

**ALASKA STATE LEGISLATURE**  
**SENATE STATE AFFAIRS STANDING COMMITTEE**

April 12, 2022

3:35 p.m.

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 215

"An Act relating to the Legislative Budget and Audit Committee; requiring state departments, agencies, municipalities, school districts, Native corporations, the University of Alaska, and other entities that receive state funds to report on federal receipts; and relating to the increase of an appropriation item based on additional federal or program receipts."

- MOVED SB 215 OUT OF COMMITTEE

SENATE BILL NO. 221

"An Act relating to appropriations of federal receipts; and relating to an increase of an appropriation based on additional federal receipts."

- MOVED CSSB 221(STA) OUT OF COMMITTEE

SENATE BILL NO. 119

"An Act relating to oaths of office; and requiring public officers to read the state constitution, the Declaration of Independence, and the United States Constitution."

- HEARD & HELD

SENATE BILL NO. 194

"An Act relating to electronic identification cards; relating to electronic drivers' licenses and permits; relating to motor

vehicle liability insurance; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 195

"An Act relating to the compensation of certain public officials, officers, and employees not covered by collective bargaining agreements; and providing for an effective date."

- HEARD & HELD

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 234 (STA) AM (EFD FLD)

"An Act relating to political contributions; relating to the location of offices for the Alaska Public Offices Commission and the locations at which certain statements and reports filed with the commission are made available."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 215

SHORT TITLE: REVIEW & REPORTING OF FED. RECEIPTS; LB&A

SPONSOR(s): REINBOLD

02/22/22	(S)	READ THE FIRST TIME - REFERRALS
02/22/22	(S)	STA, FIN
04/07/22	(S)	STA AT 3:30 PM BUTROVICH 205
04/07/22	(S)	Heard & Held
04/07/22	(S)	MINUTE (STA)
04/12/22	(S)	STA AT 3:30 PM BUTROVICH 205

BILL: SB 221

SHORT TITLE: CHANGING RPL PROCESS

SPONSOR(s): WIELECHOWSKI

02/22/22	(S)	READ THE FIRST TIME - REFERRALS
02/22/22	(S)	STA, FIN
04/05/22	(S)	STA AT 3:30 PM BUTROVICH 205
04/05/22	(S)	Heard & Held
04/05/22	(S)	MINUTE (STA)
04/12/22	(S)	STA AT 3:30 PM BUTROVICH 205

BILL: SB 119

SHORT TITLE: OATH OF OFFICE

SPONSOR(s): REINBOLD

04/07/21 (S) READ THE FIRST TIME - REFERRALS  
 04/07/21 (S) EDC, JUD, STA, FIN  
 04/23/21 (S) EDC AT 9:00 AM BUTROVICH 205  
 04/23/21 (S) Heard & Held  
 04/23/21 (S) MINUTE(EDC)  
 04/28/21 (S) EDC AT 9:00 AM BUTROVICH 205  
 04/28/21 (S) Moved CSSB 119(EDC) Out of Committee  
 04/28/21 (S) MINUTE(EDC)  
 04/30/21 (S) EDC RPT CS 4DP 1NR SAME TITLE  
 04/30/21 (S) DP: HOLLAND, HUGHES, STEVENS, MICCICHE  
 04/30/21 (S) NR: BEGICH  
 04/30/21 (S) FIN REFERRAL REMOVED  
 04/30/21 (S) CRA REFERRAL ADDED AFTER EDC  
 05/11/21 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)  
 05/11/21 (S) -- MEETING CANCELED --  
 05/13/21 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)  
 05/13/21 (S) Moved CSSB 119(EDC) Out of Committee  
 05/13/21 (S) MINUTE(CRA)  
 05/14/21 (S) CRA RPT 1DP 1DNP 2NR  
 05/14/21 (S) DP: HUGHES  
 05/14/21 (S) DNP: GRAY-JACKSON  
 05/14/21 (S) NR: MYERS, WILSON  
 01/31/22 (S) JUD AT 1:30 PM BUTROVICH 205  
 01/31/22 (S) Heard & Held  
 01/31/22 (S) MINUTE(JUD)  
 02/02/22 (S) JUD AT 1:30 PM BUTROVICH 205  
 02/02/22 (S) Heard & Held  
 02/02/22 (S) MINUTE(JUD)  
 02/09/22 (S) JUD AT 1:30 PM BUTROVICH 205  
 02/09/22 (S) <Bill Hearing Postponed to Feb 11>  
 02/11/22 (S) JUD AT 1:30 PM BUTROVICH 205  
 02/11/22 (S) Moved CSSB 119(JUD) Out of Committee  
 02/11/22 (S) MINUTE(JUD)  
 02/15/22 (S) JUD RPT CS 3DP 1NR NEW TITLE  
 02/15/22 (S) DP: HOLLAND, HUGHES, SHOWER  
 02/15/22 (S) NR: KIEHL  
 04/12/22 (S) STA AT 3:30 PM BUTROVICH 205

BILL: SB 194

SHORT TITLE: ALLOW ELECTRONIC DRIVERS' LICENSES AND ID  
 SPONSOR(S): KAWASAKI

02/15/22 (S) READ THE FIRST TIME - REFERRALS  
 02/15/22 (S) STA, FIN  
 04/05/22 (S) STA AT 3:30 PM BUTROVICH 205  
 04/05/22 (S) Scheduled but Not Heard

04/07/22 (S) STA AT 3:30 PM BUTROVICH 205  
04/07/22 (S) Heard & Held  
04/07/22 (S) MINUTE(STA)  
04/12/22 (S) STA AT 3:30 PM BUTROVICH 205

BILL: SB 195

SHORT TITLE: PAY INCREASES FOR EXEMPT EMPLOYEES

SPONSOR(s): KIEHL

02/15/22 (S) READ THE FIRST TIME - REFERRALS  
02/15/22 (S) STA, FIN  
03/29/22 (S) STA AT 3:30 PM BUTROVICH 205  
03/29/22 (S) Heard & Held  
03/29/22 (S) MINUTE(STA)  
04/12/22 (S) STA AT 3:30 PM BUTROVICH 205

BILL: HB 234

SHORT TITLE: POLITICAL CONTRIBUTION LIMITS

SPONSOR(s): SCHRAGE

01/18/22 (H) PREFILE RELEASED 1/7/22  
01/18/22 (H) READ THE FIRST TIME - REFERRALS  
01/18/22 (H) STA  
02/01/22 (H) STA AT 3:00 PM GRUENBERG 120  
02/01/22 (H) Heard & Held  
02/01/22 (H) MINUTE(STA)  
02/10/22 (H) STA AT 3:00 PM GRUENBERG 120  
02/10/22 (H) Heard & Held  
02/10/22 (H) MINUTE(STA)  
02/15/22 (H) STA AT 3:00 PM GRUENBERG 120  
02/15/22 (H) Heard & Held  
02/15/22 (H) MINUTE(STA)  
03/01/22 (H) STA AT 3:00 PM GRUENBERG 120  
03/01/22 (H) Moved CSHB 234(STA) Out of Committee  
03/01/22 (H) MINUTE(STA)  
03/02/22 (H) STA RPT CS(STA) 2DP 1DNP 2NR 2AM  
03/02/22 (H) DP: CLAMAN, KREISS-TOMKINS  
03/02/22 (H) DNP: EASTMAN  
03/02/22 (H) NR: TARR, STORY  
03/02/22 (H) AM: KAUFMAN, VANCE  
03/14/22 (H) BEFORE HOUSE IN SECOND READING  
03/14/22 (H) SUSTAINED RULING OF CHAIR Y22 N15 E3  
03/14/22 (H) SUSTAINED RULING OF CHAIR Y21 N16 E3  
03/14/22 (H) BEFORE HOUSE IN SECOND READING  
03/14/22 (H) SUSTAINED RULING OF CHAIR Y20 N17 E3  
03/14/22 (H) SUSTAINED RULING OF CHAIR Y20 N17 E3  
03/14/22 (H) SUSTAINED RULING OF CHAIR Y22 N14 E4

03/14/22	(H)	SUSTAINED RULING OF CHAIR Y20 N16 E4
03/16/22	(H)	BEFORE HOUSE IN THIRD READING
03/16/22	(H)	TRANSMITTED TO (S)
03/16/22	(H)	VERSION: CSHB 234 (STA) AM (EFD FLD)
03/18/22	(S)	READ THE FIRST TIME - REFERRALS
03/18/22	(S)	STA
04/07/22	(S)	STA AT 3:30 PM BUTROVICH 205
04/07/22	(S)	Heard & Held
04/07/22	(S)	MINUTE (STA)
04/12/22	(S)	STA AT 3:30 PM BUTROVICH 205

**WITNESS REGISTER**

KELLI TOTH, Staff  
 Senator Lora Reinbold  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** Provided a summary of SB 215.

KELLI TOTH, Staff  
 Senator Lora Reinbold  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** Presented the sectional analysis for SB 119, version W.

SENATOR BILL WIELECHOWSKI  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 221.

SONJA KAWASAKI, Staff  
 Senator Bill Wielechowski  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** Provided explanations for the amendments to SB 221, version I.

STUART RELAY, Staff  
 Senator Scott Kawasaki  
 Alaska State Legislature  
 Juneau, Alaska

**POSITION STATEMENT:** Provided a brief summary of SB 194.

JEFFREY SCHMITZ, Director  
 Division of Motor Vehicles (DMV)  
 Department of Administration (DOA)

Anchorage, Alaska

**POSITION STATEMENT:** Responded to questions during the hearing on SB 194.

SENATOR JESSE KIEHL

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Sponsor of SB 195.

BETSY BULL, representing self

Anchorage, Alaska

**POSITION STATEMENT:** Testified in strong support for SB 195.

REPRESENTATIVE CALVIN SCHRAGE

Alaska State Legislature

Juneau Alaska

**POSITION STATEMENT:** Sponsor of HB 234.

ERIK GUNDERSON, Staff

Representative Calvin Schrage

Alaska State Legislature

Juneau Alaska

**POSITION STATEMENT:** Answered questions and provided information about HB 234 on behalf of the sponsor.

HEATHER HEBDON, Executive Director

Alaska Public Offices Commission

Department of Administration (DOA)

Anchorage, Alaska

**POSITION STATEMENT:** Answered questions and provided information during the hearing on HB 234.

KEVIN MORFORD, President

Alaska Move to Amend

Anchorage, Alaska

**POSITION STATEMENT:** Testified in strong support of HB 234.

#### **ACTION NARRATIVE**

[3:35:29 PM](#)

**CHAIR MIKE SHOWER** called the Senate State Affairs Standing Committee meeting to order at 3:35 p.m. Present at the call to order were Senators Holland, Kawasaki, Costello, Reinbold (via teleconference), and Chair Shower.

#### **SB 215-REVIEW & REPORTING OF FED. RECEIPTS; LB&A**

[3:36:18 PM](#)

CHAIR SHOWER announced the consideration of SENATE BILL NO. 215 "An Act relating to the Legislative Budget and Audit Committee; requiring state departments, agencies, municipalities, school districts, Native corporations, the University of Alaska, and other entities that receive state funds to report on federal receipts; and relating to the increase of an appropriation item based on additional federal or program receipts."

He asked Ms. Toth to refresh the committee's recall of the bill.

[3:37:45 PM](#)

KELLI TOTH, Staff, Senator Lora Reinbold, Alaska State Legislature, Juneau, Alaska, stated that SB 215, which is known as the "Federal Receipts Fiscal Accountability Act," requires all entities that receive state funds to submit a report annually on all the federal receipts they receive that the legislature did not appropriate.

[3:38:35 PM](#)

SENATOR COSTELLO asked if other states have similar reporting requirements.

MS TOTH said yes and the sponsor could speak to that.

[3:38:56 PM](#)

SENATOR LORA REINBOLD, speaking as sponsor of SB 215, stated that the bill is modeled on Utah law. She added that SB 215 would allow the legislature to see the federal receipts that various entities are receiving, which would facilitate better decision making during the budget process. The bill seeks to increase transparency.

SENATOR KAWASAKI questioned the reason for the requirement in Section 3 for the listed entities to submit a report to the Office of Management and Budget if the intention is to emphasize that the power of appropriation resides with the legislature.

SENATOR REINBOLD answered that the entities that receive grant monies and federal receipts are already required to report so OMB is a good central repository from which to send the reports to the Legislative Budget and Audit Committee (OMB).

SENATOR KAWASAKI asked if a fiscal note from OMB would be forthcoming.

SENATOR REINBOLD said Ms. Toth could confirm that OMB did not submit a fiscal note.

MR. TOTH said she had no knowledge of receiving a fiscal note for the bill from OMB.

CHAIR SHOWER mused that a fiscal note was requested but neither the sponsor nor her staff had received it.

[3:42:03 PM](#)

SENATOR KAWASAKI asked how a Native corporation could be compelled to submit a federal receipt report.

SENATOR REINBOLD offered her belief that anybody that receives federal monies should be open and transparent in their accounting. The bill simply asks to see the books, which will enhance fair and transparent government and increase public trust.

MS. TOTH added that the language in Section 3 ties the reporting requirement to the receipt of state funds.

[3:43:51 PM](#)

SENATOR KAWASAKI referenced the phrase, "and any other entity that receives state funds" and asked if organizations that receive grants through the capital budget process would have to submit a report.

MS. TOTH offered her understanding that any agency that receives state funds must report on federal receipts.

SENATOR KAWASAKI said it sounds as though it's all inclusive. [He received an affirming nod.]

SENATOR KAWASAKI said he appreciated that municipalities with fewer than 200 people could seek assistance from the Department of Commerce, Community and Economic Development (DCCED) in preparing the report.

[3:45:30 PM](#)

At ease

[3:45:47 PM](#)

CHAIR SHOWER reconvened the meeting and opened public testimony on SB 215; finding none, he closed public testimony on SB 215.

He asked the sponsor if she had any closing remarks.

SENATOR REINBOLD summarized that SB 215 seeks to improve the budget process by increasing transparency of entities that receive federal funds that are not appropriated by the legislature.

CHAIR SHOWER found no further questions and solicited the will of the committee.

[3:47:20 PM](#)

SENATOR HOLLAND moved to report SB 215, work order 32-LS1517\A, from committee with individual recommendations and attached fiscal note(s).

CHAIR SHOWER found no objection and SB 215 was reported from the Senate State Affairs Standing Committee.

[3:47:42 PM](#)

At ease

### **SB 119-OATH OF OFFICE**

[3:50:46 PM](#)

CHAIR SHOWER reconvened the meeting and announced the consideration of SENATE BILL NO. 119 "An Act relating to oaths of office; and requiring public officers to read the state constitution, the Declaration of Independence, and the United States Constitution."

[CSSB 119(JUD) was before the committee.]

[3:51:28 PM](#)

SENATOR LORA REINBOLD, speaking as sponsor of SB 119, stated that this legislation requires anyone who takes an oath of office in the state of Alaska to read and attest that they read the Declaration of Independence, the United States Constitution, and the Constitution of the State of Alaska before being sworn in. The signed statements of individuals who have fulfilled this requirement will be filed with the municipality, the court clerk's office, or the Alaska State Libraries, Archives and Museums after taking the oath of office. She noted that the requirement to read the Declaration of Independence was removed in the Judiciary Committee and her hope was that it would be added back as the bill goes through the process.

SENATOR COSTELLO asked which version of the bill was under consideration.

CHAIR SHOWER replied the [Judiciary] committee substitute, version W, was the working document.

[3:53:45 PM](#)

At ease

[3:54:21 PM](#)

CHAIR SHOWER reconvened the meeting and asked Ms. Toth to walk through the sectional analysis and fiscal notes.

[3:54:32 PM](#)

KELLI TOTH, Staff, Senator Lora Reinbold, Alaska State Legislature, Juneau, Alaska, presented the sectional analysis for SB 119, version W.

**Section 1. AS 14.12.090** is amended to require every school board member before taking office to read the Constitution of the State of Alaska and the Constitution of the United States, and take and sign an oath of affirmation.

**Section 2. AS 18.65.010 (c)** applies the reading and attestation requirement in Section 1 to law enforcement officers under the commissioner of public safety.

**Section 3. AS 22.05.090** applies the reading and attestation requirement in Section 1 to each Supreme Court justice

**Section 4. AS 22.07.050** applies the reading and attestation requirement in Section 1 to each judge of the court of appeals.

**Section 5. AS 22.10.110** applies the reading and attestation requirement in Section 1 to each superior court judge.

**Section 6. AS 22.15.180** applies the reading and attestation requirement in Section 1 to each district judge and magistrate.

**Section 7. AS 24.05.060** applies the reading and attestation requirement in Section 1 to each member of the legislature.

**Section 8. AS 29.20.600** applies the reading and attestation requirement in Section 1 to municipal officials.

**Section 9. AS 39.05.040** applies the reading and attestation requirement in Section 1 to each principal executive officer of each department and the member of each board within the state government.

**Section 10. AS 39.05.045** applies the reading and attestation requirement in Section 1 to each public officer or employee of the state.

CHAIR SHOWER found no questions and asked Ms. Toth to review the fiscal notes.

[3:56:31 PM](#)

MS. TOTH advised that the fiscal notes were all zero.

SENATOR HOLLAND asked if the bill documents the process for filing the sworn oaths or affirmations with the state library system.

MS. TOTH said she would follow up with the answer. She offered her understanding that the bill stipulates that these oaths will be held in the state library archives.

SENATOR HOLLAND said he would continue to look for that in the bill while other members ask questions.

[3:58:49 PM](#)

SENATOR COSTELLO commented that she didn't see that provision either.

CHAIR SHOWER held SB 119 in committee.

### **SB 221-CHANGING RPL PROCESS**

[3:59:55 PM](#)

CHAIR SHOWER announced the consideration of SENATE BILL NO. 221 "An Act relating to appropriations of federal receipts; and relating to an increase of an appropriation based on additional federal receipts."

He said the committee adopted version I when the bill was first heard and there were amendments for the committee to consider today.

CHAIR SHOWER asked the sponsor to give the committee a high level summary of the bill.

[4:00:22 PM](#)

SENATOR BILL WIELECHOWSKI, Alaska State Legislature, Juneau, Alaska sponsor of SB 221, stated that the bill seeks to fix an arguably unconstitutional problem with the Revised Program Legislative (RPL) process. The process currently allows the governor to appropriate funds without legislative approval even though the state constitution clearly identifies the legislature as the appropriating body. He noted that his office worked with committee staff on amendments to address some of the concerns the committee articulated.

CHAIR SHOWER asked if there were questions.

[4:01:43 PM](#)

SENATOR COSTELLO asked the chair to identify the sponsor of each of the amendments as they're introduced.

CHAIR SHOWER stated his intention to offer the amendments.

SENATOR REINBOLD stated support for the bill.

[4:02:20 PM](#)

CHAIR SHOWER moved Amendment 1, work order 32-LS1472\I.1.

32-LS1472\I.1  
Marx  
4/9/22

**AMENDMENT 1**

OFFERED IN THE SENATE

TO: CSSB 221( ), Draft Version "I"

Page 1, line 1, following "Act":

Insert **"relating to special sessions of the legislature;"**

SENATOR HOLLAND objected for an explanation.

[4:02:45 PM](#)

SONJA KAWASAKI, Staff, Senator Bill Wielechowski, Alaska State Legislature, Juneau, Alaska, explained that Amendment 1 amends the title to include the topic of "special sessions." She credited Senator Costello for identifying that the bill addressed special sessions but the title didn't reflect that. It was an inadvertent omission.

[4:03:26 PM](#)

SENATOR HOLLAND withdrew his objection.

CHAIR SHOWER found no further objection and Amendment 1 was adopted.

[4:03:42 PM](#)

CHAIR SHOWER moved Amendment 2, work order 32-LS1472\I.2.

32-LS1472\I.2  
Marx  
4/9/22

**AMENDMENT 2**

OFFERED IN THE SENATE

TO: CSSB 221( ), Draft Version "I"

Page 1, line 1:

Delete "**and**"

Page 1, line 2, following "**receipts**":

Insert "**; and providing for an effective date**"

Page 3, following line 31:

Insert a new bill section to read:

"\* **Sec. 5.** This Act takes effect immediately under AS 01.10.070(c)."

SENATOR HOLLAND objected for discussion purposes.

MS KAWASAKI stated that Amendment 2 establishes an immediate effective date rather than the default 90 days after the legislation is enacted. She said the sponsor's preference is to have an immediate effective date and it was an oversight not to have included that in the original version.

[4:04:37 PM](#)

SENATOR KAWASAKI asked how the applicability provision in Section 4 fit with the immediate effective date in Section 5.

MS. KAWASAKI explained that the applicability provision relates to an appropriation bill the legislature may have passed before the new RPL process in SB 221 is enacted. The bill would not apply to those appropriations. She noted that Legislative Legal Services had advised that a special provision in the operating budget prevents the forthcoming federal infrastructure funding from being covered under the RPL process.

[4:06:32 PM](#)

SENATOR KAWASAKI asked if she was referring to the contingency language in the last several sections of the operating budget, HB 281.

MS. KAWASAKI answered yes; SCS CSHB 281(FIN) provides that the various pockets of federal funds coming to Alaska, including Infrastructure Investment and Jobs Act (IIJA) funding, will not be subject to the RPL process.

CHAIR SHOWER commented that those funds wouldn't fall under the RPL process even if SB 221 were to pass with an immediate effective date.

MS. KAWASAKI agreed.

[4:07:48 PM](#)

SENATOR COSTELLO asked if the idea was for the legislature to call itself into special session thereby avoiding an RPL process and ensuring that more legislators would participate in the distribution of the federal funds.

MS. KAWASAKI said she couldn't speak to any intent, but the Senate Finance Committee had discussed the notion that federal infrastructure dollars for certain capital projects would be included in the Senate version of the capital budget.

CHAIR SHOWER asked what funding SB 221 would apply to if it were to pass with an immediate effective date.

SENATOR WIELECHOWSKI answered that it would depend on timing. Should SB 221 be signed into law before the budget passes, it would apply to any subsequent budgets that pass. He noted that the administration did not support placing tighter controls on the RPL process in the budget. He was nevertheless proposing amendments.

[4:10:21 PM](#)

SENATOR HOLLAND withdrew his objection.

CHAIR SHOWER found no further objection and Amendment 2 was adopted.

[4:10:37 PM](#)

CHAIR SHOWER moved Amendment 3, work order 32-LS1472\I.4.

32-LS1472\I.4  
Marx  
4/9/22

### AMENDMENT 3

OFFERED IN THE SENATE

TO: CSSB 221( ), Draft Version "I"

Page 2, line 19:

Delete "an"

Insert "a funded"

Page 2, line 20, following "item":

Insert "or a maximum funding amount for a new appropriation item"

Page 2, line 21, following the second occurrence of "the":

Insert "funded"

Page 2, lines 22 - 25:

Delete "The increase of the appropriation item  
[BASED ON ADDITIONAL FEDERAL OR OTHER PROGRAM RECEIPTS  
NOT SPECIFICALLY APPROPRIATED BY THE FULL LEGISLATURE]  
may be expended only"

Insert "Expenditures under this subsection [BASED  
ON ADDITIONAL FEDERAL OR OTHER PROGRAM RECEIPTS NOT  
SPECIFICALLY APPROPRIATED BY THE FULL LEGISLATURE] may  
be made only [EXPENDED]"

Page 2, line 30, following the second occurrence of  
"the":

Insert "funded appropriation item or for the new"

Page 3, line 1, following "of":

Insert "funded appropriation items or new"

Page 3, line 7:

Delete "an"

Insert "a funded appropriation item or the  
maximum funding amount for a new"

Page 3, line 24:

Delete "a specific maximum increase"

Insert "expenditures"

Page 3, line 26:

Delete "by a specific maximum increase"

SENATOR HOLLAND objected for an explanation.

MS. KAWASAKI explained that Amendment 3 permits a maximum funding amount for new appropriations. Without this provision, the legislature could only authorize an increase of an appropriation item in an active appropriation bill. The amendment provides flexibility for the legislature to add appropriation items not already in the budget. It also reflects the current practice of the legislative budget process under the budget section referencing permissible RPL spending. She noted that the operating budget under consideration in the Senate Finance Committee provides for open-ended authority.

[4:11:50 PM](#)

SENATOR HOLLAND withdrew his objection.

CHAIR SHOWER found no further objection and Amendment 3 was adopted.

[4:12:07 PM](#)

CHAIR SHOWER moved Amendment 4, work order32-LS1472\I.5.

32-LS1472\I.5  
Marx  
4/9/22

#### AMENDMENT 4

OFFERED IN THE SENATE

TO: CSSB 221( ), Draft Version "I"

Page 1, line 1, following "**federal**":  
Insert "**or other**"

Page 1, line 2, following "**federal**":  
Insert "**or other**"

Page 2, line 20, following "**federal**":  
Insert "**or other**"

Page 3, line 12:  
Delete "[OR OTHERWISE]"  
Insert "or otherwise"

Page 3, line 23, following "federal":

Insert "or other"

Page 3, line 25, following "federal":  
Insert "or other"

SENATOR HOLLAND objected for an explanation.

[4:12:31 PM](#)

MS. KAWASAKI explained that the bill addresses federal receipts the state may receive and Amendment 4 adds the other receipts that are not specifically identified. This amendment is needed to accommodate the receipt and appropriation of nonfederal sources of funding. It would enable the legislature to provide for spending through the RPL process while also establishing limits to that spending. The amendment tracks the ability to do so, which is in the existing RPL process

[4:13:49 PM](#)

SENATOR HOLLAND withdrew his objection.

CHAIR SHOWER found no further objection and Amendment 4 was adopted.

[4:14:06 PM](#)

CHAIR SHOWER moved Amendment 5, work order 32-LS1472\I.6.

32-LS1472\I.6  
Marx  
4/9/22

**AMENDMENT 5**

OFFERED IN THE SENATE

TO: CSSB 221( ), Draft Version "I"

Page 2, line 28, through page 3, line 1:

Delete all material and insert:

"(2) the Legislative Budget and Audit

Committee

(A) shall

(i) review the revised program; and  
(ii) notify the full legislature that the revised program is available for review and comment;  
and  
(B) may recommend to the governor an alternative funding amount for the specific maximum increase of the appropriation item or alternative funding distributions among multiple specific maximum increases of appropriation items in an applicable appropriation bill or bills;"

SENATOR HOLLAND objected for an explanation.

[4:14:27 PM](#)

MS. KAWASAKI explained that Amendment 5 requires the Legislative Budget and Audit (LB&A) Committee to notify the full legislature that the proposed RPL packages were available for review and comment. This must be done before LB&A makes any other recommendations to the governor. She thanked the committee members for requesting this addition.

SENATOR COSTELLO said she didn't believe the provision in sub-subparagraph ii on lines 6-7 was clear about who would do the review and comment. She suggested adding "by the full legislature" following the word "comment".

[4:16:35 PM](#)

MS. KAWASAKI agreed that would add clarity.

SENATOR KAWASAKI offered his understanding that the legislature already receives notification from LB&C about a new RPL.

[4:17:17 PM](#)

SENATOR REINBOLD opined that the amendment to Amendment 5 added the needed clarification.

[4:18:08 PM](#)

At ease

[4:23:04 PM](#)

CHAIR SHOWER reconvened the meeting.

[4:23:12 PM](#)

SENATOR COSTELLO moved Amendment 1 to Amendment 5. 221.

**AMENDMENT 1 TO AMENDMENT 5, I.6**

BY SENATOR COSTELLO

Page 1, line 7, following "comment":  
Insert "by the full legislature"

CHAIR SHOWER objected for an explanation.

SENATOR COSTELLO explained that the addition makes it clear that the review and comment is by all legislators, not just the LB&A committee.

SENATOR REINBOLD asked Senator Costello to repeat the explanation.

SENATOR COSTELLO said the amendment clarifies that the review and comment is by the full legislature.

[4:24:28 PM](#)

CHAIR SHOWER removed his objection to Amendment 1 to Amendment 5; finding no questions or further objection, the amendment to the amendment was adopted.

[4:24:48 PM](#)

SENATOR HOLLAND withdrew his objection.

CHAIR SHOWER found no further objection and Amendment 5, as amended, was adopted.

[4:25:42 PM](#)

SENATOR WIELECHOWSKI thanked the committee for the thoughtful process.

CHAIR SHOWER polled the committee for any objection to moving the bill; finding none, he solicited a motion.

[4:26:07 PM](#)

SENATOR HOLLAND moved to report CSSB 221, work order 32-LS1472\I, as amended, from committee with individual recommendations and attached fiscal note(s).

CHAIR SHOWER found no objection and CSSB 221(STA) was reported from the Senate State Affairs Standing Committee. He authorized

Legislative Legal Services to make any technical or conforming changes.

[4:26:42 PM](#)

**SB 194-ALLOW ELECTRONIC DRIVERS' LICENSES AND ID**

[4:28:29 PM](#)

CHAIR SHOWER reconvened the meeting and announced the consideration of SENATE BILL NO. 194 "An Act relating to electronic identification cards; relating to electronic drivers' licenses and permits; relating to motor vehicle liability insurance; and providing for an effective date."

He noted that this was the second hearing and the intention was to take public testimony. He asked Mr. Relay to give the committee a high level summary of the bill.

[4:29:17 PM](#)

STUART RELAY, Staff, Senator Scott Kawasaki, Alaska State Legislature, Juneau, Alaska, stated that the bill would allow Alaskans to carry an electronic version of their driver's license, driver's permit, or state identification card. It also amends the current fee structure for licenses.

MR. RELAY explained that in response to to Senator Holland's question about the fees other states charge for electronic driver's licenses, he learned from NCSL that eight states authorize electronic driver's licenses. Of those, just two have information about the fees. The State of Oklahoma charges \$4.49 annually and the State of Louisiana has authorized a \$6.00 fee but currently does not charge anything.

[4:31:31 PM](#)

CHAIR SHOWER asked how an electronic driver's license would work in situations where REAL ID is required.

MR. RELAY offered his understanding that it would be similar to using one's phone to scan a boarding pass. He deferred to the representative from the Division of Motor Vehicles (DMV) for further information.

[4:32:39 PM](#)

JEFFREY SCHMITZ, Director, Division of Motor Vehicles (DMV) Department of Administration (DOA), Anchorage, Alaska, stated that DMV expects that the licensing and application requirements for REAL ID will remain the same whether it is an electronic

format or a hard card format. What happens currently at a Transportation Security Administration (TSA) checkpoint is that the barcode information on the physical card is scanned. The electronic driver's license on somebody's phone would be similarly scanned.

CHAIR SHOWER asked if he foresees any problem for somebody who is traveling domestically or internationally with just an electronic driver's license on their phone and no other picture identification.

[4:34:05 PM](#)

SENATOR SCOTT KAWASAKI, speaking as sponsor, said international travel was not considered when the bill was drafted. He noted that when his office was doing research on electronic driver's licenses they learned that some states say they are federal ID compliant and others don't mention it.

CHAIR SHOWER said he'd like more information about that.

MS. RELAY said that NCSL relayed that the Department of Homeland Security was in the process of establishing rules regarding electronic REAL IDs and how they would be implemented for the department, which includes TSA.

CHAIR SHOWER asked if he had reached out to law enforcement to get their view of electronic driver's licenses.

[4:35:54 PM](#)

MR. RELAY replied that they had not heard from the Department of Public Safety or law enforcement personnel.

CHAIR SHOWER said he would like to hear law enforcement's perspective.

MR. RELAY agreed to follow up with that information.

SENATOR COSTELLO suggested the committee invite law enforcement from states that have implemented electronic driver's licenses to testify.

[4:37:12 PM](#)

SENATOR SHOWER opened public testimony on SB 194; finding none he closed public testimony.

CHAIR SHOWER held SB 194 in committee.

**SB 195-PAY INCREASES FOR EXEMPT EMPLOYEES**

[4:38:01 PM](#)

CHAIR SHOWER announced the consideration of SENATE BILL NO. 195 "An Act relating to the compensation of certain public officials, officers, and employees not covered by collective bargaining agreements; and providing for an effective date."

He asked the sponsor to give the committee a high level summary of the bill.

[4:38:40 PM](#)

SENATOR JESSE KIEHL, Alaska State Legislature, Juneau, Alaska, sponsor of SB 195, stated that this is the pay catch-up bill for state employees who are not in a union. It covers the exempt and partially exempt employees, which includes most staff at the Legislative Affairs Agency, all of the Department of Law, the bailiffs, clerks, and staff attorneys in the Judicial Branch, and most state corporations. He said it is a matter of fairness to bring these employees along who already lag union employees by one cycle.

[4:40:06 PM](#)

CHAIR SHOWER relayed that a constituent asked why state employees shouldn't negotiate their own contracts and bargain for a better pay scale as opposed to having the legislature do the collective bargaining through legislation like SB 195.

[4:41:34 PM](#)

SENATOR KIEHL said that if each employee were to negotiate independently for pay and benefits, the state would need to make a significant investment in human resource specialists to do the negotiations. SB 195 doesn't propose such a change, but it does propose to amend the salary schedule that is set in law up to the level that union employees have achieved in the past.

SENATOR KAWASAKI asked why the Legislative Affairs Agency and legislative employees have not entered a collective bargaining agreement.

SENATOR KIEHL said he couldn't answer directly, but he did know that sometime in the past an adjustment to the pay schedule did not provide the same step adjustment to employees of the judicial branch as others had gotten. Those judicial employees organized and negotiated a contract that included that missing pay step. That ended at some point, but ever since then those

judicial employees have been included fully whenever the pay schedule was adjusted.

SENATOR KAWASAKI asked if he believes that adjusting the pay schedule by law might soften the resolve of the legislative branch to organize itself.

SENATOR KIEHL said he believes that employees are best suited under federal labor law and the Public Employee Relations Act to decide for themselves whether or not to be represented by a union. He added that anybody who thought it would be a good idea to organize, would be further motivated by looking at the nearly three-year lag time on these pay adjustments.

[4:45:23 PM](#)

CHAIR SHOWER opened public testimony on SB 195.

[4:45:46 PM](#)

BETSY BULL, representing self, Anchorage, Alaska, stated that she is a prosecutor in Anchorage and she supports SB 195 as just a starting point, because it does not address the recruitment and retention problems the Department of Law faces each day. For example, a colleague was assigned 100 sex cases, a couple of which were homicides. During that time she received and accepted an offer from Washington State. That job included a pension, a 20 percent salary increase, an annual 25 percent cost of living adjustment, a merit increase, equal paid time off, sick leave, and compensation for all on duty hours that were in addition to the regularly scheduled work. She received those benefits and a 70 percent reduction in case load. Ms. Bull said the Department of Law isn't even competing on the same playing field.

MS. BULL relayed that when an attorney leaves DOL employment, those who remain have to pick up the caseload. It causes some to wonder why they should continue to work 60/hours/week when they're paid for just 37.5/hours/week. Their last cost of living increase was nearly seven years ago.

MS. BULL reported that last year alone she carried more than 100 sex and homicide cases and was on duty 24/7 for 22 weeks. None of the extra time was compensated. She recounted that it was common for DOL attorneys to work 80/hours/week during trial and to give advice on complex cases to detectives and members of multidisciplinary teams, all of whom have higher base salaries than their own. She urged the committee to pass SB 195, and to recognize that it was a small step in the right direction.

[4:50:04 PM](#)

CHAIR SHOWER closed public testimony on SB 195.

SENATOR KIEHL thanked the chair and committee for hearing the bill. He also noted that the bill did not apply to those exempt employees who are represented by a union.

[4:50:43 PM](#)

CHAIR SHOWER held SB 195 for future consideration.

### **HB 234-POLITICAL CONTRIBUTION LIMITS**

[4:51:01 PM](#)

CHAIR SHOWER announced the consideration of CS FOR HOUSE BILL NO. 234(STA) am(efd fld) "An Act relating to political contributions; relating to the location of offices for the Alaska Public Offices Commission and the locations at which certain statements and reports filed with the commission are made available."

He noted that the intention is to take public testimony after Representative Schrage gives the committee a high level summary of HB 234.

[4:51:27 PM](#)

REPRESENTATIVE CALVIN SCHRAGE, Alaska State Legislature, Juneau Alaska, sponsor of HB 234, stated that this legislation fixes the gaping hole in Alaska's campaign finance law that resulted from the federal court decision to strike a number of contribution limits and the Alaska Public Offices Commission's (APOC) decision to not accept the APOC staff recommendation to set temporary limits, absent the legislature's action. Should HB 234 pass, it would reestablish campaign finance limits in Alaska. Most importantly it would set contribution limits from individuals to candidates. Right now there is no limit so unlimited funds from outside interests may flow into the state, which potentially could harm Alaska's elections and undermine public confidence in the integrity of its elected officials.

CHAIR SHOWER noted who was available to answer questions.

[4:53:05 PM](#)

SENATOR COSTELLO asked if independent expenditure (IE) groups currently were allowed to receive outside funding.

[4:53:16 PM](#)

ERIK GUNDERSON, Staff, Representative Calvin Schrage, Alaska State Legislature, Juneau Alaska, confirmed that independent expenditure groups were able to accept donations from nonresidents.

SENATOR COSTELLO asked if there were any limits on outside contributions.

MR. GUNDERSON offered his understanding that there were no contribution limits for IE groups. He deferred to Heather Hebdon for further explanation and clarification.

REPRESENTATIVE SCHRAGE confirmed that due to a U.S. Supreme Court ruling, there currently were no limits on contributions to IE groups from either outside or inside Alaska. The court's reasoning was that the risk of a donation having a corrupting influence was mitigated because IE groups don't coordinate with campaigns. He said it's no longer a matter of business person A giving money to a candidate, which directly influences that candidate. Now the contributions go to an independent expenditure group so the money can be spent on multiple campaigns and the candidate may not even be aware of the source.

REPRESENTATIVE SCHRAGE said his personal belief is that having no limits on individual contributions increases the potential for corruption and jeopardizes good governance and self-determination. He urged the committee and legislature to mitigate the potentially corrupting influence of unlimited contributions to individuals by passing HB 234.

[4:55:40 PM](#)

SENATOR COSTELLO said she appreciated the example and pointed out for the listening public that the limit on individual contributions to candidates was \$500 prior to the court ruling and without HB 234. She said she sees it as a potential freedom of speech issue and that the legislature should look at the matter if an Alaskan is able to get to an IE and that IE is influencing campaigns.

CHAIR SHOWER asked if she was saying that if IE contributions are unlimited, the legislature should look at unlimited contributions for an individual.

SENATOR COSTELLO clarified she was saying the committee should consider that freedom of speech is giving to a campaign and that on one hand there is no limit for an IE whereas there currently

is a limit on [individual contributions] and a limit is contemplated in this bill.

CHAIR SHOWER offered his understanding that the top three donors in an IE have to be reported.

REPRESENTATIVE SCHRAGE said he'd like to address the freedom of speech concern, which is valid, after the committee hears from Ms. Hebdon.

CHAIR SHOWER asked Ms. Hebdon if she heard the questions and whether she had anything to add.

[4:57:58 PM](#)

HEATHER HEBDON, Executive Director, Alaska Public Offices Commission, Department of Administration (DOA), Anchorage, Alaska, confirmed that an IE group's political communications on television, radio, and fliers must disclose information about the top three contributors. IE groups are also required to disclose all the money coming in and going out just like any other political action committee. But as Representative Schrage pointed out, based on the U.S. Supreme Court decision and the court precedent there are no limitations other than that the donations may not come from a foreign national.

REPRESENTATIVE SCHRAGE asked her to verify that an IE group is required to report all its individual donors. He also asked her to remind him of the timing for the disclosure. He recalled that the timeline was fairly short, but he didn't recall the specifics.

MS. HEBDON clarified that she was talking about independent expenditures that are intended to influence a candidate election. In that circumstance, and as a result of Ballot Measure 2, contributors to an IE group are required to file a statement of contribution within 24 hours of making that contribution. The IE group is also required to disclose receipt of the contribution within 24 hours. Ballot Measure 2 required true source reporting and it has eliminated a majority of Dark Money in these elections.

[5:00:40 PM](#)

CHAIR SHOWER asked what dark money hasn't been eliminated.

MS. HEBDON explained that the definition of Dark Money refers to contributions in excess of \$2,000 in the aggregate, so anything

less than that wouldn't necessarily require true source reporting.

[5:01:27 PM](#)

CHAIR SHOWER opened public testimony on HB 234.

[5:01:40 PM](#)

KEVIN MORFORD, President, Alaska Move to Amend, Anchorage, Alaska, stated that AMA is a nonprofit that works to strengthen the voice of ordinary voters in the political process. He said HB 234 isn't perfect, but he was testifying in strong support as it was the only bill that had a reasonable chance of making it through the process this year.

MR. MORFORD emphasized that an overwhelming majority of Alaskans from all political parties support reasonable limits on donations to Alaska political campaigns. He highlighted that 73 percent of Alaska voters in 2006 voted to reenact strict limits on campaign donations and polling indicates that strong support continues today. He urged establishing an even playing field where the preferences of ordinary Alaska voters have the largest influence. He stressed that candidates should compete for the support of ordinary voters in their districts and not be corrupted by the siren call of big money from powerful economic interests.

MR. MORFORD urged passage of HB 234 this session.

[5:03:55 PM](#)

CHAIR SHOWER closed public testimony on HB 234.

REPRESENTATIVE SCHRAGE said Senator Costello raised a legitimate concern about freedom of speech. The U.S. Supreme Court has articulated that political contributions are a form of free speech and that there must be high justification to limit that speech. This does not mean there is no reason to restrict speech, and the court has accepted fighting corruption as a valid reason.

REPRESENTATIVE SCHRAGE said there is ample evidence from state history, testimony from prior elected officials, and court records that attest to the risk of donations having undue influence on candidates. There is also the public perception that a \$10,000 donation to Candidate A would have undue influence. He said it's of the utmost importance that the citizens of Alaska are able to continue to have faith in the legislative body as an institution. In response to the notion

that Alaska isn't seeing \$2,000, \$3,000, and \$5,000 donations, he said we don't know that because the reporting requirements in Alaska for candidates isn't within 24 hours like it is for IE groups. Candidate financial disclosure reports won't be available for several more months. There may be candidates who already have received very large donations.

REPRESENTATIVE SCHRAGE acknowledged that speech is restricted when campaign contributions are limited, but pointed out that there was still an opportunity for somebody to advocate for their candidate of preference and influence the election through an IE group, but in a way that reduces the risk of either the actuality or the appearance of corruption.

REPRESENTATIVE SCHRAGE restated that the concern is genuine and something to keep in mind. Establishing contribution limits does restrict free speech but it's done for the valid reason of preventing corruption in the legislative body. He said that is of the utmost importance, particularly in times like today. He said Alaska is at great risk because the media market is relatively cheap and the amount of money spent on political campaigns has exploded, as witnessed by the most recent municipal election in Anchorage. Absent passage of HB 234, he predicted that Alaskans would see candidates receiving \$10,000 - \$30,000 donations. This is already happening in IE group contributions and there is no reason to believe this won't extend to individual candidates, he said. The difference is that giving to the individual candidate introduces the large potential for corruption into that election environment.

CHAIR SHOWER asked if there were questions or comments.

[5:08:32 PM](#)

SENATOR KAWASAKI asked what happens in other states that have contribution limits.

REPRESENTATIVE SCHRAGE relayed that most states have contribution limits that look similar to those proposed in HB 234, including the significantly increased limits the bill proposes. Basically, when the court looks at whether a limit is constitutional, it looks at what it had previously upheld as constitutional. Before the Randall test (Randall v. Sorrell), the Supreme Court spoke about Alaska's limit being lower than the limit the court previously upheld, calling it a warning sign. He said that would be about \$1,000 per year when adjusted for inflation.

CHAIR SHOWER said he'd like the committee to hear about the data from other states.

REPRESENTATIVE SCHRAGE offered to read a short paragraph from NCSL to provide context on national limits.

CHAIR SHOWER said he'd hold that until the next hearing.

[5:11:43 PM](#)

SENATOR COSTELLO expressed interest in the NCSL data and information about limits on independent expenditure groups. She said she appreciated what was said about not unduly influencing a candidate and that there's not an appearance of corruption if the donation goes to an IE group. However, the IE group can amass a lot of money and then a candidate has to defend him or herself against what that group is saying about him or herself as a candidate. She sees IE groups as having a lot of influence in campaigns and she'd like to know what other states do about that and if there are any limits.

CHAIR SHOWER commented on the concern about ensuring a level playing field.

[5:13:25 PM](#)

CHAIR SHOWER held HB 234 in committee for future consideration.

[5:13:41 PM](#)

There being no further business to come before the committee, Chair Shower adjourned the Senate State Affairs Standing Committee meeting at 5:13 p.m.