

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

February 25, 2021

3:38 p.m.

MEMBERS PRESENT

Senator Mike Shower, Chair
Senator Mia Costello (via teleconference)
Senator Roger Holland

MEMBERS ABSENT

Senator Lora Reinbold, Vice Chair
Senator Scott Kawasaki

COMMITTEE CALENDAR

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 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
02/02/21 (S) Heard & Held
02/02/21 (S) MINUTE(STA)
02/11/21 (S) STA AT 3:30 PM BUTROVICH 205
02/11/21 (S) Scheduled but Not Heard
02/25/21 (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
02/02/21 (S) Heard & Held
02/02/21 (S) MINUTE(STA)
02/09/21 (S) STA AT 3:30 PM BUTROVICH 205
02/09/21 (S) Scheduled but Not Heard
02/11/21 (S) STA AT 3:30 PM BUTROVICH 205
02/11/21 (S) Heard & Held
02/11/21 (S) MINUTE(STA)
02/16/21 (S) STA AT 3:30 PM BUTROVICH 205
02/16/21 (S) Heard & Held
02/16/21 (S) MINUTE(STA)
02/18/21 (S) STA AT 3:30 PM BUTROVICH 205
02/18/21 (S) -- MEETING CANCELED --
02/25/21 (S) STA AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

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: Described the changes in the CS for SB 25, version B.

HANS ZIGMUND, Director
Division of Finance
Department of Administration (DOA)
Juneau, Alaska

POSITION STATEMENT: Answered questions and provided information during the hearing on SB 25.

BRENDA ANGASAN, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 25.

TIMOTHY HALE, representing self
Butte, Alaska

POSITION STATEMENT: Testified in support of SB 25.

ESTELLE TOKASH, representing self
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 25.

VERI DI SUVERO
Alaska Public Interest Research Group (AkPIRG)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of SB 25.

NAURI TOLER, representing self
Eagle River, Alaska

POSITION STATEMENT: Testified in support of SB 25.

KELLY TSHIBAKA, Commissioner
Department of Administration
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on SB 25 to state full support for the online checkbook.

ELLYN ZETERA, representing self
Copper Center, Alaska

POSITION STATEMENT: Testified on SB 39 by invitation.

ARNIE OYDNA, representing self
Juneau, Alaska

POSITION STATEMENT: Testified on SB 39 by invitation.

KENNY SKAFLESTAD representing self
Hoonah, Alaska

POSITION STATEMENT: Testified on SB 39 to relay his personal experience relating to the recent election.

BRIAN ENDLE, representing self
Palmer, Alaska

POSITION STATEMENT: Testified on SB 39 by invitation.

TERRI LYONS, representing self
Wasilla, Alaska

POSITION STATEMENT: Testified on SB 39 by invitation.

VIOLA AMBERG, representing self
Copper Center, Alaska

POSITION STATEMENT: Testified on SB 39 by invitation.

SUSI SEIBERT, representing self
Trapper Creek, Alaska

POSITION STATEMENT: Testified on SB 39 by invitation.

BARBARA HANEY, representing self
North Pole, Alaska

POSITION STATEMENT: Testified by invitation on SB 39.

ACTION NARRATIVE

[3:38:31 PM](#)

CHAIR MIKE SHOWER called the Senate State Affairs Standing Committee meeting to order at 3:38 p.m. Present at the call to order were Senators Holland, and Chair Shower. Senator Costello joined the meeting (via teleconference) soon thereafter.

3:40:18 PM

At ease

3:41:25 PM

SENATOR SHOWER reconvened the meeting and explained to those listening that he was waiting for a quorum.

SB 25-STATE GOV'T FINANCES: WEBSITE

[3:43:03 PM](#)

CHAIR SHOWER reconvened the meeting and recognized that Senator Costello had joined the meeting via teleconference, thereby establishing a quorum to do business.

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."

He listed the people available to answer questions and noted the proposed committee substitute.

[3:45:26 PM](#)

SENATOR HOLLAND moved to adopt the work draft committee substitute (CS) for SB 25, work order 32-LS0217\B, as the working document.

[3:45:44 PM](#)

CHAIR SHOWER objected for discussion purposes.

[3:45:56 PM](#)

SENATOR BILL WIELECHOWSKI, Alaska State Legislature, Juneau, Alaska, sponsor of SB 25 explained that Mr. Graham spent the last several weeks collaborating with the chair's staff and the Department of Administration (DOA) to resolve some of DOA's concerns and reduce the fiscal note. He deferred to Mr. Graham to present the proposed changes.

[3:46:53 PM](#)

NATE GRAHAM, Staff, Senator Bill Wielechowski, Alaska State Legislature, Juneau, Alaska, described the following changes in the CS for SB 25:

The Senate State Affairs Committee made clarifying and technical changes to SB 25 (version A) Specifically to Section 4 (a)(1)-(3), Section 4 (c)(3), Section 4 (d), & Section 6 (b).

- Page 3 Line 7 - Adds "Unaudited" allowing for the Department of Administration to provide unaudited state revenue numbers in the Alaska Online Checkbook.
- Page 3 Line 20 - Adds "Unaudited" allowing for the Department of Administration to provide unaudited state expenditures in the Alaska Online Checkbook.
- Page 3 Line 28 - Adds "Estimated" allowing for the Department of Administration to provide the estimated fund balances of the Statutory Budget Reserve, Constitutional Budget Reserve, and Permanent Fund
- Earnings Reserve in the Alaska Online Checkbook.

Page 5 Line 3-8 Clarifies that the Alaska Online Checkbook will have searchable information related to state service procurement contracts and independent contractors.

- o (B) " a searchable internet website that provides information related to state service procurement contracts, including name, compensation, contract length and contract type;
 - o (C) a searchable Internet website that provides information related to independent contractors engaged by the state, by state agency, including name, compensation, contract length, and contract type.
- Page 5 Line 9-12 - Clarifies that state agencies and corporations that do not use the central accounting system shall provide information to the Department of Administration that is necessary to comply with the requirements of the Alaska Online Checkbook.
 - o "Including a state agency that does not use the central accounting system.
 - Page 6 - Transitional Provisions
 - o The Department of Administration shall continue to make the Alaska Checkbook Online Internet website the department made available online in February 2021 available to the public and continue to publish information from the statewide accounting system on the website until the Internet website established under AS 37.05.215, added by Sec. 4 of this Act, is made available to the public.

[3:49:44 PM](#)

CHAIR SHOWER removed his objection; finding no further objection the CS for SB 25 was adopted.

He asked Mr. Zigmund for a 30,000-foot explanation of IRIS.

[3:51:56 PM](#)

HANS ZIGMUND, Director, Division of Finance, Department of Administration (DOA) Juneau, Alaska, recalled a question from the previous hearing about the intersection of the IRIS upgrade project and the work required to produce the online checkbook outlined in SB 25. He explained that the resource constraint is that the Division of Finance's five programmers and one database

specialist are 100 percent committed to working on the multiyear IRIS upgrade project. IRIS is the state's central accounting system, HR and payroll system, procurement system, and vendor services system. Alongside that is the upgrade to ALDER, which is the reporting tool used to pull accounting information from IRIS. That reporting tool is essential to be able to produce the online checkbook.

MR. ZIGMUND estimated that it would take about six months to implement the online checkbook envisioned in SB 25. That is how long it took a team of five people in Ohio to implement that state's online checkbook, which is similar to the one in SB 25. He noted that Ohio has dedicated two people fulltime and \$75,000 a year to maintain the software.

MR. ZIGMUND stated that DOA views the online checkbook as an important tool to support transparency in public finances. The department looks forward to this project and estimates that the October 2022 effective date is achievable with some modest investment.

[3:55:39 PM](#)

CHAIR SHOWER asked him to explain IRIS versus the online checkbook.

MR. ZIGMUND explained that IRIS is the state's general ledger system where the transactions occur. By contrast, the online checkbook provides a visualization into where the state spends money and where that money comes from. It will also show the estimated value of funds such as the Constitutional Budget Reserve (CBR), the Statutory Budget Reserve (SBR), and the Earnings Reserve Account (ERA). It is an easily understood way for legislators, businesses, and the public to have insight into the state's finances.

CHAIR SHOWER asked what drove the IRIS upgrade, if it was supported, and what it cost.

[3:57:53 PM](#)

MR. ZIGMUND explained that the vendor stopped supporting the original version of IRIS in April 2019 after it released a new version. Since DOA was actively engaged in upgrading the system, the vendor agreed to provide support for the old version as long as the upgrade was underway. The upgrade is a new underlying technology with a redesigned user interface with a mobile-first design approach. Some of the 150 new features on the finance side include GASBY 87 compliant lease accounting and a new bond

accounting module. About 75 new features also will go live on the HR side. The upgrade also provided the opportunity to do process automation for timesheets, payroll correction documents, and vendor setup.

With regard to whether DOA will have additional needs, he explained that the vendor no longer requires massive upgrades every few years and instead will push out software improvements periodically, similar to cellphone updates. Over time, this will save the state money. He highlighted that there is additional functionality within the new version 4 that is not within the current budget. These include statewide grantee/grantor functionality, enhanced accounts receivable technology, and inventory management processes.

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CHAIR SHOWER asked for the total cost and the timeline for implementation.

MR. ZIGMUND related that the estimated completion date for the IRIS upgrade is January 25, 2022. The planning phase took about a year and staff training on project management techniques took a month. The build phase is about a year, the achieve phase to do change management and training is about 3 months, and the post implementation and support phase is from January 2022 through April 2022. He described the implementation schedule as typical for a massive upgrade. The two capital appropriations for the project were for \$4.1 million and \$7.1 million. He anticipated producing a viable project on budget.

[4:04:47 PM](#)

SENATOR HOLLAND asked if someone will need to be prepared month-to-month to help with updates or when the unexpected arises with the online checkbook.

MR. ZIGMUND confirmed that he does anticipate that ongoing need. He noted that Ohio has two people on staff for that purpose but it was unclear how much of their time is dedicated to online checkbook maintenance.

CHAIR SHOWER asked if the CGI contractor was doing all the upgrades or if DOA staff was also involved.

MR. ZIGMUND replied both state employees and the contractor are working on the IRIS upgrade project.

[4:08:10 PM](#)

CHAIR SHOWER asked if the on-cost and on-time IRIS upgrade would be done at the same time as the online checkbook.

MR. ZIGMUND replied the IRIS upgrade will go live January of 2022 and SB 25 requires the online checkbook to be live by October 2022. Once the upgrade is complete, he said the department can redeploy resources to the online checkbook with the assistance of probably one contractor and perhaps outside help with design.

CHAIR SHOWER asked the sponsor if he had any questions.

[4:09:45 PM](#)

SENATOR WIELECHOWSKI asked if the fiscal note for SB 25 was still indeterminate or if it could be absorbed in DOA's budget.

[4:10:14 PM](#)

MR. ZIGMUND replied the fiscal note may be amended before the bill is heard in Senate Finance. One cost that will change is for the forward-facing software because DOA has identified some licenses that it already owns that can be used for that. However, there may still be server costs on the capital side. There is also the question of the cost for outside help on the design phase and for contractors.

SENATOR WIELECHOWSKI said his office would continue to work with the administration to come up with a good product that provides transparency in a timeline that is as short as possible and at a cost that is as low as possible, ideally within DOA's existing budget. "I don't think we need a Rolls Royce," he said.

CHAIR SHOWER said he would not hold the bill awaiting the new fiscal note.

[4:15:16 PM](#)

CHAIR SHOWER opened public testimony on SB 25.

[4:15:39 PM](#)

BRENDA ANGASAN, representing self, Anchorage, Alaska, stated support for SB 25 because Alaskans deserve transparency in government. She looks forward to Alaska no longer being the worse in the nation for data transparency and availability.

[4:16:11 PM](#)

TIMOTHY HALE, representing self, Butte, Alaska, stated that the online checkbook is a fantastic tool, but the state's old system was like a 1992 Honda Accord with 300,000 miles. He reported

that the IT and finance departments in the Mat-Su Borough built an online checkbook last year that is user-friendly and cost very little. He reiterated his support.

4:18:15 PM

ESTELLE TOKASH, representing self, Anchorage, Alaska, stated that she supports SB 25 because she wants more transparency in government spending.

4:19:06 PM

VERI DI SUVERO, Alaska Public Interest Research Group (AkPIRG), Anchorage, Alaska, stated that AkPIRG is the only nongovernmental nonprofit focused on addressing Alaska's consumer and trust issues. Transparency is the cornerstone of a democracy and is essential for its government. She said AkPIRG supports SB 25 and believes the implementation of the online checkbook is critical for the public to understand how government is spending public dollars. Access to the state's financial information is an important element of government accountability and provides a functional system of checks and balances. She said the enhancements of the online checkbook contained in SB 25 include searchable features, the addition of procurement documents and agencies that do not use the state's accounting system, and embedded links to primary financial documents, among other things.

MS. DI SUVERO suggested that the online checkbook should include: accounting codes that are specific to the associated transaction and identified with explanations; definitions of accounting terms; a chart of accounts guide; credits and other costs to reflect the true cost of certain policies; and interagency receipts, particularly for personal travel and relocation costs.

4:21:52 PM

NAURI TOLER, representing self, Eagle River, Alaska, stated support for SB 25. She said it is important to have transparency and for the online checkbook to be comprehensive, easy for the average person to navigate, and include information about whether money actually was spent on projects for which it was allocated.

4:24:00 PM

CHAIR SHOWER closed public testimony on SB 25 and reminded the public that written testimony could be submitted at ssta@akleg.gov.

CHAIR SHOWER asked Commissioner Tshibaka if she had any comments on SB 25.

[4:25:04 PM](#)

KELLY TSHIBAKA, Commissioner, Department of Administration, Anchorage, Alaska, stated that DOA has chosen to prioritize the IRIS upgrade because the system has not been supported since April 2019. The project is on time and on budget. The only delay was when the Division of Finance had to take down the old online checkbook. She agreed with Mr. Zigmund that DOA supports SB 25 and the new online checkbook, but the condition is that the IRIS upgrade must be finished first.

CHAIR SHOWER observed that it sounded like the sponsor was willing to work with the department.

[4:27:15 PM](#)

CHAIR SHOWER held SB 25 in committee for future consideration.

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

[4:27:34 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 the invited testifiers to talk about what they saw during the previous election cycle.

[4:28:47 PM](#)

ELLYN ZETERA, representing self, Copper Center, Alaska, reported that she received two ballots in the mail in the second or third week of October 2020. She threw the first one away in aggravation because she intended to vote in person. A second ballot arrived a week later and she threw it away as well. She related that she believed that all Alaskans were receiving ballots by mail because of the "hard push for the ballots being mailed in." Sometime in the second week of December, she received an apology letter from the lieutenant governor stating that there "was an incident involving exposure of personally identifiable information." She said she was given a one-year

subscription to Equifax Credit Watch Gold. Despite the exposure, she said she was assured that the election was legitimate and her vote was not affected.

MS. ZETERA stated that she questions the entire election because she received two ballots by mail and then her identity was stolen.

[4:31:11 PM](#)

CHAIR SHOWER asked if she understands the difference between a ballot application and a ballot because the Division of Elections has said, "in most cases if not all, those were not ballots; they were applications." He asked her to state for the record that she understands the difference between ballots and applications.

MS. ZETERA replied, "They were ballots due to the fact when I opened them, there was nowhere for me to sign or sign up for it. I received ballots that had the circles to fill out as well as the names of individuals I was able to vote for."

CHAIR SHOWER asked her to confirm that she did not request the ballots.

MS. ZETERA replied, "No, I did not request them."

CHAIR SHOWER asked if she voted in person.

MS. ZETERA answered yes.

CHAIR SHOWER restated, "You got ballots you did not request and you also received a letter from the state saying your data was compromised. Is that all true?"

MS. ZETERA answered yes.

CHAIR SHOWER found no questions and recognized the next invited testifier.

[4:32:57 PM](#)

ARNIE OYDNA, representing self, Juneau, Alaska, stated that he also received an unsolicited ballot. He added, "I know the difference between application and a ballot. This was a ballot."

[4:33:48 PM](#)

KENNY SKAFLESTAD representing self, Hoonah, Alaska, related his experience of encountering someone on the street in Hoonah who

was carrying a briefcase with printed ballots and offering to help people complete their ballots. The next day he received three phone calls from neighbors who had people carrying ballots come to their doors. He said the experience was upsetting for some of these people.

CHAIR SHOWER asked if he reported this to the Division of Elections or law enforcement.

MR. SKAFLESTAD said no.

CHAIR SHOWER asked if he would be willing to contact his office after the meeting to discuss forwarding the information to law enforcement.

MR. SKAFLESTAD agreed to do so.

[4:36:45 PM](#)

BRIAN ENDLE, representing self, Palmer, Alaska, stated that he has dealt with election integrity over the last year. He provided his credentials and described himself as a computer programmer. He related that the election integrity group he works with made a presentation to the governor and another to the lieutenant governor. The latter presentation is on the Alaska Republican Assembly website alaskara.com and it made the point that "It is impossible to guarantee the validity or integrity of an election with electronic voting machines. The only way to ensure a valid election is with paper ballots and with hand counting election results upon request from either party." He said he demonstrated with YouTube videos that electronic voting machines can be manipulated. "We showed the actual voting machine that's used in the Mat-Su Valley being hacked," he said.

He offered the following suggestions: use paper ballots, get rid of electronic voting machines, reregister every year, require voter ID, have strict rules for absentee voting, require showing ID in person, no mail-in ballots, no ballot harvesting, forensic audit of 2020 voting machines, comprehensive audit of 2020 Alaska votes - particularly absentee ballots, and ballot counting at the precinct level. He noted that he sent the chair a complete version of his suggestions.

CHAIR SHOWER advised that the bill was not focused on the voting machines.

[4:40:34 PM](#)

TERRI LYONS, representing self, Wasilla, Alaska, stated that she and her deceased husband received ballots for the primary and general election. She threw the ballots away and voted in person. She related that she followed the chair's suggestion to go to the elections office to find out whether her vote counted, but the Wasilla office was closed due to COVID-19. She tried to call the Anchorage office multiple times but was unable to speak to anyone. She does not know if either she or her deceased husband were shown as having voted. "I think this voting fraud is out of hand and we need to get a handle on it and get it stopped."

CHAIR SHOWER asked for confirmation that she received ballots that she did not request and she understands the difference between a ballot and an application.

MS. LYONS answered that is true.

CHAIR SHOWER asked if she received a letter from the state saying her data was compromised.

MS. LYONS replied she did not get a letter.

[4:42:38 PM](#)

VIOLA AMBERG, representing self, Copper Center, Alaska, related her experience taking her elderly, wheelchair bound father to the local library to vote. Because he was unable to go into the building, she took his ID inside and asked if an election worker could go to the car and witness his vote. An election worker said that her father did not need to have his vote witnessed and it was not necessary to show his ID. She took a ballot out to the car and helped her father fill it out but questioned how it could be legal. "There was just no quality control at all," she said.

[4:45:03 PM](#)

SUSI SEIBERT, representing self, Trapper Creek, Alaska, reported that she received two ballot applications about a week apart and burned both. About two weeks after that she received two ballots in the mail and she burned those as well. She early voted and then went on holiday for about six weeks. When she returned, she had a letter "stating that my vote might have been breached or compromised." She tried to look online to see whether her vote counted, but she was unsuccessful navigating the system. "So I don't know if my vote counted or not."

[4:46:54 PM](#)

CHAIR SHOWER asked if it was true that she received both applications and ballots that she did not request.

MS. SEIBERT replied, "I am 100 percent positive I received ballots after I threw away applications."

CHAIR SHOWER asked if it was true that she received a letter from the state advising that her data had been compromised.

MS. SEIBERT answered yes.

[4:47:37 PM](#)

SENATOR HOLLAND restated that Ms. Seibert received two ballot applications followed by two ballots. He asked if that was correct.

MS. SEIBERT replied, "That is correct."

[4:47:53 PM](#)

BARBARA HANEY, representing self, North Pole, Alaska, stated that she works for a legislator but was calling on her own behalf. She related that she frequently consults the voter database because she fields questions from people in several districts. When people come in with questions she looks up the person's district and lets their representative know that their constituent has a certain problem.

MS. HANEY assured the committee that the voter database has some problems. She sent about 5,000 letters to new voters since the prior election and about 15 percent were returned as "addressee unknown." She said the database also has quite a number of voters who have passed, who no longer vote, and some who are not citizens. She opined that until the database is cleaned up, anybody remotely interested in integrity would support SB 39.

CHAIR SHOWER said everyone should be concerned about getting the election system as tight as possible. It is difficult to believe that anybody could say nothing needs to be done.

MS. HANEY added that her late husband was an immigrant and he received volumes of mail from the Voter Information Center. She later learned that anybody with the political affiliation U or N was targeted.

CHAIR SHOWER said he does not know who committed the data breach or how the information was used.

MS. HANEY thanked the chair for his work on the legislation and said she had a few ideas about how to clean up the voter rolls.

CHAIR SHOWER welcomed her ideas.

[4:58:10 PM](#)

CHAIR SHOWER held SB 39 in committee.

[4:58:46 PM](#)

There being no further business to come before the committee, Chair Shower adjourned the Senate State Affairs Standing Committee meeting at 4:58 p.m.