

**ALASKA STATE LEGISLATURE**  
**HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS**

March 9, 2023

1:00 p.m.

**MEMBERS PRESENT**

Representative Stanley Wright, Chair  
Representative George Rauscher  
Representative Dan Saddler  
Representative Cliff Groh  
Representative Andrew Gray

**MEMBERS ABSENT**

Representative Laddie Shaw  
Representative Ben Carpenter

**COMMITTEE CALENDAR**

HOUSE BILL NO. 25

"An Act relating to eligibility for the permanent fund dividend;  
and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 25

SHORT TITLE: PFD ELIGIBILITY UNIFORMED SERVICES

SPONSOR(S): REPRESENTATIVE(S) STORY

01/19/23	(H)	PREFILE RELEASED 1/9/23
01/19/23	(H)	READ THE FIRST TIME - REFERRALS
01/19/23	(H)	STA, MLV, FIN
01/31/23	(H)	STA AT 3:00 PM GRUENBERG 120
01/31/23	(H)	Heard & Held
01/31/23	(H)	MINUTE(STA)
02/16/23	(H)	STA AT 3:00 PM GRUENBERG 120
02/16/23	(H)	-- MEETING CANCELED --
02/21/23	(H)	STA AT 3:00 PM GRUENBERG 120
02/21/23	(H)	Moved CSHB 25(STA) Out of Committee
02/21/23	(H)	MINUTE(STA)
02/22/23	(H)	STA RPT CS(STA) NEW TITLE 5DP 1NR
02/22/23	(H)	DP: ARMSTRONG, ALLARD, STORY, CARPENTER, SHAW
02/22/23	(H)	NR: C.JOHNSON

03/09/23

(H)

MLV AT 1:00 PM GRUENBERG 120

**WITNESS REGISTER**

REPRESENTATIVE ANDI STORY

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** As prime sponsor, presented CSHB 25(STA).

SETH WHITTEN, Staff

Representative Andi Story

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Presented CSHB 25(STA) on behalf of Representative Story, prime sponsor.

GENEVIEVE WOJTUSIK, Director

Permanent Fund Dividend Division

Department of Revenue

Juneau, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on CSHB 25(STA).

DAVID WILKINSON, Lieutenant, Commissioned Corpsman

Commissioned Corps of the U.S. Public Health Service

Florida

**POSITION STATEMENT:** Provided invited testimony during the hearing on CSHB 25(STA).

SARAH TANJA, representing self

Seattle, Washington

**POSITION STATEMENT:** Provided invited testimony during the hearing on CSHB 25(STA).

RICH BERKOWITZ, Of Counsel

Transportation Institute

Seattle, Washington

**POSITION STATEMENT:** Provided invited testimony during the hearing on CSHB 25(STA).

NICHOLAS MARRONE, Vice President

West Coast Seafarers International Union

San Francisco, California

**POSITION STATEMENT:** Testified during the hearing on HB 25.

RALPH MIRSKY, CEO

SeaLink International Inc.

Ketchikan, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 25.

**ACTION NARRATIVE**

[1:00:52 PM](#)

**CHAIR STANLEY WRIGHT** called the House Special Committee on Military and Veterans' Affairs meeting to order at 1:00 PM. Representatives Wright, Rauscher, Saddler, Groh, and Gray were present at the call to order.

**HB 25-PFD ELIGIBILITY UNIFORMED SERVICES**

[1:01:41 PM](#)

CHAIR WRIGHT announced that the only order of business would be HOUSE BILL NO. 25, "An Act relating to eligibility for the permanent fund dividend; and providing for an effective date." [Before the committee was CSHB 25(STA).]

[1:02:28 PM](#)

REPRESENTATIVE ANDI STORY, Alaska State Legislature, began her overview of CSHB 25(STA). She shared that she had received a phone call from a constituent who was a member of the National Oceanic and Atmospheric Administration Commissioned Officer Corps ("NOAA Corps"). She relayed that the constituent was posted at a duty station outside of Alaska for longer than the allowable absence and was denied a permanent fund dividend (PFD). She explained that she disagrees with this denial because the NOAA Corps and the U.S. Public Health Services (USHPS) are both branches within the U.S. uniformed services. She said that CSHB 25(STA) would change the statute by replacing the term "armed forces" with "uniformed services". Furthermore, the bill would amend AS 43.23.008 to provide a definition of "uniformed services" that is consistent with federal code.

REPRESENTATIVE STORY said the inclusion of the NOAA Corps as well as USHPS would close the gap in the allowable absence statute. She pointed out that there are 16 subsections within the statute that have allowable absences, and the examples include the Peace Corps, Olympic sports, and secondary and post-secondary education. She relayed that the House State Affairs Standing Committee heard the bill first and said that the committee drafted the CSHB 25(STA), which includes allowable absences for Alaskans pursuing U.S. Merchant Marine

apprenticeships. She argued that the merchant marines were meant to be included in the statute when it was amended in 1999, and this group has been frequently paid dividends until 2017, as were members of the NOAA Corps and USHPS. She informed the committee that the governor recently introduced bills in the House and in the Senate which contains similar language on allowable absences for merchant marines in training. She said the committee substitute also corrects an oversight that excluded the dependents of parents or guardians who missed the PFD filing deadline due to a medical emergency and is remedied by extending the dependent's filing deadline grace period to October 1. She said there will be invited testimony with members of the NOAA Corps, USHPS, and the merchant marine apprenticeship program.

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SETH WHITTEN, Staff, Representative Andi Story, Alaska State Legislature, outlined the contents of the committee packet. He said there is a zero fiscal note because the bill does not change the dividend amount, rather, the newly eligible individuals would be added to the dividend list. He stressed that putting a hard number on the cost of adding the proposed groups to the dividend payout is difficult because the Permanent Fund Dividend Division does not track denied dividends, or the reason behind the denial. He explained that there are six NOAA Corps members whose residence is Alaska, as well as 356 members for USHPS; however, it is unknown of those who are already filing for a PFD. To further understand the cost impact of adding these groups, he used past dividend amounts and set the assumption of new filers at 100 people. He shared that, using the payouts from 2018 to 2021, the PFD payout would decrease by approximately \$1 for every 100 people added. Using the 2022 dividend amount of \$3,284, the difference of adding 100 new people would be a decrease of \$4.

[1:10:20 PM](#)

REPRESENTATIVE RAUSCHER expressed his support for the proposed legislation. He asked about the fiscal note. He shared that one year he had filled out his PFD application incorrectly and said fixing the mistake took time. He asked why there was a zero fiscal note when there must be some administrative or software costs involved with processing applications.

REPRESENTATIVE STORY referred to the Department of Revenue to explain the fiscal note.

1:12:45 PM

GENEVIEVE WOJTUSIK, Director, Permanent Fund Dividend Division, Department of Revenue, said that CSHB 25(STA) has an indeterminate fiscal note; however, the original version had a zero fiscal note. She explained that the cost to make the changes in statute would be minimal. She said the division does request leave, earning statements, and other paperwork from military members; and prior to the committee substitute, the cost would be minimal.

1:14:06 PM

The committee took an at-ease from 1:14 p.m. to 1:17 p.m.

1:17:33 PM

MR. WHITTEN said that currently there are 17 different allowable absences in statute that the department works through, and he expressed uncertainty about how more absences would be tied to more cost. He expressed the understanding is that there is software in place to work though the allowable absences.

1:18:13 PM

REPRESENTATIVE GRAY shared his experience of being outside of Alaska on deployment for longer than 180 days and receiving a PFD. He further shared that he has friends in USHPS whose deployment length is three years. He said that some buy a home and take up residency in Alaska. He asked how long deployments outside of the state typically are if the person's home of record is Alaska.

REPRESENTATIVE STORY replied that the invited testifiers would answer his question.

1:19:29 PM

REPRESENTATIVE GROH commented that he worked in the Department of Revenue previously and is aware of the difficulties in fixing the issue the bill aims to solve. He thanked the bill sponsor.

1:19:55 PM

REPRESENTATIVE SADDLER asked about Mr. Whitten's estimates. With six NOAA Corps members and 356 USHPS officers, he asked if

it would be correct to assume 2-4 extra people per officer to account for dependents.

REPRESENTATIVE STORY referred the question to Ms. Wojtusik.

1:20:40 PM

MS. WOJTUSIK asked that the question be restated.

REPRESENTATIVE SADDLER repeated the question.

MS. WOJTUSIK answered that the division does not have the numbers he is seeking. She suggested that the numbers he stated were from Representative Story's office in cooperation with the Department of Public Health.

REPRESENTATIVE SADDLER queried further. He said that in the "guts" of the bill, he did not see mention of uniformed service member's spouses. Since the bill title touches on spouses, he asked the sponsor to point to the section of the bill that deals with spouses and dependents. After a pause, he ascertained that the section in question is on page 3, line 28.

REPRESENTATIVE STORY asked that the invited testifiers speak.

1:22:11 PM

DAVID WILKINSON, Lieutenant, Commissioned Corpsman, Commissioned Corps of the U.S. Public Health Service, shared that he has been in USHPS since 2016. He expressed his support of CSHB 25(STA). He said he has been a resident of Alaska since 1997, but he took a three-year break to serve active duty in the U.S. Air Force, and when he returned to Alaska, he was no longer a resident. He explained that he accidentally received the PFDs for 2016 and 2017 via a military exemption, as the division had [mistakenly] included USHPS as part of the armed services. In 2018, the division found that UPHPS did not fall under armed services; thus, his 2018 PFD was denied. He said he is no longer an Alaska resident and has nothing to gain from the proposed legislation; however, it could help future USHPS, NOAA Corps, and merchant marines to keep Alaska residency despite being deployed or stationed outside of Alaska.

MR. WILKINSON explained that USPHS originated through a system of marine hospitals in 1798 to serve sick and injured sailors. He further explained that the system was consolidated into the Marine Hospital Service in 1871, and in the same year, the

position of the U.S. Surgeon General was created. He shared that he accepted an officer position in USHPS in Florida after unsuccessfully attempting to get a position funded in, or close to, Alaska. He said that USHPS officers in Alaska work for the Indian Health Service (IHS) or the U.S. Coast Guard. He recalled that he was deployed under USHPS multiple times during the COVID-19 pandemic. He said that in 1889, the Marine Hospital Service was changed to USHPS since the scope expanded from just helping sailors. He relayed several new positions for services USHPS provides, including veterinarians, dentists, therapists, engineers, pharmacists, nurses, environmental health specialists, scientists, and dietitians. He returned to a previous question regarding the length of deployments; he said deployments typically last a month in USHPS, and the time stationed in another state can vary from a few years to a person's entire career. He said he is open to questions from members.

[1:26:18 PM](#)

REPRESENTATIVE SADDLER referred to Mr. Wilkinson's comment that some individuals may be absent from Alaska for their entire career. He said there is a provision in state law that, if a person is an active-duty service member and outside of Alaska for over ten years, then there are additional requirements to establish a connection to the state. He asked Mr. Wilkinson for his opinion on whether the ten-year rule would apply to USHPS members.

MR. WILKINSON expressed uncertainty. He said he was gone for three years due to the service in the U.S. Air Force, but kept his residency, and still got his PFD checks. He said he is unsure of the number of officers who would be affected by this provision. He expressed the opinion that the changes in the proposed legislation are better than what is in state law now.

REPRESENTATIVE SADDLER asked that, when someone in USHPS deploys outside of Alaska, would this require the USPHS officer to change his/her home of record.

MR. WILKINSON answered no and said that his current home of record is Juneau, Alaska. He stated that when he retires from service, USHPS must pay him to move back to Juneau.

REPRESENTATIVE SADDLER responded, "By which you mean you will enjoy the benefits in moving back to your home of record, you don't mean you have to be paid to move back."

MR. WILKINSON clarified that USHPS must pay to move him and his household goods upon retirement.

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REPRESENTATIVE GRAY shared that, in his experience, there are several USHPS positions available in Alaska. He asked what the likelihood would be of a person in USHPS being assigned to serve an entire career in another state.

MR. WILKINSON answered that USHPS finds agencies to work with, like the U.S. Coast Guard and IHS. He shared that he falls into the engineer category and said that the Coast Guard does not hire engineers, but IHS does. He explained that he is with the Food and Drug Administration (FDA), and FDA does not have a permanent office in Alaska currently. He shared that he attempted to switch back to IHS but was told there were no openings. He said it would be ideal for him if a permanent FDA office was opened in Alaska, and he expressed his desire to return to the state before he retires.

REPRESENTATIVE GRAY questioned whether an amendment should be proposed to allow a PFD for a person when there is no position open for the person in a department in Alaska. He expressed the opinion that if there is a position with USHPS in Alaska, the person should be working this job, that is if the person wants to receive a PFD.

MR. WILKINSON replied that individuals do not choose where he/she works, rather it is the USHPS offices who decide. He explained that first there must be a job opening, and if there is an opening, the individual must get accepted into the position. He shared that there was not an opening when he was in Alaska; thus, could not apply. He added that there have been openings since.

REPRESENTATIVE GRAY sought further clarification on who has control of where a person is deployed. He asked if individuals have a choice in which state he/she works.

MR. WILKINSON stated that deployment location is not 100 percent out of the individual's control. He stated that he would not recommend the amendment Representative Gray is suggesting. In general, if there are openings in offices, he said USHPS would send the individual to this office. He said the process is similar to the Air Force's "dream sheet," in that the individual



submits a sheet expressing where he/she would like to be deployed. He said that ultimately, individuals are assigned to a location and are required to follow orders. He explained the location preference process in USHPS, where the individual would apply to the position. He stressed that USHPS would place individuals where needed, and this placement takes precedence over an officer's preference.

[1:32:43 PM](#)

SARAH TANJA, representing self, provided invited testimony on CSHB 25(STA). She stated that she is a separated NOAA Corps officer. She shared that she served in the NOAA Corps from 2016-2021, and now she is in Seattle at the University of Washington to attain a graduate degree in fisheries. She recounted the history of the NOAA Corps. She described that the NOAA Corps "tied its roots" to the U.S. Coast and Geodetic Survey, and was started in 1807 by U.S. President Thomas Jefferson, who formed the agency to perform scientific and historical surveys of U.S. coasts. Further, vessel operators and scientists were brought to conduct survey operations, but in 1917 during World War I, the survey group was transitioned into commissioned officers. She explained that the transition was because the survey group had performed advanced mapping before the war.

MS. TANJA shared that she had served in the NOAA Corps for five to six years, and in the first two years she had received a PFD. She said she is the person who had called Representative Story and relayed the situation about her denied PFD. She stated that the denial was due to a technicality, in that the language within the allowable absence statute uses the word "armed forces" rather than "uniformed services". She stated that she appealed the denial, and the appeals officer offered the sentiment of wishing the PFD could be issued, but based on the language in statute, it could not. She stated that this officer had suggested that she call her local representative about changing the statute language.

MS. TANJA clarified that she had maintained her residency in Alaska during her time in the NOAA Corps, but she did not receive a PFD. She pointed out that an Alaskan can still be a resident, despite not receiving a PFD. She shared that she made visits to Juneau, voting in local and state elections, and maintained her driver's license. She maintained that she has nothing to gain from her testimony on the legislation, and the statute change to "uniformed services" would be equitable. She

noted that other overseas services are recognized in statute and used the Peace Corps as an example. She stressed that NOAA Corps serves domestically on all U.S. coasts, and she stated that the corps serves in Alaska more than anywhere in the U.S. She said the Alaska missions involve fishery surveying, providing information for fishery management councils, and charting navigation for mapping.

[1:38:59 PM](#)

RICH BERKOWITZ, Of Counsel, Transportation Institute, expressed support for the proposed legislation, specifically, the section regarding merchant mariners in training. He shared that in 1999, there was an effort to pass legislation to consider merchant mariners eligible. He said the legislation at the time would have accounted for merchant mariners working outside of the state, as well as vessels in state, provided the applicant meets other legal requirements under PFD law. He noted that family members were not included in the previous bill. He explained it was found that in 1999 there was already an allowable absence exemption for vocational training, so there was no need to change the law at the time. He addressed working with the Seafarers Union and explained that the Transportation Institute represents several employers who have Alaska contracts with the union. In 1997, he said the organizations were interested in local hire. He recalled an encounter with U.S. Representative Don Young, where the congressman toured a Tok Maritime vessel and asked for the Alaskans working onboard to come forward. After none came forward, he received a call from the CEO of Tok Maritime, who said, "That is never going to happen again." He said the moment helped to motivate the union to establish a hall in Anchorage and recruit in Alaska.

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MR. BERKOWITZ recounted that in 1999 young Alaskans who were shipping out for service were being told they would not be eligible for a PFD. He explained that the PFD ineligibility generated disinterest among young people, as this money was the only income most were familiar with. He stated that at this time it was clear exemption language needed to be changed to add merchant mariners. He relayed that the legislature had unanimously passed legislation on the matter, but in 2017, the Alaska Permanent Fund Division decided to change the definition of allowable vocational training and opted to use the Alaska Commission on Post-Secondary Education's definition of vocational training. The definition meant the training had to

be recognized under Title IV of the federal code, which outlines that the person must be eligible for tuition, loans, and support under the Department of Education's loan and grant statutes. He said that the change made sense, except in the case where tuition is not charged. He explained that merchant mariner training does not involve tuition since the tuition, as well as room and board, are paid for by vessel operators who hold contracts with the union. He explained that the change had an unintended consequence, in that it left young up-and-coming mariners "high-and-dry" without a dividend because the merchant mariner training did not charge tuition. He said the Transportation Institute worked with the Permanent Fund Dividend Division regarding the allowable absence statute, of which the Department of Law determined this would need to be changed in order to allow merchant mariner training as an allowable absence, leading to the bill before the committee.

MR. BERKOWITZ stated that the institute is interested in continuing its relationship with the state with free education and guaranteed job placement to Alaskans. He noted that Alaskans are some of the best people the institute can find and said that could be because the state has the largest coastline in the country. He recognized that Alaska youth who become mariners as mature and responsible problem solvers. He said the merchant mariners' school, located in Maryland, recruits from all over the country. He expressed the hope that, with help from committee members, there will be more local hires in Alaska. He articulated that merchant mariners earn union benefits and a good wage, and this would return money to the state. He illustrated an example of a person coming back to a village after receiving a mariner's wage and putting the money back into the village. He expressed the hope to see this example continue, as well as the institute's ability to recruit Alaskans to be merchant mariners. He thanked the committee and said he is open to questions.

[1:46:27 PM](#)

REPRESENTATIVE SADDLER asked what the Transportation Institute is.

MR. BERKOWITZ answered that the institute is a member of the Alaska State Chamber. Further, the institute works on behalf of the U.S.-flag Services [Maritime Administration] and promotes policy that supports the U.S. flagged merchant marines. He said that his work primarily involves federal legislation that helps to maintain a U.S.-flagged merchant marine, and this includes

vessels serving Alaska. He reiterated that the institute would welcome locally hired Alaskans.

REPRESENTATIVE SADDLER asked who the institute's members are and if the organization is a nonprofit.

MR. BERKOWITZ confirmed that the institute is a 501(c)(6) nonprofit with a main office in Maryland and an office on the West Coast. He said he was previously the head of the west coast office before he retired. He said that in the late 1990s, he worked as head of the west coast office when the bill on allowable absence exemptions for mariners originally passed. He expressed interest in working on this matter while he is Of Counsel to the Transportation Institute.

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CHAIR WRIGHT opened public testimony on HB 25.

[1:49:23 PM](#)

NICHOLAS MARRONE, Vice President, West Coast Seafarers International Union, thanked members for addressing the issue of individuals who attend merchant marine training out of state, but have been determined not eligible for a PFD. He said the Seafarers Union has maintained an office in Anchorage since 1996 with the purpose of recruiting Alaskans for employment on board U.S. flagged vessels in the domestic and international trades. He explained that the union also represents civilian mariners who are employed by the Military Sealift Command and the Maritime Administration's ready reserve vessels. He stated that for over 25 years the union has made a concerted effort to recruit Alaska youth, Natives, displaced fishers, displaced workers, and veterans for employment as deep sea mariners. He said the effort was started in 1997 with a strategic partnership between the union and the Department of Labor and Workforce Development, which he said has grown into the referral, training, and hire of over 800 Alaskans over the years. He shared that training is conducted at a maritime school on the shores of southern Maryland, which is operated by a joint labor management board.

MR. MARRONE said the school provides the most diverse set of U.S. Coast Guard certified maritime classes in the nation and maintains registration as a U.S. Department of Labor apprentice program. Further, he said those who graduate from the school are guaranteed employment, earn union wages, family benefits,

and qualify for union pension plans. He explained that the graduate could then advance to the U.S. Coast Guard defined career ladder - even up to becoming an officer - through the school. Once a prospective mariner is accepted into the program and progresses through the career ladder, all education related expenses are paid for by the union management training trust. He expressed the opinion that the union has had tremendous success with its collaborative effort to train and hire Alaskans; furthermore, he stated that Alaskans and veterans are clear "standouts" in the union's training and retention goals. He urged the committee to pass HB 25, so the union can continue to attract Alaskans to the opportunities that U.S. flagged maritime has to offer.

[1:52:26 PM](#)

RALPH MIRSKY, CEO, SeaLink International Inc., shared that SeaLink is a nonprofit working in Alaska for over 22 years. He said that he has been working with the Department of Labor and Workforce Development in order to accept federal grants to recruit for the seafarers vocational training program. He said SeaLink has been responsible for recruiting over 600 individuals, including "hard-to-serve" youth, dislocated workers, displaced fishermen, and low-income adults. He said that the agency has an excellent success rate, with great recruits. He said the effort has been a "boom" with individuals recruited from all over Alaska. He relayed an example of a youth from Ketchikan who worked his way up to ferry boat captain, who now works in Washington State. He thanked members for taking up HB 25, and he expressed the hope that youth would not walk away from the opportunity because they would not get a PFD. He said that the youth see the PFD as a "big time benefit;" however, he asserted that the career would be the benefit. He expressed the opinion that PFDs be returned to youth in the seafarer's program. He noted that SeaLink has a scholarship program that sends youth to a maritime academy in California. He explained that these participants are outside of Alaska for over 180 days, as the program is for four years, and these youth receive their PFDs. He said there is an amount of fairness involved.

[1:55:36 PM](#)

CHAIR WRIGHT, after ascertaining that there was no one else who wished to testify, closed public testimony on CSHB 25(STA).

[1:55:41 PM](#)

CHAIR WRIGHT announced that CSHB 25(STA) was held over.

[1:55:54 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at 1:55 p.m.