

HOUSE FINANCE COMMITTEE
April 26, 2023
1:37 p.m.

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CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 1:37 p.m.

MEMBERS PRESENT

Representative Bryce Edgmon, Co-Chair
Representative Neal Foster, Co-Chair
Representative DeLena Johnson, Co-Chair
Representative Julie Coulombe
Representative Mike Cronk
Representative Alyse Galvin
Representative Sara Hannan
Representative Andy Josephson
Representative Dan Ortiz
Representative Will Stapp
Representative Frank Tomaszewski

MEMBERS ABSENT

None

ALSO PRESENT

Tony Newman, Director, Senior and Disabilities Services, Department of Health; Emily Ricci, Deputy Commissioner, Department of Health; Dr. Anne Zink, Chief Medical Officer, Department of Health; Representative Stanley Wright, Sponsor; Allan Riordan-Randall, Staff, Representative Stanley Wright; Lisa Purinton, Special Assistant to the Commissioner, Department of Public Safety; Lacy Wilcox, Board of Directors, Alaska Marijuana Industry Association.

PRESENT VIA TELECONFERENCE

Brett Huber, Commissioner Designee, Alaska Oil and Gas Conservation Commission; Aubrey Wieber, Executive Director, 907 Initiative, Anchorage; Robert Doyle, Governor Appointee, Regulatory Commission of Alaska; Alexis Rodich,

SEIU-775, Seattle; Vittorio Nastasi, Director of Criminal Justice Policy, Reason Foundation.

SUMMARY

HB 28 ACCESS TO MARIJUANA CONVICTION RECORDS

HB 28 was HEARD and HELD in committee for further consideration.

CSSB 57(FIN) am
ADULT HOME CARE; MED ASSISTANCE

CSSB 57(FIN) am was HEARD and HELD in committee for further consideration.

SB 58 MEDICAID ELIGIBILITY: POSTPARTUM MOTHERS

HCS SB 58(FIN) was REPORTED out of committee with a "do pass" recommendation and with two new fiscal impact notes from the Department of Health.

GOVERNOR'S APPOINTMENTS:

ALASKA OIL AND GAS CONSERVATION COMMISSION: BRETT HUBER

REGULATORY COMMISSION OF ALASKA: ROBERT DOYLE

Co-Chair Foster reviewed the meeting agenda.

GOVERNOR'S APPOINTMENTS: BRETT HUBER, Alaska Oil and Gas Conservation Commission; ROBERT DOYLE, REGULATORY COMMISSION OF ALASKA

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BRETT HUBER, COMMISSIONER DESIGNEE, ALASKA OIL AND GAS CONSERVATION COMMISSION (via teleconference), thanked the committee for its time and attention. He read from prepared remarks:

I was born in South Dakota, my family moved to Colorado where I graduated high school and attended some college before moving to Alaska in 1984 with my wife and baby daughter. Like many, we hit the road north cinching our future in the amazing outdoor

recreational opportunities in Alaska. I can tell you that Alaska felt like home as soon as we crossed the border. I'm a father of three, blessed to have been a stepdad to four, and even more blessed by the many grandchildren in my life. I'm an avid outdoorsman, hunting, fishing, biking, hiking, you name it. This state's been very good to me personally and professionally and I have a deep love for Alaska and her people.

One of my first jobs in Alaska was the Anchorage branch manager of Alaska Tent and Tarp where among my duties were the design and installation of geomembranes, geotextiles, and tent liners on the North Slope as well as on the Kenai Peninsula. This on the pad, in the field contract work, while limited, provided me my first actual close up exposure to the industry here. It was big, busy, highly organized, carefully maintained, and closely regulated. The lion's share of my experience however, and my experience and understanding of the oil and gas industry came from my work right there in the Capitol Building and in the course of my interim duties. I've been fortunate to be involved in the public policy arena since 1994 when I became a legislative staffer. In each legislative office, in which I served, resources, and specifically oil and gas policy was in my portfolio. Including staffing the Senate Resources Committee for Senator Halford in the late 1990s.

In addition to the understanding that I gained through my legislative duties, I advantaged myself of opportunities to participate in legislative familiarization trips to the North Slope, as well as the many training sessions and conferences relating to the industry sponsored by groups such as AOGA, RDC, and the Alliance. Between my two spans of service to the legislature, I ran a statewide nonprofit and was appointed to the Exxon Valdez Oil Spill Trustee Council's public advisory committee, where I became the chair. Serving in this role and then following as EVOSS program coordinator for the Department of Fish and Game provided me an important opportunity to gain another perspective on the industry. Following my second tour as legislative staff and his successful 2018 campaign, Governor Dunleavy asked me to serve as his senior policy advisor where once again oil and gas

were an important component of my portfolio. This position allowed me to deepen my knowledge of Alaska's oil industry, as well as a chance to learn from and work cooperatively with my oil and gas policy colleagues in other states.

I first became aware of the work of the AOGCC in the early 1990s with the unitization of Prudhoe Bay. I followed it intermittently over the years when the legislature had interest in AOGCC action warrant, and I followed the commission's work again closely as they deliberated and set new gas offtake rate for the North Slope. I also had the advantage of meeting nearly every year with former AOGCC Commissioner's Forrester and Seamount as they made their visit to the legislature and working with them even more closely as we consulted on IOGCC issues while I was in the governor's office. What I learned from them intrigued me very much about the commission's work and service to the public. I am very happy to have both of them support my appointment. When the governor asked me to serve on the commission I was both humbled and instantly excited for the opportunity. As you know, the AOGCC has an extremely important role in our state as the independent, quasi-judicial agency tasked with regulating the oil and gas industry in Alaska. In my estimation, I've joined an agency with a long history of doing good and important work that is fully funded by the industry we regulate that has a knowledgeable and dedicated staff and excellent and highly experienced commissioners who occupy the dedicated geologist and engineer seats and perhaps most importantly, a mature and clear statutory underpinning for the work we do.

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Mr. Huber continued to read from prepared remarks:

My first day on the job was January 9th, a little over 3.5 months ago. I can tell you that while I've learned a bit about the technical downhole side of business, there is much more to learn, and I plan to do that. That said, I realize I am not an engineer or geologist but I do consider myself a reasonably quick study and frankly, the commission has those fields well covered with Commissioners Chmielowski and Wilson. I believe

as the public member my responsibilities include asking a ton of questions, doing my homework, approaching issues fairly and impartially, listening carefully to our staff, to our fellow commissioners, and to the public, and then making sound and fair decisions on the merits of the issues presented, while adhering to the statutory and regulatory guidance upon which our work is grounded. In addition, I'm responsible for the administrative management of our agency and serve as lead in communication and participation with the legislature. I'm sorry I'm not there in person today, but I will be joining you for your hearing on House Bill 50 on Friday.

Again, I can share with you that I'm excited to serve Alaska in this capacity. I get up every day ready to go to work and I've jumped in with both feet. I like new challenges and I love to learn. Should the committee see fit to forward my nomination and the legislature confirm my appointment, I pledge my continued hard work, commitment, and a willingness to listen, learn, and lead to the best of my ability in the service to the people of Alaska and with an eye toward our future generations. Mr. Chairman, before I conclude my testimony, I'd like to clarify that the resume submitted is not a complete history of my employment, but instead the positions most relevant for this appointment. In addition, also not reflected on the resume. I left service to the governor's office briefly in 2020 and again in 2022 to participate in statewide campaigns.

Mr. Huber thanked the committee and was available for questions.

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Co-Chair Foster noted Mr. Huber's mention that the resume he had submitted was more applicable to the position he was being appointed to and there could be some gaps. He asked Mr. Huber to comment about the period from 1986 to 1994.

Mr. Huber replied that he had moved to King Salmon where he began a small sportfishing and hunting operation for about 1.5 years. He had returned to Fairbanks and had worked for a radio station selling advertising and then working as the sales manager. He moved back to Minnesota to have another

child to live near his parents. He returned to Alaska and worked as a guide for a riverboat service until 1994. He moved to Maui for seven years from 2005 and 2012. He provided details on the time he spent in Hawaii including working as a scuba instructor.

Co-Chair Foster stated his favorite was the period in Maui.

Representative Hannan stated that the position was highly paid, and the legislature expected the person to be the eyes and ears to ensure Alaska's oil and gas industry complied with the laws and leases. She noted the position was the public member position. She asked Mr. Huber to affirm that he would be the eyes and ears of the industry and would not act as a political appointee. She remarked that he had a history of working directly in politics.

Mr. Huber confirmed that the Alaska Oil and Gas Conservation Commission (AOGCC) had the regulatory obligation to oversee the oil and gas industry in Alaska. For the most part, it was the underground portion, but AOCGG was also involved with the inspection and metering. The leasing activity was handled by the Department of Natural Resources. The position was a purely regulatory role and left no room for politics. He elaborated that it relied on clear and concise statutory and regulatory direction. He stated it put him in a position to rely on his fellow commissioners and staff and the precedent set by AOGCC over time. He understood he had served in political and policy roles in the past and he knew the position was a regulatory function. He also understood it was a good and well-paying job. He elaborated it was a busy job involving detail and homework. He believed he was up to the task.

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Representative Ortiz asked what the day to day duties entailed for a commissioner of the AOGCC.

Mr. Huber replied that the days were quite varied and busy. He shared that earlier in the day he had worked on notice of information requests on a potential issue with an operator on the North Slope, he had attended the engineering and geologist check in held twice weekly, and he and the other two commissioners had approved two permits to drill. He detailed that AOGCC was in charge of oil wells from "cradle to grave" including permitting, any changes to

the program, and through plug and abandonment. The position involved approving, researching, and talking with staff about sundries and permits. The previous day they had meetings with industry folks currently involved in the industry and others with an interest or opportunity in the field. He shared that the commission had been involved with House Bill 50 (carbon storage) and House Bill 74 (geothermal legislation) in the current year.

Co-Chair Foster noted there was an individual online to testify.

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AUBREY WIEBER, EXECUTIVE DIRECTOR, 907 INITIATIVE, ANCHORAGE (via teleconference), spoke in opposition to Mr. Huber's appointment. He stated the commission explicitly required protection of the public interest. He highlighted that Mr. Huber had a long history working in politics and deep ties to Governor Dunleavy. He believed Alaskans needed someone who would rise above politics to represent the public interest. He was concerned Mr. Huber would not fill that role. He remarked that Mr. Huber's professional record included dishonest statements to the Alaska Public Offices Commission under oath. He reiterated his opposition to Mr. Huber's appointment.

Representative Josephson asked Mr. Wieber if he was a primary or secondary source on the information he had provided.

Mr. Wieber answered secondary.

Mr. Huber thanked the committee. He was looking forward to being in town for a bill hearing later in the week. He was available to meet with individual committee members if so desired. He appreciated the committee's time.

Co-Chair Johnson stated that the House Finance Committee had reviewed the qualifications of the governor's appointee and recommended that the following name be forwarded to the joint session for consideration: Brett Huber, Alaska Oil and Gas Conservation Commission. She noted that it did not reflect an intention by any member to vote for or against the designee during any further session for the purpose of confirmation.

There being NO OBJECTION, it was so ordered.

Co-Chair Foster noted the name would be advanced to the House floor for a full vote.

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RECONVENED

ROBERT DOYLE, GOVERNOR APPOINTEE, REGULATORY COMMISSION OF ALASKA (via teleconference), reviewed his resume. He shared that he had graduated from East Anchorage High School and had attended the University of Oregon. He had worked for Alaska schools in various communities throughout Alaska for the past 31 years. He had served as the superintendent in Mat-Su for his last five years after receiving his master's degree from the University of Alaska Anchorage. He retired in 2007 and volunteered in various community service projects. He provided details. He had served on the Matanuska Electric Association (MEA) Board of Directors for 12 years and had served as board president the last two years. He had resigned from the board when he had been asked to serve on the Regulatory Commission of Alaska (RCA). After joining the RCA, he worked on many dockets as a part of a team of five commissioners.

Mr. Doyle reviewed work done by the RCA. He explained that the RCA made sure the Alaska electrical grid and energy sources were reliable and affordable. The commission worked on the public interest of all of its rate payers by assessing the capability to utilities and pipeline companies. The commission made sure its decisions were based on a clear public record and due process while keeping the rate payers first and foremost in mind. He remarked that he had the question "is it good for all rate payers?" posted in his office. The commission evaluated applications to become utilities to determine whether a company was fit, willing, and able to provide technical, managerial, and financial support. The commission conducted financial reviews for the Power Cost Equalization (PCE) program. The RCA worked with all utilities, some of which needed some assistance such as the Middle Kuskokwim Electrical Cooperative, to ensure the rate payers were being well served.

Mr. Doyle relayed that public regulations could help prevent a lot of unnecessary duplication of service, inefficient use of energy resources, stranded investments, and unfair practices. The legislature had passed a law enabling an electrical reliability organization that was called the RRC, which would work on grid efficiency, availability, and affordability. He stated that Alaskans required robust and secure sources of generation that would keep their lights and heat on throughout the year. He accepted the opportunity for community service and had come out of retirement. He appreciated the legislature's consideration.

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Representative Hannan asked if Mr. Doyle had read the statute on the requirements to serve as a commissioner for the RCA.

Mr. Doyle replied affirmatively.

Representative Hannan cited the requirements to qualify as a commissioner under AS 42.04.020. She read from the statute that in order to qualify as a commissioner "the person must be a member in good standing of the Alaska Bar Association or have a degree in an accredited university with a major in engineering, finance, economics, business administration, accounting, or public administration." The statute also specified that experience of five years in the practice of those fields could substitute for the requirement. She thought it appeared that Mr. Doyle did not qualify. She asked why Mr. Doyle believed he qualified to serve on the board.

Mr. Doyle answered that the master's degree program from the University of Alaska enabled him to become a superintendent and that fell under the category of educational administration. During his 25 years in Mat-Su, he started in business administration running the human resources department for approximately seven years and had run the finance department for the entire school district. He estimated the school district had 1,800 employees, 16,000 students, and a budget of \$183 million. He later served as superintendent for five years. He detailed that during his time as superintendent the district had met its board goals for student achievement and learning and had reduced achievement gaps between racial groups. He was

proud of the educational degree he had received and of the opportunity to use the degree in administration. He believed the aforementioned items qualified as public administration.

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Co-Chair Foster asked Mr. Doyle to submit his testimony in writing including the years he had worked at MEA.

Mr. Doyle agreed.

Representative Ortiz asked about the primary responsibility of the RCA. He asked how Mr. Doyle's skills and abilities would contribute to fulfilling the primary responsibility of the commission.

Mr. Doyle replied that there were five commissioners on the RCA who were assigned dockets to prepare for hearings. For example, if a company wanted to become a utility, it would apply for certification. Per statute, the RCA determined whether a company was fit, willing, and able to provide the technical, managerial, and financial support required of a public utility. He detailed that a public utility had to serve a minimum of 10 customers or taking over for a utility leaving the area or doing wholesale power. He stated there were statutory and regulatory definitions that had to be met. He shared that any opposition and information was included in a hearing on the record and eventually the RCA determined whether it was in the public interest to grant the certificate. The RCA also had purview over pipelines, utilities, refuse, water, gas, and electricity.

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Representative Galvin had heard Mr. Doyle state that energy security was first in mind. She appreciated that remark. She asked what Mr. Doyle would uniquely bring to the leadership position.

Mr. Doyle responded that the state needed all hands on deck and all options on the table. He believed it was necessary to take a look at new options that had not been used and to be as diverse as possible. While at the same time, the option per statute needed to be affordable and reliable. He spoke to the importance of reliability in Alaska, in

particular with long, cold, dark winters, which could be a life and death situation. He shared information about his past work with the Matanuska Electrical Association. The organization had started the first large wholesale through an IPP in the form of a solar project in Willow. The project had been expanded into the Meadow Lakes area. He discussed looking at hydro and wind energy. He thought people did not think enough about the demand side. He believed people needed to take a look at conservation. He remarked that natural gas would not disappear in the next five years. He thought the pertinent question was whether utility contracts could be renegotiated and guaranteed at the same or greater levels. He believed the state needed to participate in an alternative energy conference in May. He thought it was important to get the information out to people on both sides of the issue and talk about pros and cons and then do what was best for the rate payers. He brought an open mind to the table and team leadership. He could work with diverse groups of people with differing opinions to come up with what was best for future generations.

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Co-Chair Johnson stated that the House Finance Committee had reviewed the qualifications of the governor's appointee and recommended that the following name be forwarded to the joint session for consideration: Robert Doyle, Regulatory Commission of Alaska. She noted that it did not reflect an intention by any member to vote for or against the designee during any further session for the purpose of confirmation.

There being NO OBJECTION, it was so ordered.

Co-Chair Foster noted there were three additional bills to hear during the meeting.

#sb57

CS FOR SENATE BILL NO. 57(FIN) am

"An Act relating to home- and community-based services under the medical assistance program; relating to medical assistance for recipients of Medicaid waivers; establishing an adult care home license and procedures; providing for the transition of individuals from foster care to adult home care settings; and providing for an effective date."

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Co-Chair Foster asked to hear from the Department of Health (DOH) on changes made to the legislation by the Senate. He noted the bill was the Senate version of HB 58 related to Medicaid assistance for adult homecare.

TONY NEWMAN, DIRECTOR, SENIOR AND DISABILITIES SERVICES, DEPARTMENT OF HEALTH, thanked the committee for hearing the bill. The bill was the companion bill to HB 58, which he had presented to the committee the previous week. He reviewed the differences between the two bills. He explained that SB 57 included new language that would allow certain family members and others with a legal duty to support an individual to be allowed to be paid to provide personal care services to the individual under one of the Medicaid programs. The program was called Community First Choice (CFC) authorized under a subsection of the federal Social Security Act known as the 1915(k). Currently, under department regulations, certain family members including spouses, parents of minor children, and adult children of parents who were assigned guardianship, were prohibited from being paid to provide Medicaid funded personal care or home and community based waiver services unless a court order allowed it. He detailed that the prohibition had been lifted under the public health emergency out of concern that people would not be able to find caregivers during the pandemic.

Mr. Newman continued to speak to the bill. He explained that the workforce shortages seen throughout the healthcare sector had been especially acute for providers of home and community based services. The experience the department gained offering the flexibility [under the public health emergency] as well as the findings from a provider survey, conversations with stakeholders, and national experience, had all suggested that with the proper safeguards the change could be continued on a permanent basis. The bill would allow a limited subset of people receiving Medicaid funded personal care to have a spouse or guardian be paid to help them with their bathing, feeding, or other activities of daily living.

Mr. Newman relayed that if the bill passed and was signed by the governor, the department would write regulations that would enable it to ensure the program was done in a

way that would ensure the safety and wellbeing of individuals receiving care. He emphasized that the original adult homecare aspects of the bill and the additional new pieces, would both be administered by the Division of Senior and Disabilities Services, but the bills did not directly impact each other otherwise. He detailed that adult homecare would be a waiver service, not a 1915(k) service; therefore, legally responsible individuals would not provide adult homecare to someone in their care. He stated that more details would have to be worked out through a careful regulatory development process that would include stakeholders. He noted an individual available online for questions and/or comment.

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Co-Chair Foster stated his understanding that another bill had been rolled into the legislation. He which Senate Bill had been added to the legislation.

Mr. Newman responded that SB 106 had been rolled into the legislation.

Co-Chair Foster asked for verification that the fiscal notes had not changed.

Mr. Newman replied that the fiscal notes had been prepared to reflect the new narrative, but there was no change to the amounts.

Representative Josephson referenced Mr. Newman's statement that adult homecare would be a regular waiver and not a 1915(k). He asked for clarification.

Mr. Newman responded that the original adult homecare bill referred to a Medicaid waiver service. The allowance for legally responsible individuals to provide personal care that had been added to the bill was not a waiver service and was referred to as a Community First Choice 1915(k) service.

Representative Tomaszewski noted that Mr. Newman had used the term "legally responsible individuals." He asked for a definition of the term.

Mr. Newman replied that Alaska regulations referred to individuals with a legal duty to support another

individual. He detailed that it included a spouse of a recipient of services, the minor child of a parent, and an individual with the legal duty to support the recipient under state law (a guardian assigned by the court to an individual). He explained they were the three types of individuals needing care that would need to be amended under the regulation.

Co-Chair Foster set an amendment deadline for Friday at 5:00 p.m. He requested any amendments to be sent to his office.

Representative Josephson asked if the fiscal note was small because the cost would primarily be borne by the federal government. He noted he liked the bill. He asked how the state would pay the people who had not been paid before. He wondered if there would be additional fiscal notes forthcoming.

Mr. Newman responded there were a couple of reasons there would not be an increase in the Medicaid services bill to the state. First, the bill would represent a very small number of individuals. Currently, the CFC program served around 850 people. He explained that a small subset of those individuals would be seeking to have care provided by a legally responsible individual. Second, the state was seeing a "slow bleed of providers" of home and community based services. There had been a decrease in the number of people served because of a loss of providers. He did not believe the bill would increase the pool of providers so much that it would stop the bleed of providers. He reported that the state had been offering the service under the pandemic and had not seen an increase in cost. The bill would mean maintaining flexibility for a small subset of people.

Representative Josephson asked for verification that the slow bleed Mr. Newman was referring to meant that some of the non-familial providers were no longer providing the services and the bill would mean familial connections would get reimbursed for their good efforts.

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Mr. Newman agreed.

Co-Chair Foster noted that Co-Chair Edgmon joined the meeting. He remarked that Alexis Rodich was available online. He asked Mr. Newman if the individual was available for questions or had testimony to provide.

Mr. Newman relayed that Ms. Rodich had worked closely with the sponsors in the development of the bills. He noted she may have a comment and was also available for questions.

Representative Coulombe asked if the bill covered foster parents and adults taking care of their elderly parents.

Mr. Newman replied that the bill covered adults taking care of their elderly parents if they were assigned guardianship of the parent. He remarked that the adults would currently be allowed if they were not assigned guardianship because they were not guardians. He noted it was not currently a prohibition in place. Under the regulation 7 AAC 127.015, a foster parent was not considered an individual with a legal duty to support a recipient. He noted it would remain unchanged.

Representative Coulombe thought the bill aimed to fix a situation pertaining to disabled foster children through adulthood.

Mr. Newman agreed that the original adult homecare bill was designed to provide better service to foster children aging out of foster care. The two bills were not connected in that way. He elaborated that the legally responsible individual portions of the bill would not be related to the adult foster care portions of the bill. Both would be administered by the Division of Senior and Disabilities Services, but they were two different services.

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ALEXIS RODICH, SEIU-775, SEATTLE (via teleconference), relayed that she was available for questions.

Co-Chair Foster restated the amendment deadline.

CSSB 57(FIN) am was HEARD and HELD in committee for further consideration.

#sb58

SENATE BILL NO. 58

"An Act relating to Medicaid eligibility; expanding eligibility for postpartum mothers; conditioning the expansion of eligibility on approval by the United States Department of Health and Human Services; and providing for an effective date."

[2:24:17 PM](#)

EMILY RICCI, DEPUTY COMMISSIONER, DEPARTMENT OF HEALTH, relayed that Dr. Zink was currently in another committee meeting and would join as soon as she was able.

Co-Chair Foster asked for a quick summary of the bill.

Ms. Ricci replied that the bill would extend Medicaid coverage for postpartum mothers from 60 days to 12 months.

Representative Stapp MOVED to ADOPT Amendment 1, 33-GS1583\A.1 (Dunmire, 4/25/23) (copy on file) [note: due to the amendment length it has not been included here. See copy on file for details].

Co-Chair Foster OBJECTED for discussion.

Representative Stapp explained the amendment. The amendment would increase eligibility of postpartum coverage from 200 percent to 225 percent of the federal poverty line. He explained there was a certain population of individuals in between income requirements who did not quite make enough money to afford health insurance, but during the expansion of the postpartum coverage they may fall into a category with no health insurance coverage. He stated it was his goal to help make Alaska one of the most pro-family states in the union. He thought the best way to do so was to ensure certain coverage was extended to segments of the population who were unable to get quality healthcare because they effectively made \$3 more an hour. The amendment would cover more of those women and would allow them to have quality healthcare.

Co-Chair Foster asked what the impact to the fiscal note would be.

Representative Stapp answered that so far the amendment would add an additional \$1.5 million to the bill and would cover up to 450 more women.

Co-Chair Foster observed that the federal portion was \$6.4 million and the state portion was \$2.6 million. He asked about the federal/state funding breakdown.

Representative Stapp answered it was the state GF, which leveraged substantial federal funding through the Medicaid program. He detailed that the Federal Medical Assistance Percentage (FMAP) was 70 percent with 30 percent funded by the state.

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Representative Galvin fully supported the amendment. She did not think it was possible to do enough given current data with regard to children and pregnant moms and rates of issues downstream. She asked about any assessment on the savings given upstream healthcare costs.

DR. ANNE ZINK, CHIEF MEDICAL OFFICER, DEPARTMENT OF HEALTH, answered that savings would be hard to calculate for the bill. However, the department had submitted data showing the best return on investment for kids and moms would result in the first year of life. She highlighted the importance of supporting the mental and physical health of mothers, which in turn impacted adverse childhood experiences. She shared statistics indicating that 26 percent more children would receive their first well child checks if their mom had access to health insurance. There was evidence of dental care and immunizations being able to move upstream along those lines. She relayed that the national CBO [Congressional Budget Office] looked at the long-term savings and included the service as an option due to its importance moving forward as a country. She stated that it was challenging to calculate the savings for Alaska and therefore it was not included in the fiscal note. The fiscal note only included the cost associated with people using care. She noted the number of people using the care would be very small.

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Ms. Ricci spoke to the proposed amendment. Initially the department had looked at the number of women between the ages of 15 and 45 in Alaska and based on the community population survey, the department determined there were about 7,000 women with an income between 200 and 220

percent of the federal poverty level. There were approximately 64.3 births per 1,000, resulting in approximately 450 births per year in the population. The department had then applied the \$566 per mother per month to the 450 births per year that would be covered under the amendment. The calculation applied coverage to nine months of pregnancy and 12 months of postpartum coverage. The estimate was still being dialed in, but it was approximately \$5.3 million. The state would be responsible for 20 percent, estimated at \$1.5 million.

Representative Galvin appreciated the responses, which were helpful for the committee to understand the full picture when thinking about how to expand and provide better services, particularly in light that the implementation could not take place for over a year. She considered the opportunity to provide additional coverage to 450 women and believed it would result in less emergency care. Additionally, she thought about the importance of early identification of learning issues with regard to the education system. She highlighted the downstream cost associated with remedial work within education and how the costs had been considered on a national level. She believed there may be some available numbers for national savings with regard to making the investment early. She looked forward to hearing how the program went and was interested in local Alaska data. She could not think of anything more important in terms of an investment.

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Representative Hannan referred to Representative Stapp's explanation that Amendment 1 would move from 200 to 225 of the federal poverty line. She noted the brackets in the amendment specified the number 175. She presumed the figure reflected current statute.

Representative Stapp replied that Alaska's effective statutes regarding many of the Medicaid rates were not accurate. Following the passage of Medicaid expansion, the Centers for Medicare and Medicaid Services (CMS) required the state to cover people at higher levels of poverty line. He explained that most of the statutes did not reflect the change. He deferred to the department for additional detail.

Ms. Ricci responded that in 2014 there had been nationwide changes in the Medicaid program and income levels were calculated based on modified adjusted gross income (MAGI). States were required to adopt the change for certain Medicaid categories, resulting in an effective 200 percent rate of the federal poverty level.

Representative Hannan highlighted the importance of ensuring babies' safety. She noted the increase [proposed in the amendment] was much smaller in reality than when compared to statute. She supported the amendment and the bill.

[2:36:58 PM](#)

Representative Ortiz thanked Ms. Ricci for her explanation of how the department arrived at the 450 [births per year in Alaska within the particular population].

Representative Coulombe thanked Representative Stapp for proposing the amendment. She appreciated the detailed work to ensure the bill covered many women as possible.

Representative Josephson referenced Ms. Ricci's statement that the department was still vetting the number included in its fiscal note. He asked for verification the number would be in the range of \$1.5 million.

Ms. Ricci replied that it was what the department believed based on the numbers. The department was currently working with its divisions to ensure it had contemplated any additional unintended cost. The department was also working actively with CMS to ensure it understood any changes that the federal agency may require. She confirmed that the department anticipated the cost would be approximately \$5.3 million total cost including approximately \$1.5 million in undesignated general funds.

Representative Josephson asked for verification there was nothing under Title 42 (the U.S. code) or CMS that would prohibit going to the proposed rate.

Ms. Ricci confirmed there was nothing she was aware of that would prohibit the change. She noted there were several other states that had implemented rates at the same level or higher. She noted it was a matter of clearly

understanding the process CMS required in order for the state to make the changes.

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Dr. Zink emphasized that the estimates looked at previous services a mother needed and used. She clarified it did not mean it was the amount that would be spent or had to be spent. There was a lot of work being done by the Department of Health to decrease the need in order to be able to move upstream to create preventative services outside of the specific area.

Co-Chair Foster WITHDREW the OBJECTION.

There being NO further OBJECTION, Amendment 1 was ADOPTED.

Co-Chair Edgmon MOVED to REPORT HCS SB 58(FIN) out of committee with individual recommendations and the accompanying fiscal notes.

There being NO OBJECTION, it was so ordered.

HCS SB 58(FIN) was REPORTED out of committee with a "do pass" recommendation and with two new fiscal impact notes from the Department of Health.

#hb28

HOUSE BILL NO. 28

"An Act restricting the release of certain records of convictions; and providing for an effective date."

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REPRESENTATIVE STANLEY WRIGHT, SPONSOR, thanked the committee for hearing the legislation. He shared that he wanted to talk about hope and why the bill was important. He stated that the bill gave people the hope they needed to move on with their lives. First, the bill would remove names from the CourtView website and make them inaccessible. The bill would mean individuals would not lose job opportunities based on a CourtView search. Additionally, the bill would enable individuals to rent an apartment without receiving a call back that the place was already rented. Second, the bill would limit accessibility to the Department of Public Safety (DPS) database records.

The bill created hope for individuals trying to move on with their lives. He stated the individuals had paid their debt to society and the bill provided opportunity to move forward. He asked his staff to provide further details.

ALLAN RIORDAN-RANDALL, STAFF, REPRESENTATIVE STANLEY WRIGHT, thanked the committee for hearing the bill. He explained that the bill recognized there were still convictions on the books, which would not exist by current statute. The convictions could be burdensome on individuals and could be deceiving to the untrained eye when viewed online. He explained it could cause adverse action for the individuals. The bill contained provisions for certain organizations and agencies to access records in whole or in part under certain circumstances listed in the legislation.

Mr. Riordan-Randall reviewed the sectional analysis (copy on file):

SECTION I: It is the intention of the legislation to reduce barriers to employment and other basic daily functions for individuals who under past statute were convicted of low-level marijuana related crimes.

SECTION II: Describes when, why and to what agencies or organizations information protected in this bill may be released.

SECTION III: Persons aged 21 years or older shall in the provisions of this bill have records of low level marijuana convictions as detailed in this section, which by today's statutes are not a criminal act, made to be inaccessible other than as listed in section II. Individuals having this action taken shall pay a fee of not less than \$150.

SECTION IV: Records relating to the individuals and occurrences in this bill shall not be publicly published by the Alaska Court System. Information shall be made available on how to obtain information removed from public view.

SECTION V: An effective date for this act shall be 1st of January 2024.

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Co-Chair Foster moved to invited testimony.

VITTORIO NASTASI, DIRECTOR OF CRIMINAL JUSTICE POLICY, REASON FOUNDATION (via teleconference), introduced himself and read from prepared remarks:

The academic research is clear, people with criminal records face significant difficulty engaging in productive activities such as finding a job and securing housing. House Bill 28 would help address these barriers for Alaskans who have low level marijuana possession convictions. People who have been convicted for behavior that is no longer considered criminal in Alaska. The bill would not result in the expungement of any criminal records. In other words, the records won't be erased, they will still be available to some extent. The legislation simply places limitations on the release of these records if eligible individuals formally request that the records be withheld.

The additional requirement of \$150 for this privilege will likely reduce the positive impact of the bill. Research suggests that requiring petitions and the payment of fees greatly reduces the efficacy of policies aimed at sealing or expunging criminal records. A recent study published in the Harvard Law Review found that only 6.5 percent of those who are eligible under Michigan's expungement program pursued expungement when they were required to apply and pay fees. Similarly low participation rates have been observed in other states where release is not automatic. It is for this reason that a growing number of states have established automatic record release programs.

Given the experiences of other states it is likely that only a small fraction of eligible Alaskans will be aware that their records may be withheld and will actually request that they not be released. Consequently, the fiscal note on this bill likely overstates the administrative burden that DPS will incur. Moreover, requiring a \$150 fee creates an additional barrier to low income individuals who tend to benefit the most from record release. The fee will also likely fail to raise substantial revenue.

Despite being a relatively small step compared to the actions of other states, House Bill 28 would provide much needed relief to those who make the effort request that their records be withheld. However, the minimum \$150 fee was an unnecessary complication to an otherwise good bill. Thank you for your time and consideration.

Representative Galvin thanked the bill sponsor for putting the bill forward. She believed the bill was an important step for individuals to move towards becoming whole. She wondered why the fee had been put in place and if it was truly to cover costs. She asked if there had been conversations about savings if the opportunity was in place to take away challenges the individuals were experiencing with jobs, housing, and healthcare. She reasoned if individuals were able to have access to the aforementioned items, the state would not have to pay unemployment costs for individuals without access to a job. She thought it would far outweigh the state's ability to collect a few dollars to pay for administrative costs, which sounded like they would not be very high.

Mr. Riordan-Randall replied that the purpose of the fee was to offset the cost to the state. He deferred to DPS for further detail pertaining to the fiscal note.

Representative Galvin reiterated her question for the department.

Mr. Riordan-Randall clarified that the fee had been added by the House Judiciary Committee.

LISA PURINTON, SPECIAL ASSISTANT TO THE COMMISSIONER, DEPARTMENT OF PUBLIC SAFETY, replied that the fee had been added by the House Judiciary Committee as a policy decision. She explained that DPS had submitted a fiscal note to the original bill to pay for a change to the programming in the state's criminal history repository. She detailed that DPS maintained the official state criminal history record and DPS was the repository for individuals to come for background checks for the official record. She noted it was separate from the Court System CourtView database. The state's criminal history repository was a mainframe database from the 1980s and the programming cost to make the change had been included in the original fiscal note. The department also anticipated part-time temporary

funding for a two-year position because it anticipated the bulk of the requests (to have a conviction restricted from access for certain background check processes) to come during that timeframe. The department estimated there were roughly 8,500 records that could potentially fall under the criteria under HB 28 for the limited marijuana convictions because the state's repository went back to statehood for those convictions.

Ms. Purinton explained that the database did not always have a straight statute to indicate the definition for the conviction. She elaborated that sometimes the database only included a four letter code indicating a marijuana conviction. She detailed that the amount listed in statute had sometimes specified one ounce and other times the amount had been up to eight ounces; therefore, it would require the department to do some research when individuals came in to petition to have their information removed. The department did not have the resources to do research for potentially 8,500 records. The House Judiciary Committee had added the fee to help offset the potential cost. The department had not projected out beyond two years because the number of individuals who would make the request was unknown.

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Representative Galvin thought she heard that somehow the way the department was collecting data made it more complicated and would require extra research time. She assumed that going forward the bill looked at collecting the data differently so it did not require extra research. She wondered if the House Judiciary Committee had considered the savings that would come to the state if even one person was given the opportunity for a job, housing, healthcare, and mental healthcare.

Ms. Purinton answered that the only thing DPS fiscal note considered was the cost to the department. The department had not looked at any broader impact to the state. The bill was specific to AS 11.71.060 subsection (a)(1) or (a)(1)(a) and some of the court judgements received for a conviction did not always have granularity at the subsection level. The department had been working closely with the Department of Law and the Alaska Court System to ensure there was unification in how the specifics of the subsections were

used. Historically that had not always been the case, which made historical records more challenging.

Co-Chair Foster hoped to get through the invited testimony. He asked members to hold their questions for the bill sponsor and department until the next hearing on the bill.

LACY WILCOX, BOARD OF DIRECTORS, ALASKA MARIJUANA INDUSTRY ASSOCIATION, appreciated Representative Galvin's comment about taking into account the cost that had already been incurred for a 6A possession (a single possession of marijuana). She relayed that Alaska had a pretty strange relationship with legalization. She noted that from 1975 to 1990 marijuana had been decriminalized in Alaska. She believed the state recriminalized marijuana from 1990 to 1998 and during the war on drugs the state had assessed a \$100 fine for simple citation or up to 90 days in jail. She underscored that those impacted had paid the price already. She did not support the \$150 fee included in the bill to make the state whole. She believed the state had made money on the back of a cycle of legalization, decriminalization, simple possession citation, and 90 days in jail. She supported the bill and policy but requested a look at removing the fee for people who had already paid their debt.

HB 28 was HEARD and HELD in committee for further consideration.

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

ADJOURNMENT

[3:01:25 PM](#)

The meeting was adjourned at 3:01 p.m.