were good, but some were "open-ended." He wanted to better understand how the test questions were given to perspective new citizens for citizenship. He was curious about how the exam was distributed, and how the information was taught.

Co-Chair Merrick invited Mr. Lamkin to comment.

[2:43:01 PM](#)

TIM LAMKIN, STAFF, SENATOR GARY STEVEN, explained that the legislation was intended to direct the state Board of Education and the Department of Education and Early Development (DEED) to develop a curriculum and an assessment that was based on the immigration test. The bill was not prescriptive nor mandated rote memorization but rather to prompt conversations regarding what was important in Civics. He emphasized that the exam was not "high stakes", but the issue was "high stakes" because of the current national environment.

Vice-Chair Ortiz agreed with Mr. Lamkin's statements. He liked the idea of promoting civics education but was unsure whether extracting questions from the citizenship test was the best way to instill the importance of a Civics education.

[2:45:33 PM](#)

Mr. Lamkin indicated that critical thinking was a key phrase regarding the bill. He pointed to the document in

member's packets titled "SB 72, Promoting Civics Education in Alaska" (copy on file), that included a sampling of online Civics resources. He expounded that the U.S. Naturalization test was an online interview and resource. The prospective citizen was given all the questions in advance and all the potential answers. There was no single correct answer and there was a list of all the acceptable correct answers.

[2:46:28 PM](#)

Representative Josephson cited Mr. Lamkins statement that the sponsor felt that teaching Civics was an important for addressing the current issues facing the county. He wondered if the sponsor had some description of what was going on in the country. He felt that the question was "provocative." He wondered if the issues were a new phenomenon. Mr. Lamkin deferred to Senator Stevens for the answer. Representative Josephson shared that all he read was biographical and historical writings for pleasure. He noted that he had regretted his vote to repeal the high school qualifying exam. He agreed that people would forget the answers but thought it would likely make people better citizens.

Representative Rasmussen thought that presently in the country there were many citizens that did not understand Civics; the three branches of government and separation of powers. She believed that if people were more knowledgeable of how the 3 branches worked, they could scrutinize campaign promises. She thought that the root of the country's problem was lack of knowledge of how the government worked. She believed that teaching Civics instilled more tolerance and would benefit the state and the country.

Co-Chair Merrick indicated that Representative Tuck and Representative Kreiss-Thompkins had joined the meeting.

[2:50:09 PM](#)

Representative Carpenter ascertained that the proposed test was not the only element based off the Citizenship test. He believed that the value was in the curriculum based off the questions and the ability of the teacher to connect with students, ensure learning, and ultimately produce better citizens. He did not think there would be as good of a

connection if there was not a way to measure teaching the curriculum. He believed the value was in both the test and the curriculum and the test was a common base of knowledge that all Americans should know. He hoped that future generations would be "better off" than the current generation with Civics education.

Co-Chair Merrick reported Representative Edgmon had joined the meeting.

2:52:34 PM

Representative Wool noted that the legislature eliminated the graduation exit exam. He purported that many subjects were required in school. He had taken a class in U.S. History. He maintained that if students passed the class, it was assumed that some of the knowledge was retained. He pointed out that exit exams were not required for other important subjects like math and history. He stressed that tests were administered as part of the course work. He reminded the committee that if students do not pass required classes they do not graduate and pointed out that the state's graduation rate was low. He contended that adding another mandated test prior to graduating would not help the graduation rate. He opined that a Civics class would not have prevented the storming of the U. S. Capitol on January 6, 2019. He declared that every generation had issues and Civics should be taught in schools because the way history was interpreted was viewed through different lenses over time. He supported mandating Civics but strongly opposed requiring the test for graduation.

Representative LeBon appreciated the spirited debate. He indicated that a school board set the curriculum and decided whether a class was a requirement or an elective. He recalled when Alaska History was an elective in the Fairbanks School District. He suggested that a consolidated class of U.S. History and Alaska History was a "darn good idea." He voiced that if the bill passed with a mandated exam, it alerted the school boards to take action and set the standards so the graduating seniors could pass the test by at least 70 percent.

Representative Wool MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Rasmussen, Carpenter, Johnson, LeBon, Merrick

OPPOSED: Wool, Edgmon, Josephson, Ortiz, Foster

The MOTION FAILED (5/5).

The MOTION to ADOPT CSSB 72(FIN) FAILED.

Co-Chair Merrick indicated amendments were due to the co-chairs as soon as possible.

CSSB 72(FIN) was HEARD and HELD in committee for further consideration.

[2:59:17 PM](#)

AT EASE

[3:00:27 PM](#)

RECONVENED

#hjr1

HOUSE JOINT RESOLUTION NO. 1

Proposing amendments to the Constitution of the State of Alaska relating to the Alaska permanent fund and to appropriations from the Alaska permanent fund.

[3:00:37 PM](#)

Co-Chair Merrick reported that the bill was last heard on September 10, 2021. She invited Representative Kreiss-Tompkins to begin his presentation.

[3:00:56 PM](#)

REPRESENTATIVE JONATHAN KREISS-THOMPKINS, SPONSOR, thanked the committee and noted that he had a committee substitute for the committee to consider.

[3:01:36 PM](#)

AT EASE

[3:02:07 PM](#)

RECONVENED

Co-Chair Foster MOVED to ADOPT proposed committee substitute for SSHJR 1, Work Draft 32-LS0167\N (Nauman, 5/15/22) (copy on file).

There being NO OBJECTION, it was so ordered.

Representative Kreiss-Tompkins indicated the most notable change was found in Section 2, page 2, line 1. He explained that the CS constitutionally guaranteed a permanent fund dividend (PFD) payment "as provided by a formula set out in law. He added that whatever the statutory formula that was set in law would be constitutionally guaranteed. He announced that it was the major change in the bill.

[3:03:34 PM](#)

JEFF STEPP, STAFF, REPRESENTATIVE JONATHAN KREISS-THOMPKINS, read the CS for Speaker Stutes for HJR 1 Explanation of changes: Version G to Version N:

Section 1: Version G included references to two subsections, (b) and (c). Because a new subsection was added, there is now a reference in Section 1 to a third subsection, (d). Each of these subsections provides for the use of income from the Permanent Fund.

Section 2: The major change to Version N is the addition of the language in (b)(1) which says the legislature "shall appropriate an amount from the permanent fund for dividend payments to residents of the State as provided by a formula set out in law." Subsection (b)(2) is new language that says each fiscal year the legislature "may appropriate from the permanent fund to the general fund." Subsection (c) of Version N, like subsection (b) of Version G, limits appropriations from the Permanent Fund to 5% of its average market value for the first five of the preceding six fiscal years. Subsection (d) is new language providing that subject to appropriation the permanent fund may be used to pay costs associated with investing and managing the Fund, which is consistent with current practice.

Section 3: Language in Version G relating to "an amount equal to the unencumbered balance on November 8, 2022," was changed to "November 30" in the new

version of the resolution. The November 8 date was added in a previous committee to provide protection from a withdrawal from the ERA between the date of the election and the deposit of the ERA into the permanent fund on June 30, 2023. In the new version of HJR 1, the date was changed from November 8 (i.e., the day of the 2022 general election) to November 30 because it is not possible for the Alaska Permanent Fund Corporation to compute an accurate balance of the ERA other than at the month-end when bank reconciliations are received with all of the underlying account data.

Section 4 is unchanged from the prior version and says the constitutional amendments proposed by HJR 1 shall be on the ballot in the next general election (i.e., November 2022)

[3:06:42 PM](#)

Representative Josephson indicated Representative Kreiss-Tompkins had become an expert on the subject through serving as Chair of the State Affairs Committee. He firmly believed in eliminating the Earnings Reserve Account (ERA) and having a single endowment in the corpus of the Permanent Fund (PF). However, he planned on offering an amendment deleting the language, "as provided by a formula set out in law" because the formula was unaffordable and needed reform. He favored language comparable to the state's general welfare clause or the public health clause that "ambiguously" provided the guarantees. He was unable to support the CS as written.

[3:08:21 PM](#)

Representative Kreiss-Tompkins appreciated and respected Representative Josephson's perspective. He thought version N "was a motion towards where he thought the median block of the 27 votes would be" in the house and was the "pragmatism" behind the CS.

[3:09:07 PM](#)

Representative Rasmussen would not be able to support the legislation without some reference to the statutory payment. She deduced that the legislature would retain the ability to change the payment statute. She asked whether she was correct.

Representative Kreiss-Tompkins deferred the question to Legislative Legal Services but deemed that Representative Rasmussen was correct.

3:10:01 PM

AT EASE

3:10:39 PM

RECONVENED

Co-Chair Merrick invited Ms. Nauman to comment

3:10:51 PM

EMILY NAUMAN, DEPUTY DIRECTOR, LEGISLATIVE LEGAL SERVICES, ALASKA STATE LEGISLATURE (via teleconference), asked Representative Rasmussen to restate her question. Representative Rasmussen asked whether there was any provision in the CS prohibiting changing the current PFD formula in statute. Ms. Nauman responded that there was nothing that would prohibit the legislature to change the statute or formula. The resolution required a PFD payout based on the formula in statute but did not prohibit changing the statute at any time with a majority vote. Representative Rasmussen suggested that currently there were two conflicting statutes surrounding the PFD and exemplified the current statutory formula and the Percent of Market Value (POMV) formula. She inquired how that would be reconciled with the resolution. She hypothesized the adoption of a new statutory formula without repealing the old formula. Ms. Nauman indicated the resolution did not contemplate what would happen if there were two conflicting formulas in law. She offered that it could potentially be a difficult issue that would result in litigation. She stated that even though there was "math problem" with the current formula for the dividend and the formula for the ERA account, they did not technically conflict if the resolution was enacted.

Representative Carpenter asked if two formulas existed how would the legislature choose one. He deduced from Ms. Nauman's answer that the courts would decide. Ms. Nauman responded in the affirmative that the situation would result in litigation and the court would determine which formula was intended to be followed. She furthered that rules of statutory construction existed that would guide a court in its decision. She related that courts were

generally deferential to more recent statutes, but it was a complicated situation. Representative Carpenter had hoped for a simple answer. He referred to Section 4 which talked about placing the issue to a vote and wondered when the election would take place. Ms. Nauman indicated the resolution was structured so it would be on the ballot in the general election in November 2022.

[3:15:58 PM](#)

Representative Wool referenced the language "as provided by a formula set out in law." He stressed the difference between "a" formula and "the" formula. He inquired whether "a" formula referred to the only formula in current law. Ms. Nauman responded that the 21 percent of net income with the trailing 5-year average was the current dividend formula. She interpreted the bill to mean the current statutory formula. She pointed out that the current formula in law created a math problem with the current 5 percent POMV draw.

[3:17:29 PM](#)

Representative Wool asked that if the PFD formula did not exceed 5 percent of the draw, whether it would eliminate the conflict. He deduced that if the 5 percent draw covered the PFD formula there would not be a conflict even if the legislature would need to find other ways to provide government services. He asked if he was correct. Ms. Nauman responded in the affirmative and stated that was the reason she referred to the issue as a math problem rather than a conflict. Representative Wool cited the Senate's version of the operating budget and noted that the \$5,500 PFD would exceed the POMV draw. He shared some of the same concerns as Representative Josephson that would override the Wielechowski Decision that ruled the PFD was "subject to appropriation." He was concerned by the language mandating a payout without changing the formula first. He guessed that there might be a temptation, if the provision was enshrined in the constitution, not to change the formula. Ms. Nauman added that the bill contained the 5 percent POMV draw limit in Subsection (c) and the amount available for the dividend would be capped in the constitution by the 5 percent draw.

[3:20:35 PM](#)

Representative Kreiss-Tompkins thought it would be helpful to contemplate the resolution along with a change to the formula, specifically a POMV-based formula so that everyone used the same numbers. The amount would always be a percentage of the POMV and there would never be a conflict. Politically, it was a very high bar to amend the constitution. He guaranteed that there were not enough votes without the formula being rewritten in a collaborative way between the four caucuses in the two bodies. He suggested that it was a lens to view the recent version of the CS.

[3:22:14 PM](#)

Representative Wool understood Representative Kreiss-Tompkins's desire to change the formula based on the POMV percentage. He was concerned that the bill could easily be amended to change the provision that the PFD payout would be based on a formula set in statute. He wondered if Representative Kreiss-Tompkins shared his concern. Representative Kreiss-Tompkins voiced that he was not concerned. He was aware of 14 house members that shared Representative Wool's policy beliefs. He deduced that if such an amendment were to pass, he was confident that the two-thirds support necessary for the underlying resolution would evaporate. He characterized it as a "safety mechanism."

[3:24:41 PM](#)

Representative LeBon agreed with rolling the ERA into the corpus of the fund and pointed out that traditional endowments worked in the same way. He worried about locking an expectation and a formula into the constitution. He wondered whether Representative Kreiss-Tompkins had considered separating the bill into two steps. The first step would be to consolidate the ERA into the corpus and then establish the POMV draw formula into the Constitution and abandon the other provisions in the bill. Representative Kreiss-Tompkins responded that the current version of HJR 1 prior to the adoption of the CS was the exact bill Representative LeBon described. However, the two-thirds support was lacking. He believed that it was a political question of where to find the support to resolve the long standing issues that kept repeating session after session. He effectively supported constitutionalizing the POMV and that was in the prior version of HJR 1.

[3:26:56 PM](#)

Representative Josephson asked Ms. Nauman if SB 26 [-Approp Limit & Per Fund:Dividend;Earnings/ CHAPTER 16 SLA 18/06/13/2018] mentioned the PFD and if there was any concern that HJR 1 would stack a generous dividend on top of another dividend.

Ms. Nauman replied that the provision created in SB 26 was AS 37.13.140. (b), which set out the POMV cap drawn from the PF each year. She added that SB 26 did not directly deal with the dividend or change the dividend formula. Another provision in the bill allowed any excess amount after the dividend was paid from the POMV draw to be deposited into the GF. She noted that the "legacy" formula was in AS 37.13.145 that specified 50 percent of 21 percent of the earnings. She did not believe that the bill could be interpreted to double the dividends.

Representative Carpenter read from a portion of Section 2 of the resolution on page 2, line 2 and page 1 line 16, "may appropriate from the permanent fund to the general fund" versus "shall appropriate an amount from the permanent fund for dividend payments." He wondered if there was "a need to direct where the money was going to from a technical point of view."

[3:30:03 PM](#)

Ms. Nauman responded that there were actually several questions in Representative Carpenter's query. She answered whether the resolution needed to be specific regarding if money needed to be deposited into the dividend fund. She explained that the dividend fund was in statute and drafters avoided referring to state statute in the Constitution because statutes were more subject to change. Section 2, b (1) simply required that an amount shall be appropriated for a dividend to state residents and purposefully not specific to a dividend fund in the event that a dividend fund was one day eliminated. Section 2 (b) (2) referred to the general fund because it was the established state fund in existence. Once the money was transferred to the general fund it could be spent any way the legislature saw fit. The word "may" in Section 2 (b) (2) indicated that the legislature was not required to appropriate from the PF and deposit the money into the GF whereas the "shall" in Section 2 (b) (1) required the money

to be appropriated in accordance with the formula. Representative Carpenter suggested that in the current CS if a scenario existed where the fund failed to grow enough to meet the 5 percent draw, then the legislature could decide to pay a dividend but not draw any more funds since the money would be drawn from the corpus of the fund. He noted that the SB 26 structure allowed the legislature to withdraw funding from the corpus thus, degrading the corpus. He deduced that the bill gave the legislature the "wiggle room" to pay the dividend but not appropriate any more funding into the GF for other purposes in order to avoid degrading the corpus. Under the scenario, the resolution mandating a payment of the dividend and with the 5 percent POMV draw going into the corpus, the legislature would be degrading the corpus to pay the dividend. He deemed that a number of bad investments earning years would create the scenario. He believed that the POMV 5 percent draw gave the legislature the ability to "get into the corpus" but also allowed the legislature to withhold appropriations for other purposes.

[3:33:54 PM](#)

Representative Kreiss-Tompkins agreed that the word "may" was operative and did not obligate the legislature to spend the full amount of the 5 percent POMV draw. He clarified that the "notion of degrading the real value of the fund" was "going down a rabbit hole." He thought in a rule-based framework that was in the constitution that in the long run the fund's real value would be protected. Representative Carpenter was trying to draw a distinction. He stipulated that any year's particular 5 percent draw could be greater or less than that year's earnings. He clarified that if the fund experienced a decline over a number of years and the decline was factored into the 5-year lookback, the draw could be from the corpus of the fund. He compared the scenario to the 21 percent of the year's net earnings that was never deposited into the corpus - if it went to zero earnings in a particular year there would be no dividend.

[3:37:00 PM](#)

Representative Josephson directed his question to Ms. Nauman. He indicated that over the past 5 years he had received emails from citizens that wanted the draw limit exceeded and cited a previous statute from 1982. He wondered if under the resolution if someone wanted a

dividend greater than 5 percent, they had a constitutional problem. Ms. Nauman replied that Representative Josephson was correct that the resolution constitutionalized the 5 percent draw cap, the legislature could not withdraw more than 5 percent of the average market value of the PF, and subject to cap the legislature would pay out the dividend based on law. However, nothing prevented the legislature from paying out an additional amount on top of the dividend under the formula in law.

Co-Chair Foster indicated that some members had amendments and discussion ensued.

[3:40:22 PM](#)

AT EASE

[3:43:03 PM](#)

RECONVENED

Co-Chair Foster asked that members submit their amendments as soon as possible.

Representative Josephson indicated that the dividend payout in the current year according to statute would require \$2.7 billion. He wondered whether the governor's signature was necessary for a resolution and guessed that it was not required. He declared that he could not support the resolution as it was written without the formula being changed. He supported reforming the formula and that the 50/50 split was "too dangerous" and not conservative enough. He wondered whether the governor would veto a bill that changed the formula, while the resolution passed. Representative Kreiss-Tompkins confirmed that constitutional resolutions did not require the Governor's signature and was forwarded to the voters of Alaska. Ultimately, coordination was necessary for any formula statute change. He suggested that if there was coordination and alignment, the PFD formula change bill would be sent to the governor for a signature with the caveat that only upon signature, the resolution would be voted on. He guessed that there might be other sequencing that could work via a coordinated effort.

[3:46:05 PM](#)

Representative Josephson thought that a provision would need to be included in the resolution. Representative

Kreiss-Tompkins answered in the negative. He deemed that if there was a corresponding PFD formula change the legislature could hold onto the resolution until after the governor signed a formula change bill and then allow the resolution to proceed to a final vote. He restated that the common denominator in the scenario was that coordination was necessary. Representative Josephson was concerned with the issue of contract law. The governor could state that he would sign the bill, but he could revoke his word. Representative Kreiss-Tompkins clarified that the governor could sign a formula change before the constitutional amendment resolution was voted on by the legislature. Representative Josephson asked if the process could be completed in the following 56 hours. Representative Kreiss-Tompkins believed it was implausible.

[3:49:41 PM](#)

Co-Chair Foster reiterated amendments were due directly.

Representative Kreiss-Tompkins relayed that he would be offering an amendment to insert the word "eligible" on page 2, line 1 before the word "residents" reading "payments to eligible residents of the state."

[3:50:43 PM](#)

Co-Chair Foster indicated he would be setting the resolution aside.

HJR 1 was HEARD and HELD in committee for further consideration.

#hb66

HOUSE BILL NO. 66

"An Act relating to voting, voter qualifications, and voter registration; relating to poll watchers; relating to absentee ballots and questioned ballots; relating to election worker compensation; and providing for an effective date."

[3:50:56 PM](#)

REPRESENTATIVE CHRIS TUCK, SPONSOR, introduced HB 66. He explained the purpose of the bill. He reported that the bill dealt with modernizing the elections, voting, and

ballot processes through a series of mechanisms that ensured more access, security, transparency, and faith in the state's election systems. He elaborated that the bill originally created an option for permanent absentee voting for individuals that plan to vote by mail in every election. In 2020, due to the COVID pandemic, 365 thousand Alaskans voted by mail, which made it the most successful election in history with the highest number of voters participating. He relayed other provisions from the Sponsor statement:

- Requiring the Division of Elections to offer a voter the option to fix a mailed-in absentee ballot if there are errors.
- Calling for the same early voting locations to be available during every election.
- Clarifying that candidates and groups sponsoring ballot initiatives can have poll watchers.

Representative Tuck communicated that HB 66 was heard in the State Affairs Committee in the prior session with the knowledge that there were other election bills in process. He worked comprehensively with other legislators, the Senate, and the Lieutenant Governor's office to produce the current version of the bill. He listed all the provisions contained in the bill: absentee ballot curing, permanent absentee voting, updating voters lists, voluntary cancelation of voter registration, ballot security, an election offense hotline, an absentee ballot application process, signature verification program, watermarking ballots, prepaying postage costs for absentee ballots, same day voter registration, increased pay for election workers, election audits, risk limiting audits, forensic audits, and open source software.

[3:55:13 PM](#)

Representative Josephson acknowledged the great effort put into crafting the bill. He asked what was in the bill that appealed to both progressives that wanted to expand voting opportunities and to conservatives that were concerned with election security. Representative Tuck thought that the question was difficult to answer. He indicated that there was no opposition from outside voter groups to the current version of HB 66. He proposed listing the provisions that

were originally in SB 39 [Ballot Custody/Tampering; Voter Reg; Mail] sponsored by Senator Shower. He interjected that some provisions in the bill were also from the various governor's election bills. He commented that all the election bills had some sort of ballot curing. The current legislation included the best process. He thought everyone wanted to see a cure in ballots and did not think it was neither conservative nor liberal. He interposed that HB 66 and HB 39 included permanent absentee voting. In addition, the governor's voting bills allowed voters to request absentee ballots for up to 4 years and were then required to reapply. His only concern with doing it the governor's way, was that someone might forget they had to reapply after the fourth year. He noted that updating the voter's list came out of SB 39, and the governor's bill. The same applied to "cleaning up" the voter rolls. The provision concerning voluntary cancelation of voter registration and the election offense hotline was derived from SB 39 as well as chain of custody ballot security. He noted that in the last municipal election the same ballot tracking system was successfully used. Signature verification provisions were taken from HB 66 and SB 39. He detailed that HB 66 eliminated the second signature requirement and SB 39 employed signature verification machines used in the Anchorage Municipal election. He pointed out that absentee ballot applications provisions mostly resulted from HB 66, but a few were from the governor's bill. He noted that watermarking ballots was a provision from SB 39 and prepaid postage costs, same day voter registration, and increased pay for election workers statutes were contained in the original version of HB 66. The election audit provisions were from a combination of all bills. He clarified that the proper terminology for election audits was risk limiting audits and typically not forensic audits. He noted that forensic examinations only applied to the routine forensic examinations of each precinct tabulator prior and after an election. Finally, the open source software proposal originated out of the collaborative process.

[4:01:22 PM](#)

Representative Carpenter cited the concept of "ballot harvesting," when ballots were collected on behalf of voters and taken to a drop box or polling place. He wondered if the issue was addressed in the bill. Representative Tuck responded that it was not directly addressed. He furthered that the ballot security and chain

of custody provisions closely monitored ballots. It proved difficult to determine how to address it in the bill. He deferred further answer to the Division of Elections.

Co-Chair Foster noted Ms. Fenumiai was online.

Representative Tuck interjected that the bill placed restrictions on organizations sending voters applications for absentee ballots because voters were inundated with applications during the prior mail in ballot election. Representative Carpenter referred to the upcoming special election for the interim federal House of Representatives seat that would be a vote by mail only election. He expressed concern regarding every voter receiving a ballot and the potential for ballot tampering. He wondered how the bill prevented the situation from occurring. Representative Tuck replied that the bill did not address the issue. He shared that the bill was trying to seek a balance and did not address the more controversial issues. He noted that some wanted all mail in elections. Personally, he liked being able to bring his children to the voting polls with him. The bill attempted to provide a sense of safety in the election cycles by adding the new security measures. Representative Carpenter was aware that the bill was a compromise. He inquired what would prevent ballots from being fraudulently submitted in a mail in ballot election where ballots could be delivered to drop boxes or polling places.

[4:05:18 PM](#)

GAIL FENUMIAI, DIRECTOR, DIVISION OF ELECTIONS, OFFICE OF THE GOVERNOR (via teleconference), relayed that currently mail in ballots required an identifier and a witness's signature. The procedures had been in statute for a long time. She believed that they served a special and unique purpose in deterring voter fraud. The bill addressed signature verification for all by mail elections and was an added layer of security. She noted that all mail elections were only carried out under special circumstances. She delineated that the upcoming by mail election to fulfill the remainder of the deceased Representative Don Young's congressional house seat was done by mail because of time constraints for scheduling an election. She added that an all-mail-in ballot election for a statewide election was a rare occurrence.

[4:06:35 PM](#)

Representative Carpenter asked if the bill would have to pass regarding signature verification or whether it was already in place. He was worried about signature forging for the upcoming election and wondered if safeguards were in place. Ms. Fenumiai responded that there was no signature verification currently in statute. She reiterated that what was currently needed from the voter was to provide an identifier and the ballot was signed in the witness of another voter. She expounded that it would take an act of collusion to fraudulently vote in the upcoming mail election. The identifier would have to match the identifier on the voter's record when the ballot was returned. Representative Carpenter deduced that someone committing fraud would only need the witness' personal identifier and they could forge the witness' signature. He asked if he was correct. Ms. Fenumiai responded, "That was a correct statement."

[4:09:34 PM](#)

Representative Josephson asked if the bill would be well received in the other body. Representative Tuck responded in the affirmative. He noted that the current version of the bill was mostly identical to the Senate version. He guessed that concurrence by both bodies was likely.

Representative Carpenter asked Representative Tuck to point out the section regarding signature verification. Representative Tuck deferred the answer to the Department of Law.

[4:11:27 PM](#)

THOMAS FLYNN, ASSISTANT ATTORNEY GENERAL DEPARTMENT OF LAW (via teleconference), noted that the provisions were contained in Section 44 and in Section 46.

Representative Tuck appreciated the consideration of the bill. He had been involved with election revisions over the years. He noted the good effort among all contributors.

Co-Chair Foster indicated he would be recessing the meeting.

[4:13:49 PM](#)

AT EASE

[6:16:56 PM](#)

RECONVENED

Co-Chair Foster reported there was one item left on the agenda.

#sb25

CS FOR SENATE BILL NO. 25 (FIN)

"An Act relating to the establishment and maintenance of an Internet website providing information on state government financial transactions and specifying the information to be made available on the website; and relating to the Alaska Checkbook Online Internet website."

[6:17:17 PM](#)

Co-Chair Foster indicated the bill was last considered on May 10, 2022; at which time a number of questions arose. The department answered them in an email sent to members' offices yesterday. He asked committee members if their questions were sufficiently answered.

Representative Wool MOVED to report CSSB 25(FIN) out of Committee with individual recommendations and the accompanying fiscal note.

There being NO OBJECTION, it was so ordered.

HCSCSSB 25(STA) was REPORTED out of committee with three "do pass" recommendations and three "no recommendation" recommendations and with one previously published fiscal impact note: FN 2(ADM).

SENATOR BILL WIELECHOWSKI, SPONSOR, thanked the committee.

Co-Chair Foster reviewed the agenda for the following meeting.

#

ADJOURNMENT

[6:18:34 PM](#)

The meeting was adjourned at 6:18 p.m.