

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

February 2, 2021

3:31 p.m.

MEMBERS PRESENT

Senator Mike Shower, Chair
Senator Lora Reinbold, Vice Chair
Senator Mia Costello
Senator Roger Holland
Senator Scott Kawasaki

MEMBERS ABSENT

All members present.

COMMITTEE CALENDAR

SENATE BILL NO. 43

"An Act relating to campaign finance and initiatives; relating to elections and voting; and relating to unlawful interference with voting."

- HEARD & HELD

SENATE BILL NO. 25

"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."

- HEARD & HELD

SENATE BILL NO. 39

"An Act relating to elections; relating to voter registration; relating to ballots and a system of tracking and accounting for ballots; establishing an election offense hotline; designating as a class A misdemeanor the collection of ballots from other voters; designating as a class C felony the intentional opening or tampering with a sealed ballot, certificate, or package of ballots without authorization from the director of the division of elections; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 43

SHORT TITLE: ELECTIONS, VOTING, CAMPAIGN FINANCE

SPONSOR(s): SENATOR(s) HUGHES

01/25/21 (S) PREFILE RELEASED 1/15/21
01/25/21 (S) READ THE FIRST TIME - REFERRALS
01/25/21 (S) STA, JUD
02/02/21 (S) STA AT 3:30 PM BUTROVICH 205

BILL: SB 25

SHORT TITLE: STATE GOV'T FINANCES: WEBSITE

SPONSOR(s): SENATOR(s) WIELECHOWSKI

01/22/21 (S) PREFILE RELEASED 1/8/21
01/22/21 (S) READ THE FIRST TIME - REFERRALS
01/22/21 (S) STA, FIN
02/02/21 (S) STA AT 3:30 PM BUTROVICH 205

BILL: SB 39

SHORT TITLE: BALLOT CUSTODY/TAMPERING; VOTER REG; MAIL

SPONSOR(s): SENATOR(s) SHOWER

01/25/21 (S) PREFILE RELEASED 1/15/21
01/25/21 (S) READ THE FIRST TIME - REFERRALS
01/25/21 (S) STA, JUD
01/26/21 (S) STA AT 3:30 PM BUTROVICH 205
01/26/21 (S) -- MEETING CANCELED --
01/28/21 (S) STA AT 3:30 PM BUTROVICH 205
01/28/21 (S) Heard & Held
01/28/21 (S) MINUTE(STA)
02/02/21 (S) STA AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

SENATOR SHELLEY HUGHES
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 43.

RILEY NYE, Intern
Senator Shelley Hughes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for SB 43.

TERRENCE SHANIGAN, Staff
Senator Mike Shower
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the changes between version B and version I of SB 43.

BUDDY WHITT, Staff
Senator Shelley Hughes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions and provided information related to SB 43.

SENATOR BILL WIELECHOWSKI
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of SB 25.

NATE GRAHAM, Staff
Senator Bill Wielechowski
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Delivered the sectional analysis for SB 25.

HANS ZIGMUND, Director
Division of Finance
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Testified that the administration takes no position on SB 25.

ACTION NARRATIVE

[3:31:29 PM](#)

CHAIR MIKE SHOWER called the Senate State Affairs Standing Committee meeting to order at 3:31 p.m. Present at the call to order were Senators Holland, Kawasaki, Reinbold, Costello, and Chair Shower.

SB 43-ELECTIONS, VOTING, CAMPAIGN FINANCE

[3:32:37 PM](#)

CHAIR SHOWER announced the consideration of SENATE BILL NO. 43 "An Act relating to campaign finance and initiatives; relating

to elections and voting; and relating to unlawful interference with voting."

CHAIR SHOWER advised that he and the sponsor discussed the bill extensively and agreed that the best way forward was to introduce a committee substitute (CS) that limits the focus of the bill to campaign finance.

[3:33:23 PM](#)

SENATOR SHELLEY HUGHES, Alaska State Legislature, Juneau, Alaska, sponsor of SB 43, introduced the legislation speaking to the following sponsor statement:

Senate Bill 43 improves transparency and accountability in campaign finance laws pertaining to ballot initiatives and offers solutions to help secure the integrity of our election system in Alaska to prevent the possibility of what has been commonly referred to as "ballot harvesting". This bill is nonpartisan and provides no advantage or disadvantage to one political party over another. The goal is to prevent dark money in all elections in our state and to prevent a person with a conflict of interest from being involved with the ballot-casting process of a registered voter.

In regard to the "dark money" provisions, the bill applies the provisions in the recent Ballot Measure Two (passed in November 2020) to ballot propositions in future elections. For instance, SB 43 requires those who contribute more than \$2000 to an independent expenditure group in a calendar year to report that contribution within 24 hours; any campaign receiving more than \$2000 from an independent expenditure group must also report that contribution within 24 hours. In addition, anonymous contributions, or a contribution made under a fictitious or another person's name to an independent expenditure group is prohibited. These provisions would help Alaskans know the true source of contributions to ballot measures, including whether a contribution is from an in-state source or from an out-of-state source. This bill effectively shines light on dark money pertaining to ballot measures and drives the shadows out of Alaska.

SB 43 also makes amendments to statute to prevent the possibility in Alaska of what is commonly referred to

as "ballot harvesting". SB 43 details who may and who may not assist a voter in completing and submitting an absentee ballot. A person who has a conflict of interest cannot help a voter fill out or be in possession of a ballot that is not theirs. The legislation includes some teeth: it makes unlawful assistance by such a person a crime punishable by up to one year of jail and a fine of up to \$10,000. Other states have closed this loophole that would allow a bad actor to take advantage of a voter; it is time for Alaska to close it as well.

The elections and voting sections of this bill clarify language to provide consistency in application, which in turn provide Alaskans with assurance and confidence. Elections are a cornerstone to our constitutional representative republic and help ensure our American form of government can continue. Because of this, during election season, we as legislators must ensure transparency and untainted funding in regard to initiatives; secondly, for the individual casting a ballot, we must ensure protection against interference by those with a conflict of interest.

SENATOR HUGHES confirmed that she and the sponsor agreed that the forthcoming CS for SB 43 would be limited to the subject of campaign finance and expansion of the provisions of Ballot Measure 2.

[3:38:57 PM](#)

RILEY NYE, Intern, Senator Shelley Hughes, Alaska State Legislature, Juneau, Alaska, presented the following sectional analysis for SB 39.

Sec. 1 - AS 15.13.040(s) Page 1, Lines 5 to Page 2, Lines 7

Expands the reporting requirements for those who contributed more than \$2,000 in aggregate in a calendar year to an independent expenditure group to include all elections, not just candidate elections.

MR. NYE advised that this was in Section 7, page 4, of Ballot Measure 2.

Sec. 2 - AS 15.13.065(c) Page 2, Lines 8 - 21

Conforming language to add AS 15.13.074(b) to the list of requirements in AS 15.13 that do apply to ballot

propositions. This section states that all other sections in AS 15.13 except for those listed, do not apply to ballot propositions.

MR. NYE advised that AS 15.13.074(b) was in Section 9 of Ballot Measure 2. It states:

A person or group may not make a contribution anonymously, using a fictitious name, or using the name of another. Individuals, persons, or non-group entities or groups subject to AS 15.13.040(s) may not contribute or accept \$2,000 or more of dark money as that term is defined in AS 15.13.400(17), and may not make a contribution while acting as an intermediary without disclosing the true source of the contribution as defined in AS 15.13.400(18).

MR. NYE advised that the definitions of "dark money" and "true source" were found in Sections 17 and 18 of Ballot Measure 2. SB 43 proposes no changes to those definitions.

[3:41:06 PM](#)

Sec. 3 - AS 15.13.110(k) Page 2, Lines 23 through Page 3, Line 2

Expands the reporting requirements for those who received more than \$2,000 in a calendar year from an independent expenditure group to include all elections, not just candidate elections.

MR NYE advised that the foregoing was in Section 14, page 6, of Ballot Measure 2.

Sec. 4 - AS 15.13.400(19) Page 3, Lines 4 - 9

Revises the definition of "outside-funded entity" to include entities that make independent expenditures to any election in Alaska, but whose place of business is outside the state of Alaska.

MR. NYE advised that the foregoing definition was in Section 19, page 8, of Ballot Measure 2.

Sec. 5 - AS 15.30.081(m) Page 3, Lines 11-17

New subsection specifying who may and who may not assist a voter in completing an absentee ballot.

MR NYE advised that the new subsection also specified that anybody assisting another in completing a ballot must give their

name and address and sign the voter certificate certifying that they assisted the voter in completing the ballot.

Sec. 6 - AS 15.56.035(a) Page 3, Lines 19-31

This section expands the crime of unlawful interference with voting.

MR. NYE advised that unlawful interference includes: 1) a person who violates Section 5 of SB 43, 2) a candidate, ballot measure campaign employee, volunteer, sponsor, or circulator who knowingly assists a voter in marking an absentee ballot, 3) anybody who knowingly possesses a ballot for a statewide election that was mailed to another person unless that person is a) an election official, b) a US Postal Service employee, c) a person allowed by law to collect and transport US mail, or d) a family member or caregiver of the voter.

Sec. 7 - AS 15.56.035 Page 5, Lines 1-16

New subsection adding definitions referenced in new subsections in the bill.

MR. NYE advised that the new definitions were for the terms "caregiver," "family member," "household member," and "possess."

Sec. 8 - AS 15.07.130(e)(3) and AS 15.20.800 Page 5, Line 12

This section repeals Vote by mail and a reference to Vote by mail from statute.

Sec. 9 - AS 15.56.035(a)(8) - (10) Page 5, Lines 15-16)

Applicability of section six is specified as after the effective date.

CHAIR SHOWER solicited a motion to adopt the CS.

[3:44:00 PM](#)

SENATOR REINBOLD moved to adopt CSSB 43(STA), work order GS-320253\I, as the working document.

CHAIR SHOWER objected for discussion purposes.

[3:45:39 PM](#)

At ease

[3:46:03 PM](#)

CHAIR SHOWER reconvened the meeting and asked Mr. Shanigan to go through the changes between version B and version I of SB 43.

[3:46:17 PM](#)

TERRENCE SHANIGAN, Staff, Senator Mike Shower, Alaska State Legislature, Juneau, Alaska, stated that the CS removes Sections 5 through 9, and the remaining sections are unchanged. He noted that removing those sections triggered a title change.

CHAIR SHOWER explained that removing those sections tightens the bill and eliminates some overlap. He noted that another CS was forthcoming to eliminate further overlap with other legislation.

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CHAIR SHOWER removed his objection and CSSB 43(STA), version I, was adopted.

SENATOR REINBOLD thanked the sponsor and chair for working together on the legislation. She expressed her pleasure at the collegiality this session.

CHAIR SHOWER asked the sponsor if she was satisfied that the changes to the bill achieve sufficient transparency such that nobody would be able to spend money from inside or outside Alaska to influence an election without reporting the expenditure.

[3:50:06 PM](#)

SENATOR HUGHES replied the bill seeks to address Alaskans' desire for accountability and transparency and concern about dark money influencing elections. She said she was receptive if anybody found another loophole to close.

CHAIR SHOWER asked what was in SB 43 that Ballot Measure 2 did not cover.

SENATOR HUGHES replied it provides transparency so Alaskans know the true source of a campaign contribution, including where the person came from.

CHAIR SHOWER asked for an example of what might happen without the bill.

SENATOR HUGHES cited the example of an entity headquartered in the Lower 48 that is collecting money from multiple states and feeding the funds into a measure in Alaska. Alaskans would not

know that the true source was from outside the state. SB 43 requires reporting the true source.

[3:52:49 PM](#)

SENATOR KAWASAKI referenced Section 1 and asked if an entity that made more than one independent expenditure in an election would be required to report each of the individuals who contributed even if not all the funds went to Alaska. He cited the example of the Republican State Leadership Committee (RSLC) that was active in Alaska in both the primary and state election. The RSLC raised more than \$150 million over the last several years to go to targeted states, one of which was Alaska.

[3:53:58 PM](#)

BUDDY WHITT, Staff, Senator Shelley Hughes, Alaska State Legislature, Juneau, Alaska, explained that when Ballot Measure 2 passed, it became APOC's responsibility to work through the mechanics and write the regulations for how those contributions would be reported. He said Sections 1 and 3 of SB 43 would ensure that those same mechanics and regulations apply to statewide ballot initiatives as well. To the specific question, he said he imagines that APOC will require specific information if out-of-state money is received for in-state campaigns and in-state campaigns cannot receive that money unless the reporting requirements are attached. He said that already applies for any political party and campaign candidates. By removing the word "candidate," if the RSLC, for example, contributes to an Alaska statewide ballot initiative, before anybody can receive that money, if it is classified as an independent expenditure group, they would need to comply with reporting requirements. If they cannot comply, he said his understanding is that they would be in breach of the law and would not be able to accept that money.

SENATOR HUGHES added that sponsors of a ballot initiative would have to meet the same reporting requirements as a candidate.

CHAIR SHOWER observed that it sounds as though the answer potentially is yes.

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SENATOR KAWASAKI said his question is whether an entity like the RSLC would have to report within 24 hours of the contribution every single donor who has donated [\$2,000 or more] and the entity that receives the contribution would have to know where the money is coming from. He said he would like to have the director of APOC online to answer that question at a future meeting.

CHAIR SHOWER questioned whether Hans Zigmund, Department of Administration director of the Division of Finance could answer the question.

SENATOR HUGHES replied the question would be specific to APOC. She added that each entity like RSLC is keeping records of the contributions. If SB 43 passes, entities such as RSLC would have to transmit that information when they transmit the money to an in-state campaign. She highlighted that this would only apply to those individuals who contribute \$2,000 or more.

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SENATOR REINBOLD asked if she worked on this issue before this session.

SENATOR HUGHES replied she began thinking about it over the summer and fall.

[3:59:37 PM](#)

CHAIR SHOWER held SB 43 in committee.

SB 25-STATE GOV'T FINANCES: WEBSITE

[3:59:47 PM](#)

CHAIR SHOWER announced the consideration of SENATE BILL NO. 25 "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."

[4:00:04 PM](#)

SENATOR BILL WIELECHOWSKI, Alaska State Legislature, Juneau, Alaska, sponsor of SB 25, stated this legislation will create a publicly searchable online checkbook for state government expenditures and revenues. He highlighted that the Department of Administration took down the online checkbook last spring, which made Alaska the only state in the nation that does not have one.

Before that, the online checkbook was extremely slow, not easily searchable, and not intuitive. That led to Alaska receiving an F from a number of groups that monitor access to government information. A report in the supporting documents from the United States Public Interest Research Group (USPIRG) rated Alaska's financial transparency an F in five out of the last six years. At the last rating, Alaska was ranked 49th out of the 50

states in terms of public access to the state's financial information.

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SENATOR WIELECHOWSKI said SB 25 would be easy to implement because the state already collects the financial information. It is just a matter of somebody spending a few hours to put a publicly searchable website together and regularly update the information. He noted that a wide range of people with diverse political ideologies, including Grover Norquist and Ralph Nader, supported nearly identical bills that he introduced in previous years.

In 2009, Senate Bill 2 passed the Senate but died in the House because the then governor said it was not needed. Senator Wielechowski said he also introduced Senate Bill 180 in 2020 but the bill did not pass because of a shortened session due to COVID-19.

SENATOR WIELECHOWSKI said the argument against SB 25 is that it would be expensive. He pointed out that last year his staff developed an online checkbook for the state in one day and at zero cost. It did not have all the bells and whistles that an IT department could provide, but it shows it could be done with little cost.

SENATOR WIELECHOWSKI said the second argument is that the bill is not needed because the state will construct and post the website. However, the state has not had an online checkbook since last spring and the previous one received an F rating in five of the last six years.

SENATOR WIELECHOWSKI said SB 25 is a good government bill because transparency in government is not an ideological issue. People from both sides of the aisle have voiced support. The bill would also save money by reducing the number of Freedom of Information Act requests for information that the public could easily access if it were in the online checkbook. Contractors and the business community have said this would give them the opportunity to see what the state is spending on items and contract, which would allow them to price and come up with better terms to save the state money.

SENATOR WIELECHOWSKI restated that SB 25 is a good government bill that gives Alaskans a better opportunity to understand where revenues are coming from and expenditures are going.

[4:05:31 PM](#)

SENATOR REINBOLD said she would probably become a co-sponsor and may offer an amendment to add grading the administration on freedom of information requests.

CHAIR SHOWER suggested she work it out with the sponsor.

SENATOR KAWASAKI, noting that the Palin administration created the online checkbook by executive order, asked if this administration took it offline because of associated costs.

SENATOR WIELECHOWSKI said he could not speak to why the administration took the website down.

[4:09:49 PM](#)

NATE GRAHAM, Staff, Senator Bill Wielechowski, Alaska State Legislature, Juneau, Alaska, presented the following sectional analysis for SB 25 on behalf of the sponsor: [Original punctuation provided.]

Section 1

Names the act "the Alaska Online Checkbook Act."

Section 2

Adopts legislative findings and intent:

Subsection (a) establishes that this bill is intended to allow people identify and discover state revenue and expenditures.

Subsection (b) requires that this act be interpreted in favor of disclosure and transparency.

Subsection (c) finds that state revenue and expenditures must be accounted for and easily accessible to the public in order to maintain a fair and open government.

Subsection (d) adopts intent that the state should strive to create a user-friendly website that gives the public access to the state's financial information in a centralized location.

Section 3

Requires that the Department of Administration to make the financial transactions of the state and the annual audit available electronically for use in the public finance internet website.

[4:11:00 PM](#)

Section 4

Creates a new AS 37.05.215.

AS 37.05.215 (a) - Requires the Department of Administration to develop operate and maintain a searchable, free to the public, website that provides financial information available from the central accounting system or the annual financial report.

AS 37.05.215 (a) (1)-(3) - Requires the following information and transactions to be posted on the online check book website and monthly state income including:

- Receipts or deposits by a state agency into a fund or account established within the state treasury.
- Proceeds from taxes received, categorized by source type, including compulsory contributions imposed by the state for the purpose of financing services.
- Agency earnings including amounts collected for sales or services, licenses or permits issued, or otherwise received by an agency.
- Revenue received for the use of state money or property including interest and lease payments gifts, donations and federal receipts and other revenue.

Expenditures including:

- The names and locations of any persons to whom payment was made.
 - The amounts of the expenditures disbursed.
 - The type of transaction, by account code, including the purpose of the expenditure.
 - Other information specified by the department.
- The balance of the following state accounts:

- Statutory Budget Reserve.
- Constitutional Budget Reserve.
- Permanent Fund Earnings Reserve Account.

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CHAIR SHOWER asked if that was an all-inclusive list.

MR. GRAHAM replied those accounts are all one might want to be included but it is not exclusive.

CHAIR SHOWER asked if it would be a fair statement to say, "There could be more they may put in this or things that are out there now, for example what they're working on that might be rolled in."

MR. GRAHAM answered yes.

SENATOR REINBOLD voiced support for more detail, including fund sources.

CHAIR SHOWER said he leans toward more rather than less specifics.

SENATOR WIELECHOWSKI said his preference is to make it as specific and thus transparent as possible without triggering a large fiscal note.

4:15:27 PM

MR. GRAHAM continued the sectional analysis.

AS 37.05.215 (a) (4)-(7) - Requires the following information be posted on the online check book website and updated monthly:

The amount deposited into the Permanent Fund from all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments, and bonuses received by the state.

State revenue and expenditures, summarized by:

General fund revenue sources categorized by function, department, and account. Total general fund income compared to expenditures.

Total assets compared to liabilities at the end of the fiscal year. For the preceding 10 years, by fiscal year the following:

- The number of state employees by department.
- The number of independent contractors engaged by the state by department.
- The total long-term debt owed by the state.
- Total general fund expenditures.

- All general fund payroll by department.
- AS 37.05.215 (b)** - Describes the reporting requirements for the previous subsection.
- AS 37.05.215 (c) (1)** - Requires that the website have reference materials to assist the public in understanding the financial [information] provided on the website.
- AS 37.05.215 (c) (2)** - Requires the website to have a feature that allows users to search for information on the website by keyword and recipient.
- AS 37.05.215 (c) (3)** - Requires the site to have a link to the website of the Legislative Audit Division. The site must also include electronic copies of information related to state service procurement contracts, including compensation and contract length and of information related to independent contractors engaged by the state, by state agency, including compensation and contract length.

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- AS 37.05.215 (d)** - Requires the Department of Revenue and other state agencies that use the central accounting system to provide information to the Department of Administration that is necessary to comply with this act.
- AS 37.05.215 (e)** - Clarifies that this bill will not require the disclosure of information that is confidential under state or federal law and requires that aggregated information be disclosed if it can properly protect confidentiality.
- AS 37.05.215 (f)** Defines "expenditure," "searchable Internet website," and "state agency."

Section 5

Requires the website to be operating on or before October 1, 2022.

Section 6

Requires information from the previous fiscal year be on the website by October 1, 2023 and requires site to be updated.

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SENATOR REINBOLD stated that October 2022 is not acceptable.

SENATOR WIELECHOWSKI said he was trying to give the administration as much time as necessary, but his preference would be to have it effective tomorrow if that were possible.

SENATOR KAWASAKI asked if the university and court system already account for this information.

MR. GRAHAM answered yes, but not in an online checkbook. SB 25 would require both the university and the court to make their nonconfidential information public.

SENATOR KAWASAKI referenced the \$400,000 in capital costs in the Department of Administration's fiscal note and asked Mr. Zigmund to elaborate on what the money is for, given that a previous administration implemented the checkbook by executive order and the cost was zero.

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HANS ZIGMUND, Director, Division of Finance, Department of Administration, Juneau, Alaska, stated that increasing transparency in public finance is a worthy goal. He advised that the Department of Administration traditionally has provided the state's online checkbook with reports from the Alaska Data Enterprise Reporting System (ALDER) that provide transparent reporting of nonconfidential state expenditures. The checkbook reported on what the state purchased, from whom, and what it cost, but it was not the full state balance sheet.

MR. ZIGMUND explained that in April 2020, the Division of Finance took the state checkbook offline after a report of an unusually large expenditure to a legislator that raised red flags. Investigation showed that fields were misaligned and data was not translating correctly.

MR. ZIGMUND said the expectation is that the online checkbook will be back online on February 5. The solution was to create a new ALDER report that assembles end-product data without any human intervention or manipulation. The division currently is analyzing the data to ensure that the checkbook data matches

expected results and complies with statutes and regulations. This includes not sharing inappropriate or confidential information like child welfare payments and victim restitution.

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MR. ZIGMUND reported that it took about eight months to fix problems associated with the implementation of the CARES Act, prepare the annual comprehensive financial report, and plan for the beginning of the Integrated Resource Information System (IRIS) upgrade. The initial root cause analysis took about 300 staff hours to get to the point of republishing the checkbook.

MR. ZIGMUND advised that the online checkbook is substantially different from the one outlined in SB 25. The bill includes reporting of liabilities, revenues, long-term debt for the state, and information that is published internally but not in the online checkbook. The bill requires revenues from the preceding month, balances from the preceding month from the statutory budget reserve, constitutional budget reserve, and permanent fund earnings reserve account. It requires information on full time, part time, and temporary employees, independent contractors, general revenues and expenditures categorized by function, agency, and account. Reporting requirements are expanded to include public corporations and the universities.

He explained that the fiscal note estimates that it will take about eight months and \$400,000 to implement the new checkbook. It would be a capital expenditure to employ contractors to build the new website. Should the bill pass, implementation could occur once the IRIS upgrade is completed, starting in April 2022 and the go-live date would be October 2023.

MR. ZIGMUND stated that the division and department have no position on the bill but would implement the legislature's policy decision. He explained that the estimated time and cost to implement the bill stem from conversations with the vendor for IRIS.

CHAIR SHOWER commented that it takes a lot of time and money when government doesn't want to do something, but it can accomplish amazing feats when it wants to. He pointed out that in August of 1990, during Desert Storm and Desert Shield, the government moved the equivalent of every part of a medium sized Midwest town halfway around the world and back again, all in a couple months. He said he doesn't believe the department is stonewalling but he agrees with other committee members that it can move faster if there is a will.

CHAIR SHOWER asked, aside from the confidentiality protections and university reporting that Mr. Graham mentioned, if there were any legal requirements or obstacles with the bill as written.

MR. ZIGMUND replied he would defer any questions regarding confidentiality and reporting of revenues to the Department of Revenue. With respect to university and public corporations, he said their information is not in IRIS so DOA would not be able to include that information in reports and provide the information in the online checkbook.

CHAIR SHOWER asked how finishing the IRIS update was relevant to constructing and posting the online checkbook outlined in SB 25.

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MR. ZIGMUND explained that IRIS is the financial, procurement, payroll, and human resource management system where all the state's accounting takes place. ALDER is a reporting tool that pulls from the data warehouse where all the information is stored from the transactions that take place in IRIS. The request to delay implementation until after the IRIS upgrade is based on resource constraints because the department's programmers, business analysts, and database administrators will be working round the clock for the next year to complete the IRIS upgrade. He emphasized the need for the department to finish the IRIS upgrade so the foundation of the information that rolls into the online checkbook is complete and correct first.

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SENATOR WIELECHOWSKI agreed with the chair that if DOA put its mind to it, they could get it done. He noted that the department used the same argument against the original legislation in 2008-2009. He questioned the reason DOA sees the need to hire an outside contractor to develop an online checkbook and why it would take so long. "I'm deeply skeptical Mr. Chairman of the comments and statements I'm hearing."

[4:32:17 PM](#)

SENATOR REINBOLD said she too questions the need to hire outside contractors. She asked if fund source codes would be included when DOA reposts the online checkbook on February 5.

MR. ZIGMUND answered no; that enhancement would not be available February 5. DOA's intention on the 5th is to restore the

information that the Division of Finance previously provided. He said adding fund source codes could be a future enhancement. He said he imagines she is looking at linking funding sources to the source of the expenditure, which should not be too difficult. He said he would consult with programming staff and follow up if that was incorrect.

[4:34:08 PM](#)

SENATOR REINBOLD said fund source codes are elementary bookkeeping and not having them in the online checkbook makes it difficult to do budget subcommittee work. She said she would like to work with the sponsor and the administration on this issue.

SENATOR KAWASAKI asked if the fiscal note would be zero if the online checkbook did not have the enhancements mentioned earlier. Rather, it would include general fund revenue sources categorized by function, state agency, and account, and then general fund revenue versus expenditure.

MR. ZIGMUND confirmed that reducing the technical work makes it an easier lift for the department and reduces the cost.

SENATOR KAWASAKI said he would like to tease out the analysis of the fiscal note to understand what is driving the \$400,000 cost estimate and eight-month timeline. He offered to do this offline.

MR. ZIGMUND said he would be happy to have those discussions.

CHAIR SHOWER asked the members to submit their questions to his office so they could be answered before the bill moves to Finance. He restated his belief that a tighter timeline made sense.

[4:40:05 PM](#)

CHAIR SHOWER held SB 25 in committee.

SB 39-BALLOT CUSTODY/TAMPERING; VOTER REG; MAIL

[4:40:28 PM](#)

CHAIR SHOWER announced the consideration of SENATE BILL NO. 39 "An Act relating to elections; relating to voter registration; relating to ballots and a system of tracking and accounting for ballots; establishing an election offense hotline; designating as a class A misdemeanor the collection of ballots from other voters; designating as a class C felony the intentional opening

or tampering with a sealed ballot, certificate, or package of ballots without authorization from the director of the division of elections; and providing for an effective date."

He asked if there were additional questions.

[4:41:09 PM](#)

SENATOR KAWASAKI restated his request to have the lieutenant governor and the director of the Division of Elections come before the committee.

CHAIR SHOWER replied he would extend the offer to the lieutenant governor once again. He added that he did not believe it would be difficult to get the director of DOE and any others to appear.

SENATOR REINBOLD said she would like 1) the lieutenant governor to come before the committee, 2) an investigation into who hacked the data, 3) a more specific notification timeframe than "immediately" when personal data is breached, and 4) Judge Crosley to come before the committee.

[4:43:13 PM](#)

CHAIR SHOWER said he would make the request.

SENATOR KAWASAKI asked when public testimony on SB 39 would be open.

[4:43:41 PM](#)

CHAIR SHOWER said there would be plenty of notice, but it was not scheduled at this time.

SENATOR REINBOLD expressed concern that the media unfairly distorted SB 39.

CHAIR SHOWER said both sides of the political spectrum have been unhappy with elections at one time or another and that was the reason for this debate.

[4:45:01 PM](#)

CHAIR SHOWER held SB 39 in committee.

[4:45:27 PM](#)

There being no further business to come before the committee, Chair Shower adjourned the Senate State Affairs Standing Committee meeting at 4:45 p.m.