

SENATE FINANCE COMMITTEE
May 15, 2022
1:02 p.m.

[1:02:48 PM](#)

CALL TO ORDER

Co-Chair Bishop called the Senate Finance Committee meeting to order at 1:02 p.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Lyman Hoffman
Senator Natasha von Imhof
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

Senator Donny Olson

ALSO PRESENT

Erin Shine, Staff, Senator Click Bishop; Representative Bryce Edgmon, Sponsor; Sana Efird, Executive Director, Alaska Commission on Postsecondary Education, Department of Education and Early Development.

PRESENT VIA TELECONFERENCE

Bill O'Leary, Alaska Railroad, Anchorage.

SUMMARY

SCS HB 114 (FIN)

EDUCATION & SUPPLEMENTAL LOAN PROGRAMS

SCS HB 114 (FIN) was REPORTED out of committee with three "no recommendation", one "amend", and two "do pass" recommendations; and with one new fiscal impact note from the Department of Education and Early Development, and one previously published zero fiscal note: FN4 (GOV).

SCSHB 127(FIN)

MUNI BOND BANK: UA, LOAN AND BOND LIMITS

SCS CSHB 127(FIN) was REPORTED out of committee with one "no recommendation", one "amend", and three "do pass" recommendations; and one new zero fiscal note from the Department of Commerce, Community and Economic Development, and one previously published fiscal note: FN2 (REV).

SCS CSHB 172(FIN)

MENTAL HEALTH FACILITIES & MEDS

SCS CSHB 172(FIN) was REPORTED out of committee with one "no recommendation" and four "do pass" recommendations; and one new fiscal impact note from the Department of Administration; one new fiscal impact note from the Alaska Justice System; one new fiscal impact note from the Department of Health and the Department of Family and Children's Services; one previously published zero fiscal note: FN4 (DPS); and one previously published fiscal note: FN6 (DHS/DOH).

SCS CSHB 265(FIN)

HEALTH CARE SERVICES BY TELEHEALTH

SCS CSHB 265(FIN) was REPORTED out of committee with one "no recommendation" and three "do pass" recommendations; one new fiscal impact note from the Department of Commerce, Community and Economic Development, one previously published zero fiscal note: FN5 (DHS/DOH); and two previously published fiscal impact notes: Fn6 (DHS/DOH) and FN7 (DHS/DOH).

SCS CSHB 363(FIN)

BROADBAND: OFFICE, GRANTS, PARITY

SCS CSHB 363(FIN) was REPORTED out of committee with three "no recommendation" and three "do pass" recommendations, and with one new fiscal impact note from the Department of Commerce, Community and Economic Development.

#hb363

CS FOR HOUSE BILL NO. 363 (FIN)

"An Act establishing the office of broadband; creating the broadband parity adjustment fund; establishing the Statewide Broadband Advisory Board; and providing for an effective date."

[1:04:09 PM](#)

Senator von Imhof MOVED to ADOPT the committee substitute for CSHB 363 (FIN), Work Draft 32-LS1527\F (Klein, 5/15/22).

Co-Chair Bishop OBJECTED for discussion.

[1:04:30 PM](#)

ERIN SHINE, STAFF, SENATOR CLICK BISHOP, explained the committee substitute. She stated that there was a new Section 1 inserted into the bill and added a new section with four of the legislative findings from the Senate Labor and Commerce Committee. She noted that in Section 2 there were two additional members that were added to the Statewide Broadband Advisory Board representing rural energy systems and a technology neutral consultant. She noted that the final change was in Section 2 that provided that the Broadband Technical Working Group be comprised of eight members appointed by the Advisory Board to three year terms.

Co-Chair Bishop WITHDREW their OBJECTION. There being NO OBJECTION, it was so ordered.

Senator Wielechowski looked at page 2, line 28, and queried the definition of "grantees with instate experience."

Ms. Shine deferred to the sponsor.

[1:07:09 PM](#)

REPRESENTATIVE BRYCE EDGMON, SPONSOR, replied that the instate experience came from the course development of the Broadband Taskforce Report, and was a reference to attempt to keep the experience instate, but felt that it was broadly defined in the report.

Senator Wielechowski surmised that there was not a specific number of years needed by a grantee.

Representative Edgmon replied in the affirmative.

[1:09:16 PM](#)

Senator von Imhof MOVED to ADOPT CONCEPTUAL AMENDMENT ONE:

On page 5, line 30 after the word "board" insert "and broadband technical working group"

Co-Chair Bishop OBJECTED for discussion.

[1:09:27 PM](#)

Senator von Imhof explained the conceptual amendment task force labor and commerce had a provision about paying per diem. She noted that the current version did not provide per diem, and noted the addition of the working group within the bill. She wanted to ensure that neither group receive per diem or travel expenses.

Co-Chair Bishop WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

[1:11:04 PM](#)

AT EASE

[1:11:37 PM](#)

RECONVENED

[1:11:41 PM](#)

Co-Chair Bishop stated that there would be forthcoming fiscal notes.

Senator von Imhof MOVED to REPORT SCS CSHB 363(FIN) out of committee with individual recommendations and attached fiscal notes. There being NO OBJECTION it was so ordered.

SCS CSHB 363(FIN) was REPORTED out of committee with three "no recommendation" and three "do pass" recommendations, and with one new fiscal impact note from the Department of Commerce, Community and Economic Development.

#hb172

CS FOR HOUSE BILL NO. 172(FIN) am

"An Act relating to crisis stabilization centers, crisis residential centers, and subacute mental health facilities; relating to representation by an attorney; relating to the administration of psychotropic medication in a crisis situation; relating to hospitalizations for mental health evaluation; relating to licensed facilities; relating to a report to the legislature on psychiatric patients and patient rights; and providing for an effective date."

[1:13:17 PM](#)

Senator Wielechowski MOVED to ADOPT proposed committee substitute for CSHB 172(FIN), Work Draft 32-GH1730\E (Dunmire, 5/13/22).

Co-Chair Bishop OBJECTED for discussion.

[1:13:27 PM](#)

ERIN SHINE, STAFF, SENATOR CLICK BISHOP, discussed the changes in the committee substitute.

Co-Chair Bishop WITHDREW their OBJECTION. There being NO OBJECTION, it was so ordered.

[1:21:10 PM](#)

AT EASE

[1:21:26 PM](#)

RECONVENED

[1:21:34 PM](#)

Co-Chair Bishop discussed the fiscal notes.

Senator Wielechowski MOVED to report SCS CSHB 172(FIN) out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

SCS CSHB 172(FIN) was REPORTED out of committee with one "no recommendation" and four "do pass" recommendations; and one new fiscal impact note from the Department of Administration; one new fiscal impact note from the Alaska Justice System; one new fiscal impact note from the Department of Health and the Department of Family and

Children's Services; one previously published zero fiscal note: FN4 (DPS); and one previously published fiscal note: FN6 (DHS/DOH).

#hb265

CS FOR HOUSE BILL NO. 265(FIN)

"An Act relating to telehealth; relating to the practice of medicine and the practice of nursing; relating to medical assistance coverage for services provided by telehealth; and providing for an effective date."

1:25:28 PM

Senator Wilson MOVED to ADOPT proposed committee substitute for CSHB 265(FIN), Work Draft 32-LS0754\R (Foote, 5/12/22).

Co-Chair Bishop OBJECTED for discussion.

ERIN SHINE, STAFF, SENATOR CLICK BISHOP, explained the changes in the committee substitute.

1:29:00 PM

AT EASE

1:30:01 PM

RECONVENED

1:30:04 PM

Ms. Shine explained that there was a question during the At Ease about the effective dates in the bill. She explained that on page 15, line 25, the effective date of Sections 9 and 10 was June 30, 2030, but only with the conditional effect of Section 13 took place.

Senator Wielechowski asked for further explanation about the payment parity.

Ms. Shine replied that the language was added at the request of the sponsor of the companion bill.

Senator Wilson explained that the payment parity was a compromise in looking at best practices in payment parity.

Co-Chair Bishop WITHDREW their OBJECTION. There being NO OBJECTION, it was so ordered.

Senator Wilson discussed FN 5, a zero fiscal note from the Department of Health, OMB Component number 3234.

Senator Wilson discussed a new fiscal impact note from Department of Commerce, Community and Economic Development, OMB Component 2360.

Senator Wilson discussed FN 7, a fiscal impact note from the Department of Health, OMB Component 2665.

Senator Wilson discussed FN 8, a fiscal impact note from the Department of Health, OMB Component number 242.

Senator Wilson MOVED to report SCS CSHB 265(FIN) out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

SCS CSHB 265(FIN) was REPORTED out of committee with one "no recommendation" and three "do pass" recommendations; one new fiscal impact note from the Department of Commerce, Community and Economic Development, one previously published zero fiscal note: FN5 (DHS/DOH); and two previously published fiscal impact notes: FH7 (DHS/DOH) and FN8 (DHS/DOH).

#hb127

HOUSE BILL NO. 127

"An Act relating to the Alaska Municipal Bond Bank Authority."

[1:35:31 PM](#)

Senator von Imhof MOVED to ADOPT proposed committee substitute for HB 127, Work Draft 32-LS0629\B (Dunmire, 5/5/22).

Co-Chair Bishop OBJECTED for discussion.

ERIN SHINE, STAFF, SENATOR CLICK BISHOP, explained the changes in the committee substitute.

Co-Chair Bishop WITHDREW their OBJECTION. There being NO OBJECTION, it was so ordered.

1:38:30 PM
RECONVENED

Co-Chair Bishop stated that he had covered the fiscal notes.

Senator Wilson wondered whether there was interest in additional bond authority with other projects in the state.

1:39:03 PM

BILL O'LEARY, ALASKA RAILROAD, ANCHORAGE (via teleconference), replied that the railroad was always interested in the authority to move forward on economic development projects. He stated that bond authority was considered just one "piece of the puzzle."

Senator von Imhof MOVED to report SCS HB 127(FIN) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION it was so ordered.

SCS CSHB 127(FIN) was REPORTED out of committee with one "no recommendation", one "amend", and three "do pass" recommendations; and one new zero fiscal note from the Department of Commerce, Community and Economic Development, and one previously published fiscal note: FN2 (REV).

#hb114

HOUSE BILL NO. 114 am

"An Act relating to the education loan program and Alaska supplemental education loan program; and providing for an effective date."

1:40:34 PM
AT EASE

1:41:03 PM
RECONVENED

1:41:30 PM

Senator Hoffman MOVED to ADOPT proposed committee substitute for HB 114, Work Draft 32-GH1644\B (Marx, 5/12/22).

Co-Chair Bishop OBJECTED for discussion.

[1:41:58 PM](#)

ERIN SHINE, STAFF, SENATOR CLICK BISHOP, discussed the changes to the committee substitute.

Senator Wielechowski stated that he had a question for someone from the Department of Education and Early Development.

[1:42:53 PM](#)

SANA EFIRD, EXECUTIVE DIRECTOR, ALASKA COMMISSION ON POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, introduced herself.

Senator Wielechowski recalled that he had previously posed the question about the definition of "beneficiary" on page 1, line 12.

Ms. Efird replied that she had submitted the answer to that question, but remarked that the difference for a beneficiary in the program was a "person that was the recipient of the benefit of the loan."

Senator Wielechowski wondered whether wealthy parents could receive cheaper loans instead of the bank from the state.

Ms. Efird replied that if the applicant met the eligibility requirements of the loan, they could receive a state loan.

Senator Wielechowski expressed concern, because under current law one must have good credit to receive the state loan.

Ms. Efird replied that there were specific credit requirements for the loan.

Senator Wielechowski wondered what would happen if someone or someone's family had bad credit.

[1:45:40 PM](#)

Ms. Efird replied that a student that may not qualify could get a cosigner for the loan. She agreed that the student loan corporation is responsible for the financial sustainability of the fund.

Senator Wielechowski wondered whether a beneficiary also had to be an Alaska resident under the bill.

Ms. Efird replied that there were various student loan programs. She shared that there must be proof of Alaskan residency for a student that was taking an in school loan, even if attending out of state. She noted that the bill had expanded the criteria for the refinance loan program. The expansion of the eligibility included those that could have previously received a loan through the student loan corporation, but were now out of state.

Co-Chair Bishop queried the definition of "Alaskan resident" in the bill.

Ms. Efird replied that the requirement was the same as the Permanent Fund Dividend (PFD) criteria.

Senator Wielechowski noted that the bill allowed the corporation to set a maximum loan amount. He wondered whether the bill allowed the state to cover a large amount of tuition for a wealthy family.

Ms. Efird replied that the bill gave the authority to the corporation board the ability to set the loan limits based on current analysis of instate cost an out-of-state costs of where the majority of Alaska student attendance.

[1:51:49 PM](#)

Senator von Imhof queried the evaluation of the ability for repayment.

Ms. Efird replied that she was not the loan specialist, and agreed to provide further information. She did explain that there were credit evaluations.

Senator von Imhof queried the ability for a student to sign on a loan, and wondered why there was no cosigner required for all applicants. She queried the repayment timeline.

Ms. Efird stated that the default rate for the refinance program had a zero percent default rate. She stated that an in school student loan was deferred while the student was in school. After graduation, the student had six months before repayment begins. She noted that there were a number of different payment plans.

[1:55:23 PM](#)

Senator Wilson remarked that he took out a loan for his graduate studies from the corporation. He surmised that the intent was to take out low-risk loans. He felt that it was not a competition with banks.

Ms. Efird agreed. She explained that the corporation was fulfilling the mission set out in statute.

[1:57:43 PM](#)

AT EASE

[1:57:53 PM](#)

RECONVENED

[1:57:58 PM](#)

Co-Chair Bishop WITHDREW their OBJECTION. There being NO OBJECTION, it was so ordered.

[1:58:30 PM](#)

Co-Chair Bishop discussed FN 3, a zero fiscal note from the Department of Education and Early Development, OMB Component 2738.

Co-Chair Bishop asked about the impact of the changes in the committee substitute.

Ms. Efird stated that the effective date was retroactive to 2016.

Senator Hoffman MOVED to report SCS HB 114(FIN) out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

SCS HB 114(FIN) was REPORTED out of committee with three "no recommendation", one "amend", and two "do pass"

recommendations; and with one new fiscal impact note from the Department of Education and Early Development, and one previously published zero fiscal note: FN4 (GOV).

Co-Chair Bishop discussed the following day's agenda //

#

ADJOURNMENT

2:03:22 PM

The meeting was adjourned at 2:03 p.m.