

SENATE FINANCE COMMITTEE

April 24, 2023

9:04 a.m.

9:04:49 AM

CALL TO ORDER

Co-Chair Olson called the Senate Finance Committee meeting to order at 9:04 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

MEMBERS ABSENT

Senator David Wilson

ALSO PRESENT

Senator Bill Wielechowski, Sponsor; Nick Moe, Staff,
Senator Bill Wielechowski; Cathy Schlingheyde, Staff,
Senator Jesse Kiehl.

PRESENT VIA TELECONFERENCE

Kelly Manning, Deputy Director, Division of Innovation and Education Excellence, Department of Education and Early Development; Andy Mills, Legislative Liaison, Department of Transportation and Public Facilities.

SUMMARY

SB 67 PFAS USE FIREFIGHTING

CSSB 67 was REPORTED out of committee with three "do pass" recommendations and with one "no recommendation" recommendation, and with two previously published fiscal notes: FN 1(DOT), FN 2(DPS).

SB 99 FINANCIAL LITERACY COURSE IN SCHOOLS

SB 99 was HEARD and HELD in committee for further consideration.

Co-Chair Olson discussed the agenda.

[9:05:27 AM](#)

AT EASE

[9:05:44 AM](#)

RECONVENED

Co-Chair Olson clarified that Senator Bishop was present and Senator Wilson was away on other state business.

#sb99

SENATE BILL NO. 99

"An Act establishing a financial literacy education course for public schools; and providing for an effective date."

[9:06:25 AM](#)

SENATOR BILL WIELECHOWSKI, SPONSOR, introduced himself and explained that SB 99 established a financial literacy education program for public schools, which required the offering of a half-credit course. The bill was based on statistics such as that 55 percent of Americans had less than \$1,000 in savings. He opined that most Americans had nowhere the amount needed for retirement. He cited that the median average savings for American families was about \$60,000. He cited that Alaska led the nation in credit card debt. He noted that 22 states had enacted financial literacy requirements in schools.

Senator Wielechowski continued that after receiving feedback from school districts, he had crafted the bill to be as flexible as possible. He furthered that school districts could choose to incorporate various components of the information into different classes such as math or history. He referenced page two of the bill, and listed provisions such as the inclusion of topics on how to make a budget, basic money management principles, income taxes, and savings and retirement.

[9:08:52 AM](#)

NICK MOE, STAFF, SENATOR BILL WIELECHOWSKI, addressed a Sectional Analysis (copy on file):

Section 1. AS 14.30 relating to public schools, adds a new section

- a. directing school districts to establish and provide a financial literacy education program, equivalent to a half credit, for students in grades nine through 12 that will be approved by the Department of Education & Early Development.
- b. provides a list of topics to be covered in the course, to the maximum extent practicable.

Section 2. Provides an applicability date of January 1, 2026, for the first graduating class that will need to meet this requirement.

Section 3. Provides an effective date for the bill of July 1, 2025.

Senator Bishop believed that there was staff from the Department of Education and Early Development (DEED) online and available for questions.

[9:10:12 AM](#)

KELLY MANNING, DEPUTY DIRECTOR, DIVISION OF INNOVATION AND EDUCATION EXCELLENCE, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT (via teleconference), introduced herself.

Senator Bishop was curious about how many districts already taught something like financial literacy.

Ms. Manning did not have numbers to provide but agreed to bring the information to the committee at a later time. She knew that there were some components of financial literacy offered in math curriculum in some districts.

Co-Chair Olson asked how the bill was not considered an unfunded mandate for school districts.

Ms. Manning could not speak to whether school districts would perceive the bill as an unfunded mandate. She referenced fiscal notes that reflected resources needed to come up with curriculum to meet the bill requirements. She

thought districts would need to weigh in on what the financial implications would be.

Co-Chair Olson asked the bill sponsor to address Senator Bishop's question.

Senator Wielechowski relayed that he was not aware of opposition to the bill, and that he had received a great deal of support from the Anchorage School District (ASD). He noted that school districts in Anchorage and Haines already had components of the curriculum. He had worked with the Association of Alaska School Boards (AASB) to try to make it so that bill was not an unfunded mandate. He noted that the department had a small fiscal note that would provide the curriculum from the bill. He noted that there was standardized curriculum available. He thought the flexibility in the bill would help to keep costs down.

[9:13:34 AM](#)

Senator Merrick asked if the sponsor imagined that math teachers would be teaching the course.

Senator Wielechowski thought school districts would be teaching the content differently. He pondered that some school districts would choose to have a specific financial literacy class, while others may have components taught via applied mathematics. He reiterated that the bill was written to be flexible. He thought it was important for kids to graduate knowing basic fundamental financial information.

Mr. Moe discussed a presentation entitled "Financial Literacy - SB 99," (copy on file).

Mr. Moe showed slide 2, "What is Financial Literacy?":

- Understand how much you earn and spend
- Repay and avoid debt
- Build assets and achieve personal goals
- Achieve financial security later in life

Mr. Moe turned to slide 3, "Why do we need Financial Literacy?":

- Only 1/3 of Americans can comfortably cover a \$400 emergency

- Average credit card debt in Alaska: \$8,026
- Average student loan debt in Alaska: \$34,024
- F rating for financial literacy education

Mr. Moe noted that Alaska had the lowest at completion rate of the Free Application for Federal Aid (FAFSA), which he thought was a barrier to pursuing college and trade schools.

Mr. Moe advanced to slide 4, "Senate Bill 99":

- Adds a 0.5 credit in financial literacy
- Course should cover topics including:
 - Making a budget
 - Avoiding fraud and financial deception
 - Basic principles of retirement accounts
 - Postsecondary financial aid and scholarships

Mr. Moe considered slide 5, "Committee Substitute":

- Met with Stakeholders
- Flexibility
- Relevant Content

Mr. Moe mentioned that there had been a few changes to the bill in the Senate Education Committee.

Mr. Moe addressed slide 6, "Support for Senate Bill 99," which listed different stakeholders that including parents, teachers, students, school administrators, and school board members.

[9:17:38 AM](#)

Co-Chair Olson OPENED public testimony.

[9:17:50 AM](#)

Co-Chair Olson CLOSED public testimony.

Senator Bishop thanked the sponsor for bringing the bill forward. He shared that he had taken a similar course in economics in high school.

Co-Chair Olson thought it was concerning that the state was leading the nation in credit card debt, and residents had so little in savings for emergencies.

SB 99 was HEARD and HELD in committee for further consideration.

#sb67

SENATE BILL NO. 67

"An Act relating to firefighting substances; and providing for an effective date."

9:18:56 AM

Co-Chair Olson relayed that the committee had first heard SB 67 on April 12, at which time the committee had taken public testimony.

9:19:22 AM

Senator Kiehl, Sponsor, relayed that SB 67 was fundamentally a "no new spills" bill for per- and polyfluoroalkyl substances (PFAS), which were primarily used for firefighting in the state. The substances were toxic in extremely low concentrations. The bill forbade the use of the chemicals from the bill's effective date. He noted that there was a delayed implementation for the oil and gas industry, and once there were fluorine-free foams for use in firefighting the fire marshal would implement the transition by regulation. The other important part of the bill was a take-back of up to 40 gallons per person. He believed that the major beneficiary of the take-back would be small fire departments in rural areas of the state. The state would take the material and dispose of it, along with the roughly 30,000 to 35,000 gallons the state already owned.

9:21:19 AM

CATHY SCHLINGHEYDE, STAFF, SENATOR JESSE KIEHL, introduced herself and expressed appreciation for the committee hearing the bill.

Co-Chair Olson asked how many rural airports would be affected by the bill and had PFAS chemicals.

Senator Kiehl explained that the Federal Aviation Administration (FAA) had long required jet-capable airports to have PFAS foams. The requirement was in the process of

changing, because there were military specifications for fluorine-free foams and there were many commercially available fluorine-free foams. He continued that the smallest rural airports had not been required to have PFAS foams, however, the code-red cards contained PFAS foams. He noted that the Department of Transportation and Public Facilities (DOT) had prepared a remarkably thorough fiscal note, which he thought listed approximately 130 locations with code-red cards.

Co-Chair Olson asked if there had been any litigation over the fire retardant in rural Alaska.

Senator Kiehl relayed that the State of Alaska was suing a variety of manufacturers of PFAS foams. The state's position in the lawsuits was that the manufacturers knew about the toxicity long before the information was shared. He emphasized that PFAS was incredibly expensive and difficult to clean up, and where it had been sprayed it could pollute downstream drinking water.

Co-Chair Olson asked for a reminder of some of the toxic outcomes from PFAS contamination.

Senator Kiehl mentioned significant fetal affects in pregnant women (including low birthweight), reduced immune function, tremendous kidney and liver difficulties, and certain cancers.

Ms. Schlingheyde specified that PFAS contamination was associated with kidney and liver cancers and was more loosely associated with other cancers such as thyroid cancer.

Co-Chair Olson thought PFAS did not have the same stigma as asbestos, asked if PFAS was not associated with mesothelioma.

Senator Kiehl was not aware of an association with mesothelioma or other lung effects.

Co-Chair Olson clarified that there was awareness around the negative effects of asbestos.

Ms. Schlingheyde relayed that scientists were still trying to determine what mechanism was causing health effects from PFAS. The toxicity was not associated with one thing, but

caused system-wide disruption throughout the body. There was no finding of why there was an effect on the body after lab and population studies.

[9:25:43 AM](#)

Co-Chair Olson asked if the Department of Transportation and Public Facilities (DOT) was present online. He asked if the department was in favor of the legislation.

ANDY MILLS, LEGISLATIVE LIAISON, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES (via teleconference), shared that the department, in conducting research on Project Code Red, had identified issues with PFAS substances in rural areas. He mentioned that many of the 132 sites had equipment that was no longer certified as usable. He shared that DOT had significant stores of material containing PFAS at airports. He noted that the bill did not necessarily take care of rural airports, which had not been included in the analysis that was done. He considered that the language was broad enough that anyone with the substance could come to the department with up to 40 gallons annually on a first-come, first-serve basis.

Co-Chair Olson asked about airports, and asked if it was fair to say that all Part 139-certified airports had a PFAS problem.

Mr. Mills believed that Co-Chair Olson had fairly characterized the situation. He thought the Department of Environmental Conservation (DEC) had a map. He affirmed that the airports had PFAS that had been put on the ground and had either saturated soils or washed into water tables and were contaminated sites.

[9:28:33 AM](#)

Co-Chair Olson asked how many 139-certified airports there were in the state.

Mr. Mills thought there were 230 to 240 state airports that were certified. He offered to provide a precise number at a later time. He noted that the department was working on gathering more information on the scope of the issue and providing supplemental water when necessary so people were not drinking contaminated water.

Co-Chair Olson thought PFAS was obviously an effective fire extinguisher. He asked if there had been industry feedback on the bill.

Mr. Mills had not heard feedback as Co-Chair Olson suggested. In the course of the investigation into Project Code Red being deployed to villages, he recalled there was discussion of added effectiveness of PFAS substances in putting out fires.

Co-Chair Olson asked if Mr. Mills was indicating that none of the aircraft owners and operators had been resistant to the legislation.

Mr. Mills explained that he had not heard of any resistance nor had the department solicited any.

[9:31:28 AM](#)

Co-Chair Olson asked if Senator Kiehl had heard any opposition from airlines or operators.

Senator Kiehl relayed that he had not heard any objections from the aviation industry. He explained that the fluorine-free alternative foams that had been in use in other areas around the world for many years were highly effective. He continued that the foams that met the United States Navy new military specifications would save lives as effectively as the toxic fluorinated foams.

Co-Chair Olson asked if the new foams were affordable.

Senator Kiehl relayed that there were several products available that ranged from the same price to an increase of about 15 percent. He thought that generally speaking the alternative foams cost equivalently but required a greater volume.

Co-Chair Olson assumed that the alternative foams were much less toxic.

Senator Kiehl agreed that because the fluorine-free foams were developed in Northern Europe, the substances were subject to very different regulatory environments where often times safety demonstration was required before a product was released.

Co-Chair Olson relayed that no amendments had been proposed.

Senator Kiehl MOVED to report CSSB 67(RES) out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSSB 67 was REPORTED out of committee with three "do pass" recommendations, with one "no recommendation" recommendation, and with two previously published fiscal notes: FN 1(DOT), FN 2(DPS).

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

[9:34:18 AM](#)

AT EASE

[9:34:54 AM](#)

RECONVENED

Co-Chair Olson clarified that there was nothing on the schedule for the afternoon nor the following morning.

[9:35:16 AM](#)

AT EASE

[9:35:27 AM](#)

RECONVENED

Co-Chair Olson relayed that a new Committee Substitute for the capital budget would be introduced the following day in the afternoon meeting.

#

ADJOURNMENT

[9:35:48 AM](#)

The meeting was adjourned at 9:35 a.m.