

SENATE FINANCE COMMITTEE

April 19, 2023

9:11 a.m.

9:11:30 AM

CALL TO ORDER

Co-Chair Olson called the Senate Finance Committee meeting to order at 9:11 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Donny Olson, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Jesse Kiehl
Senator Kelly Merrick
Senator David Wilson [via teleconference]

MEMBERS ABSENT

None

ALSO PRESENT

Senator Elvi Gray-Jackson, Sponsor; Besse Odom, Staff, Senator Gray-Jackson; Valerie Rose, Fiscal Analyst, Legislative Finance Division; Rob Carpenter, Deputy Director, Legislative Finance Division; Tony Newman, Director, Division Senior and Disability Services, Department of Health; Robert Nave, Program Manager, Division of Healthcare Services, Department of Health.

SUMMARY

SB 22 PROCLAIM JUNETEENTH DAY A HOLIDAY

SB 22 was REPORTED out of committee with four "do pass" recommendations and with two "no recommendation" recommendations, and with one new zero fiscal note from Department of Military and Veterans Affairs, and with one new fiscal impact note each from the Department of Education and Early Development, the Department of Health, the Department of Fish and Game, the Department of

Transportation and Public Facilities, the Department of Corrections, the Department of Public Safety, and the Department of Family and Community Services.

SB 57 ADULT HOME CARE; MED ASSISTANCE

CSSB 57(FIN) was REPORTED out of committee with three "do pass" recommendations and with three "no recommendation" recommendations, and with two new fiscal impact notes from the Department of Health, and one new zero fiscal note from the Department of Health.

#sb22

SENATE BILL NO. 22

"An Act establishing Juneteenth Day as a legal holiday."

[9:11:59 AM](#)

Co-Chair Olson relayed that the committee had heard SB 22 on Aril 4, at which time the committee heard public testimony. He mentioned an earlier issue with a fiscal note, after which his office had requested a better estimate on the potential overtime costs. He noted that there were eight fiscal notes to consider.

[9:12:56 AM](#)

SENATOR ELVI GRAY-JACKSON, SPONSOR, read from a prepared statement:

America takes pride in being the land of the free, but it was not until 1865 when the statement became a reality. The declaration states that "all men are created equal and endowed by their creator with certain unalienable rights," but before 1865 there was a facet of Americans living under bondage, unable to live life as the Declaration of Independence had promised. Before 1865, black Americans were denied their rights because they were seen as property, versus human beings.

In 1863, President Lincoln issued the Emancipation Proclamation that freed enslaved people in Texas and

all rebellious parts of Southern secessionist states of the Confederacy. However, it was only through the 13th Amendment that emancipation ended slavery throughout America. Two years later, Union troops arrived in Galveston, Texas to announce that enslaved people were free by executive decree. This marked the end of 200 plus years of the enslavement of Black Americans! Enslaved people in Texas found out they were free nearly 3 years after the fact.

Senator Gray-Jackson recounted that in 2001, Representative Lesil Maguire introduced HB 100, which established the third Saturday of each June as Juneteenth, to commemorate the abolition of slavery throughout the United States and its territories in 1865. The bill was signed into law on April 10, 2001, and was co-sponsored by multiple legislators. She thanked the past bipartisan members for supporting and recognizing the liberations of her community. She explained that Juneteenth was often seen as a black American holiday that was closed to others and asserted that it was not true.

Senator Gray-Jackson noted that Anchorage hosted the largest Juneteenth celebration in the state, which embraced people from all backgrounds. The community celebration included many state and local dignitaries. She cited that additionally, there were countries which celebrated Juneteenth other than the United States, including South Korea and Israel. She hoped for a continuing conversation on the meaning of freedom. She emphasized that the celebration of liberation reached far beyond color and ethnicity. She asserted that SB 22 would create awareness and appreciation for American history. She mentioned her 41 years in the state and noted that Juneteenth was the anniversary of her arrival to the state.

[9:16:40 AM](#)

BESSE ODOM, STAFF, SENATOR GRAY-JACKSON, introduced herself and thanked the committee for hearing the bill.

[9:17:27 AM](#)

VALERIE ROSE, FISCAL ANALYST, LEGISLATIVE FINANCE DIVISION, explained that there were eight fiscal notes for SB 22. She addressed FN 1, OMB Component 56, from the Department of Administration. The note had been provided for the

committee before the request for individual notes from agencies, which would provide the estimate for employees of facilities that employed staff working in 24-hour facilities at a time-and-a-half rate for paid holidays. She noted that the fiscal note was indeterminate and did not provide fiscal information.

Ms. Rose addressed FN 2, OMB Component 0, which was also issued prior to the request for fiscal notes from multiple agencies. The note was from various departments via the Office of the Governor, and provided an overall picture of the process of how the state holiday would be determined as a paid holiday. The fiscal note was indeterminate but addressed an estimated one-day cost for all state personnel.

[9:19:07 AM](#)

Ms. Rose addressed a new fiscal note from the Department of Public Safety. The fiscal note was for \$373,600 for the personal services required for a number of outposts and facilities including the Alaska State Troopers, the Council on Domestic Violence and Sexual Assault (CDVSA), statewide support, fire and life safety, the Village Public Safety Officer (VPSO) Program, and the Alaska Police Standards Council. All the groups were allocations in DPS and were affected by the time-and-a-half rate of pay.

Ms. Rose addressed a new fiscal note from the Department of Transportation and Public Facilities (DOT), which was in the amount \$125,900. The fiscal note described the personal services that would be required to pay individuals paid time-and-a-half for working on the paid holiday in state facilities. The fiscal note described Anchorage Airport operations, the Fairbanks Airport operations, airport facilities, field and equipment maintenance, and airport safety. Additionally, the note included some highway and aviation allocations that would also require additional staffing for time-and-a-half purposes.

Ms. Rose addressed a new fiscal note from the Department of Health, which estimated an additional cost of only \$2,000 for staff in the state Medical Examiners Office.

Ms. Rose addressed a new fiscal note from the Department of Fish and Game, with a cost of \$54,200. The department had outlined the Division of Commercial Fisheries, The Division

of Sport Fish, the Division of Wildlife Conservation, and the department's Subsistence Section as the allocations that would be impacted and required to pay time-and-a-half for certain individuals.

Ms. Rose discussed a new fiscal note from the Department of Family and Community Services for \$102,000. The note estimated that the impacts to the allocations in the department would be in the Alaska Psychiatric Institute (API), the Division of Juvenile Justice (facilities), and the Alaska Pioneer Homes.

[9:22:26 AM](#)

Ms. Rose addressed a new fiscal note from the Department of Education and Early Development, which included personal services as well as services due to contracted security working at facilities that would require payment at an additional rate for a paid state holiday. The total fiscal note was for \$4,600 and was specific to the Alaska State Museum and the Sheldon Jackson Museum.

Ms. Rose addressed a new fiscal note from the Department of Corrections for \$525,600. The department had quite a few 24-hour facilities and employed Class I employees whose services may not be given up for any period of time. The fiscal note would provide for time-and-a-half pay as required for a number of correctional officers and others working in correctional facilities.

Ms. Rose noted that while not all the fiscal notes described the methodology in the analyses, the Office and Management and Budget had shared with LFD that the requested methodology for creating the fiscal notes was to take the average of three recent state holidays in the fiscal year including July 4, Alaska Day, and Martin Luther King Jr. day.

Co-Chair Olson asked if Ms. Rose was familiar with the OMB Component numbers.

Ms. Rose listed OMB Component numbers for the fiscal notes:

DOA 56
Various from the Executive Branch no component number
DPS 2325
DOT 530

DOH 293
DGF 479
DFCS 3305
DEED 210
DOC 694

9:26:06 AM

Co-Chair Olson relayed that one amendment had been received.

Senator Wilson noted that the previous fiscal note had a cost of \$4 million, and the administration had indicated that the funds were the cost of the holiday. He asked if the additional notes reflected the additional cost for time-and-a-half pay. He asked if there was a note or actual cost for lost productivity.

Ms. Rose relayed that the new fiscal notes were at the request of the committee to better provide a picture of the actual cost. The fiscal note Senator Wilson had referenced from the Executive Branch for various agencies was initially provided to give the committee an estimate for a single day cost for personnel. She thought the note did not specifically align to the bill, which did not specify that Juneteenth would be a paid holiday. She expanded that there was a process through which unions could negotiate with the state to create a holiday that was defined as a paid holiday. The fiscal notes had been provided to give the committee an estimate of the cost if the negotiations resulted in a paid holiday for state employees. She considered that the indeterminate note from various departments was no longer necessary.

Senator Wilson MOVED to ADOPT Amendment 1, 32-GS1708\A.2 (Dunmire, 4/18/23).

Senator Bishop OBJECTED for discussion.

9:29:31 AM

AT EASE

9:32:26 AM

RECONVENED

Co-Chair Olson asked Senator Wilson to speak to Amendment 1.

Senator Wilson explained that the amendment would insert a floating holiday for state employees, instead of Juneteenth. He referenced the naming of bridges. He noted that the amendment would allow for anyone to take off the day of their choosing. He mentioned the issue of creating additional holidays on an ongoing basis. The amendment would provide for a state holiday that employees could take as they saw fit.

Senator Merrick commented that she would support the amendment. She mentioned the state's short construction season and thought the amendment would allow for construction workers to keep working and celebrate Juneteenth later in the year.

[9:34:49 AM](#)

Senator Gray-Jackson thanked Senator Wilson for his comments at the bill's previous hearing and for the amendment. She found that his comments at the previous bill hearing were offensive, and that the amendment was offensive. She contended that his comparison of the proposed holiday to the naming of bridges and other things was offensive. She emphasized that the proposed Juneteenth holiday was about celebrating the freedom of black people. She reiterated that Juneteenth was already recognized in state statute.

Ms. Odom emphasized that the bill was deliberate in the intention to celebrate liberation and the end of a four-decades long chapter of American history. She considered that the amendment diminished and minimized the intent of the bill, as well as an important part of history. She referenced honoring contributions of people by celebrating Juneteenth. She noted that the sponsor was not in favor of the amendment.

Senator Kiehl relayed that he would not support the amendment and that he supported the underlying bill. He thought the floating holiday as proposed in the amendment would result in cashable leave and could result in increased costs. He thought the amendment proposed to make an entirely different bill, and suggested those in opposition to the bill sponsor a separate piece of legislation.

Senator Bishop MAINTAINED his OBJECTION.

[9:38:06 AM](#)

Senator Wilson relayed that he was not trying to take away the celebration of Juneteenth, but rather have more opportunity for people to celebrate a chosen holiday. He contended that the bill would not prevent racism. He asserted that the bill did not propose to put resources toward education of African American culture. He thought instead of vilifying people through remembering slavery, the state should remember those who sacrificed for freedom and allow equal opportunity for every culture to celebrate any holiday that was chosen. He asserted that his amendment was intended to be more inclusive. He discussed the celebration of freedom through Independence Day and suggested that making Juneteenth a focal point would distract from history and further divide people.

A roll call vote was taken on the motion.

IN FAVOR: Merrick, Wilson

OPPOSED: Bishop, Kiehl, Stedman, Hoffman, Olson

The MOTION FAILED (2/5).

Co-Chair Stedman asked for a reminder of the total cost of the fiscal notes.

Ms. Rose relayed that the total fiscal note cost was \$1.187 million, not all of which was Unrestricted General Funds (UGF). She offered to get back to the committee with a breakout of fund sources.

Co-Chair Olson asked if Ms. Rose had a rough estimate of the funding breakdown.

Ms. Rose answered in the negative.

[9:41:55 AM](#)

AT EASE

[9:43:52 AM](#)

RECONVENED

Co-Chair Olson asked if there were any further comments on the bill.

Senator Wilson relayed that he supported Juneteenth as a holiday but did not support the bill and did not support the commercialization of Juneteenth. He mentioned products sold for Juneteenth. He mentioned wearing African American culture as a costume. He relayed that he would address his concern on the Senate floor.

[9:45:02 AM](#)

AT EASE

[9:45:36 AM](#)

RECONVENED

Senator Kiehl MOVED to report SB 22 out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

SB 22 was REPORTED out of committee with four "do pass" recommendations and with two "no recommendation" recommendations; and with one new zero fiscal note from Department of Military and Veterans Affairs, and with one new fiscal impact note each from the Department of Education and Early Development, the Department of Health, the Department of Fish and Game, the Department of Transportation and Public Facilities, the Department of Corrections, the Department of Public Safety, and the Department of Family and Community Services.

[9:46:06 AM](#)

AT EASE

[9:49:00 AM](#)

RECONVENED

#sb57

SENATE BILL NO. 57

"An Act 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."

[9:49:05 AM](#)

Co-Chair Olson relayed that SB 57 had first been heard on March 28, at which time the committee heard public testimony.

[9:49:32 AM](#)

TONY NEWMAN, DIRECTOR, DIVISION SENIOR AND DISABILITY SERVICES, DEPARTMENT OF HEALTH, relayed that SB 57 provided elderly Alaskans and adults with disabilities who were enrolled in a Medicaid home and community-based waiver with a new living option in adult home care. He noted that the bill would establish a new licensed residential setting type and a new certified service to be overseen by DOH. Under SB 57, the department would develop a streamlined process for foster parents who had cared for foster children with disabilities to transfer their existing foster home license to the new adult home care license. The bill would provide an incentive for foster families to remain together as children with disabilities aged out of the foster care system. He asserted that the bill would address the shortage of services and settings for seniors and individuals who required help with the activities of daily living and other assistance to achieve greater independence. He thought that the fiscal notes had been reviewed at the previous bill hearing.

Co-Chair Olson asked if there was opposition to the bill.

Mr. Newman was not aware of any opposition to the bill.

[9:51:15 AM](#)

Senator Kiehl MOVED to ADOPT Amendment 1.

Co-Chair Olson OBJECTED for discussion.

Senator Kiehl discussed Amendment 1, which he described as a minor change. He explained that the bill language about the homes not being a business site was too prescriptive. He had talked with the department, which had indicated it planned to put in regulation pertaining to the requirements. He explained that running a home for payment may trigger a municipal business license, and in some cases, individuals could have a separate home-based business. The bill itself stipulated that the homes be small and for two people served, with three as an exception.

Co-Chair Olson asked Mr. Newman to comment on the amendment.

Mr. Newman indicated that the Division of Senior and Disability Services had no objection to the amendment.

9:52:42 AM

ROBERT NAVE, PROGRAM MANAGER, DIVISION OF HEALTHCARE SERVICES, DEPARTMENT OF HEALTH, indicated that the division did not have concerns about the amendment.

Co-Chair Olson WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered.

Senator Kiehl MOVED to report CSSB 57(FIN) out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSSB 57(FIN) was REPORTED out of committee with three "do pass" recommendations and with three "no recommendation" recommendations; and with two new fiscal impact notes from the Department of Health, and one new zero fiscal note from the Department of Health.

Co-Chair Olson discussed the agenda for the afternoon meeting.

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ADJOURNMENT

9:54:13 AM

The meeting was adjourned at 9:54 a.m.