

SENATE FINANCE COMMITTEE
February 26, 2024
9:03 a.m.

9:03:03 AM

CALL TO ORDER

Co-Chair Olson called the Senate Finance Committee meeting to order at 9:03 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

MEMBERS ABSENT

None

ALSO PRESENT

Genevieve Wojtusik, Director, Permanent Fund Dividend Division; Fadil Limani, Deputy Commissioner, Department of Revenue; Senator Cathy Giessel.

PRESENT VIA TELECONFERENCE

John Sturgeon, Appointee, Alaska Mental Health Trust Authority, Anchorage; Brent Fisher, Appointee, Alaska Mental Health Trust Authority, Anchorage; Corey Bigelow, Operations Manager, PFD Division, Department of Revenue, Juneau; Rich Berkowitz, Transportation Institute, Seattle; Sarah Scherer, Vice President of Pacific Coast Operations, Transportation Institute, Seattle; Kimberly Lane, Eligibility Manager, PFD Division, Department of Revenue, Juneau;

SUMMARY

SJR 14 SUPPORT STATE SEAFOOD INDUSTRY

SJR 14 was REPORTED OUT of committee with six "do pass" recommendations and one new zero fiscal note from the Senate Finance Committee.

SB 85 PERM FUND; EMPLOYMENT; ELIGIBILITY

SB 85 was HEARD and HELD in committee for further consideration.

CONFIRMATION OF GOVERNOR'S APPOINTEES:

JOHN STURGEON, ALASKA MENTAL HEALTH TRUST AUTHORITY
BRENT FISHER, ALASKA MENTAL HEALTH TRUST AUTHORITY

#sjr14

SENATE JOINT RESOLUTION NO. 14

Calling on the United States Congress and all federal agencies to adopt policies and engage in certain efforts to improve the competitiveness and resiliency of the state's seafood industry.

[9:04:13 AM](#)

SENATOR CLICK BISHOP, SPONSOR, believed that there was an urgency in getting the bill across the Seante Floor as soon as possible.

[9:04:33 AM](#)

Co-Chair Stedman MOVED to REPORT SJR 14 out of committee with individual recommendations and attached fiscal note. There being NO OBJECTION, it was so ordered.

SJR 14 was REPORTED OUT of committee with six "do pass" recommendations and one new zero fiscal note from the Senate Finance Committee.

^CONFIRMATION OF GOVERNOR'S APPOINTEES: JOHN STURGEON,
ALASKA MENTAL HEALTH TRUST AUTHORITY

[9:05:18 AM](#)

JOHN STURGEON, APPOINTEE, ALASKA MENTAL HEALTH TRUST AUTHORITY, ANCHORAGE (via teleconference), discussed his background. He noted that he had been Chair of the Resources Committee for the AMHTA for the last 5 years. He

relayed that the authority generated its own funds, generally through timber sales, mining operations, and land sales and leases. He hopes to continue to help the residents of Alaska.

Co-Chair Olson asked for additional educational background.

Mr. Sturgeon replied that he went to the University of Minnesota and graduated with a degree in Forestry.

Senator Bishop moved that SFC forward the nomination of Mr. Johnson Sturgeon to the Alaska Mental Health Trust Authority board of trustees, to a joint session of the legislature. He furthered that this did not reflect an intent by any member of the SFC to vote for or against the confirmation during any further sessions.

[9:08:06 AM](#)

^CONFIRMATION OF GOVERNOR'S APPOINTEES: BRENT FISHER,
ALASKA MENTAL HEALTH TRUST AUTHORITY

BRENT FISHER, APPOINTEE, ALASKA MENTAL HEALTH TRUST AUTHORITY, ANCHORAGE (via teleconference), said that he'd been in Alaska since 2009 and had been on the board for 3 years. He was currently service and Vice Chair on the Board of Trustees.

[9:08:45 AM](#)

Mr. Fisher shared that he had a 30-year background in healthcare. He relayed that he owned the Alaska Sleep Clinic.

[9:09:56 AM](#)

Mr. Fisher continued to discuss his background and qualifications, noting that he had a bachelor's degree from Brigham Young University and an MBA from the University of Texas, Ausitn. He stated that he was familiar with the beneficiaries of the trust and had enjoyed his time serving on the board. He discussed his work in rural Alaska. He hoped to continue to serve Alaskan's.

[9:11:08 AM](#)

Co-Chair Olson asked for Mr. Fisher's field of study at BYU.

[9:11:39 AM](#)

Mr. Fisher replied that he had a double major in International Relations and Portuguese.

Senator Olson asked where he saw the board in 5 years.

Mr. Fisher replied that he saw the board continuing to do the work it was already doing while efficiently and effectively allocating funds to provide services. He said the biggest project he saw on the horizon was the Crisis Now project, which would effectively provide access to counsellors to beneficiaries statewide.

Senator Bishop moved that SFC forward the nomination of Mr. Brent Fisher to the Alaska Mental Health Trust Authority board of trustees, to a joint session of the legislature. He furthered that this did not reflect an intent by any member of the SFC to vote for or against the confirmation during any further sessions.

#sb85

SENATE BILL NO. 85

"An Act relating to record checks for certain employees of the Department of Revenue; relating to permanent fund dividends; and providing for an effective date."

[9:15:19 AM](#)

GENEVIEVE WOJTUSIK, DIRECTOR, PERMANENT FUND DIVIDEND DIVISION, introduced the legislation. She discussed slide 3 of the presentation, "SB 85" (copy on file):

[9:16:38 AM](#)

Ms. Wojtusik pointed to slide 3, "SB 85-Bill Overview":

An Act relating to record checks for certain employees of the Department of Revenue; relating to permanent fund dividends.

- The proposed legislation provides statutory authority to collect fingerprints for the purpose of conducting background checks on DOR employees including contractors that may have access to personal identifiable information (PII).
- Allows merchant mariners attending qualified vocational programs to qualify for an allowable absence from the state for eligibility purposes.
- Adds a new subsection to AS 43.23.008 to define the term "education on a full-time basis" for the purposes of calculating allowable absences for students receiving secondary or postsecondary education, vocational, professional, or other specific education.
- Amends AS 43.23.140(d) to allow the division to use electronic notice of levy for individuals who are subjected to a court order or writ for the collection of a debt.

[9:16:48 AM](#)

Ms. Wojtusik addressed slide 4, "SB 85":

Sections 1, 3 and 5: Background Checks on Employees:

Amends AS 12.62 and AS 43.23 to authorize the **Department of Revenue to collect fingerprints for completion of a national criminal history record check** for the purpose of determining suitability for employment.

The amendment to AS 12.62 authorizes the Department of Public Safety to conduct national criminal history checks for division employees.

[9:17:14 AM](#)

Ms. Wojtusik looked at slide 5, "SB 85":

Section 2: Adds Definition to "education on a full-time basis"

Adds a new subsection to AS 43.23.008 to **define the term "education on a full-time basis" for the purposes of calculating allowable absences for students**

receiving secondary or postsecondary education, vocational, professional, or other specific education.

- The proposed definition would allow the division to include intra-academic year holidays and breaks, but not summer breaks, in the full-time education calculation, as opposed for separately calculating holidays and breaks under the current iteration of the statute.

[9:17:28 AM](#)

Ms. Wojtusik highlighted slide 6, "SB 85":

Section 2: Merchant Mariners

Amends AS 43.23.008(a) to allow **merchant mariners students** training to be Merchant Mariners attending qualified vocational courses to maintain PFD eligibility.

[9:17:59 AM](#)

Ms. Wojtusik pointed to slides 7 and 8, "SB 85":

Section 2: New from S L&C CS:

Amends AS 43.23.008(a) (5) receiving continuous medical treatment recommended by a licensed physician or convalescing as recommended by the physician who treated the illness if the treatment or convalescence is not based on a need for climatic change;

to allow:

- (A) 180 days in addition to any absence or cumulative absences claimed (i) under (3) of this subsection if the individual is not claiming an absence under (1), (2), or (4) - (16) of this subsection; **or (ii) under (5) of this subsection if the individual is not claiming an absence under (1) - (4) or (6) - (16) of this subsection;**

Section 4: Electronic Notice of Levy Amends AS 43.23.140(d) to **allow the division to use electronic notice of levy** for individuals who are subjected to a court order or writ for the collection of a debt.

- Currently, the division is required to provide notice of levy via mail, despite the consent of many applicants to receive electronic notices.

[9:18:25 AM](#)

Ms. Wojtusik addressed slide 9:

Section 5: Adds transitional regulation language.

Section 6: Adds immediate effective date language.

Section 7: Adds otherwise effective date language as of 1/1/2024.

[9:18:36 AM](#)

Senator Kiehl requested further clarification on the "break or holiday" language.

[9:18:51 AM](#)

Ms. Wojtusik replied that the number of absences were counted for students out of state for school; the intent was to assure student were not disqualified if they could not make it back to the state for spring or winter break.

[9:19:43 AM](#)

Senator Kiehl asked about the fingerprinting and whether it was a current practice.

[9:19:58 AM](#)

Ms. Wojtusik responded that currently background checks, including fingerprinting, was not a practice for the department. She said that the addition of fingerprinting was meant as a safety measure.

[9:20:29 AM](#)

Senator Kiehl queried the possible risks that had been identified to require the background check.

[9:20:43 AM](#)

Ms. Wojtusik replied that employees would have access to sensitive information and the department believed that this was a step in mitigating risk while handling confidential and private information.

[9:21:10 AM](#)

Co-Chair Olson asked whether it had been a problem in the past.

[9:21:13 AM](#)

Ms. Wojtusik responded that there had been no problems in the past.

[9:21:21 AM](#)

Senator Kiehl wondered how much of PFD applicant information was available to individual Alaskans or department staff.

Ms. Wojtusik replied that staff signed confidentiality agreements and were privy to information listed on the PFD application.

Senator Kiehl thought that the names of PFD applicants had been available in the past to data brokers.

[9:22:09 AM](#)

Ms. Wojtusik said that the data base was no longer available online. She said that a paper copy of every Alaskan that had applied for the PFD could be requested by the public.

[9:24:19 AM](#)

COREY BIGELOW, OPERATIONS MANAGER, PFD DIVISION, DEPARTMENT OF REVENUE, JUNEAU (via teleconference), stated that he did not have a presentation and was available for questions.

[9:25:28 AM](#)

Co-Chair Olson asked for a presentation of the fiscal note.

[9:25:36 AM](#)

AT EASE

[9:26:25 AM](#)

RECONVENED

[9:26:38 AM](#)

Ms. Wojtusik spoke to the zero fiscal note, OMB component 981. She noted that there would be minimal costs absorbed by the department.

[9:26:57 AM](#)

Co-Chair Olson surmised that that the costs would not increase the department's budget.

[9:27:13 AM](#)

Ms. Wojtusik agreed.

[9:27:44 AM](#)

RICH BERKOWITZ, TRANSPORTATION INSTITUTE, SEATTLE (via teleconference), spoke in support of the legislation. He spoke to the importance that Merchant Mariners be allowed to qualify for the PFD even though they might be absent from the state for training or deployment. He noted that training for mariners did not require tuition, which was different from students being out of state for college. He stressed that the legislation would not change eligibility requirements but would recognize the importance of the work of Merchant Mariners and support them in procuring their PFD even while they are working and training outside of the state.

[9:33:39 AM](#)

Co-Chair Olson wondered whether anyone in training had had their PFD application challenged.

[9:33:54 AM](#)

Mr. Berkowitz replied that there had been a few Alaskans in mariner training who had been denied their PFD. He believed that reinstating the Merchant Marine language was fair.

[9:36:27 AM](#)

SARAH SCHERER, VICE PRESIDENT OF PACIFIC COAST OPERATIONS, TRANSPORTATION INSTITUTE, SEATTLE (via teleconference), testified in support of the bill. She offered support to the language pertaining to the Merchant Marines.

[9:39:36 AM](#)

Co-Chair Olson asked how many of the 800 Alaskans currently employed as Merchant Mariners were receiving the PFD annually.

[9:39:43 AM](#)

Ms. Scherer replied that she did not know.

Co-Chair Olson asked for an approximation.

[9:39:58 AM](#)

Ms. Scherer stated that in 2022 there were 12 claims denied, 15 in 2021, 12 in 2020, 19 in 2019, and 15 in 2018. She recognized that the numbers were not huge, but that Merchant Marines were in limited supply and losing the PFD was not an incentive for hiring Alaskans.

[9:40:55 AM](#)

Ms. Wojtusik agreed with the numbers provided by Ms. Scherer.

[9:41:10 AM](#)

Co-Chair Olson asked for the numbers again.

[9:41:13 AM](#)

Ms. Wojtusik repeated the numbers.

[9:41:31 AM](#)

Senator Wilson asked whether students attending school on an alternative schedule could still qualify.

[9:42:11 AM](#)

Ms. Wojtusik deferred to Ms. Lane.

[9:42:40 AM](#)

KIMBERLY LANE, ELIGIBILITY MANAGER, PFD DIVISION, DEPARTMENT OF REVENUE, JUNEAU (via teleconference), responded that if a student was registered in school they would be covered under the bill.

[9:43:02 AM](#)

Senator Wilson wondered about students who were in school during the "summer break" and taking a break when students were traditionally in school.

[9:43:29 AM](#)

Ms. Lane replied that 120 days was covered in allowable absences. She noted that summer classes were generally not full-time.

[9:44:42 AM](#)

Senator Wilson felt that it was an assumption that students would not be attending school in the summer. He thought the matter needed further discussion.

[9:45:19 AM](#)

Ms. Wojtusik said that the school registrar sent a verified education verification that informed whether students were taking classes full-time. She stressed that students were usually registered for half-time classes in the summer and did not qualify under the bill.

[9:45:47 AM](#)

Senator Wilson hypothesized that there could be students who attended school full-time in the summer and that they should be allowed protection under the bill the same as the Merchant Marines.

[9:46:26 AM](#)

Ms. Wojtusik agreed to explore the issue further.

[9:46:34 AM](#)

Co-Chair Olson asked about a student who dropped out of school and whether they would still be eligible.

[9:46:42 AM](#)

Ms. Wojtusik replied that it depended on factors. If the student returned to Alaska within the timeframe for allowable absences - yes.

[9:47:20 AM](#)

Senator Wilson wondered how the enforcement would work in terms of qualifying years.

[9:47:55 AM](#)

Ms. Wojtusik deferred to Ms. Lane.

[9:48:04 AM](#)

Ms. Lane explained that the application period covered applicable absences for the qualifying year, which was always the prior year.

[9:48:42 AM](#)

Senator Wilson asked whether the intent to go to school would qualify a person.

[9:49:05 AM](#)

Ms. Lane said that the division received verification from the school and an estimated graduation date to separate "intent" from actual action.

[9:49:43 AM](#)

Senator Wilson continued the same question track.

[9:50:15 AM](#)

Ms. Lane replied that the verification form allowed for the spring semester to be reported.

[9:50:48 AM](#)

FADIL LIMANI, DEPUTY COMMISSIONER, DEPARTMENT OF REVENUE, explained the bill was straight forward. He said that the department had made improvements to protect people's privacy and that the bill would strengthen those protections.

[9:51:41 AM](#)

Co-Chair Hoffman looked at page 7, Section 7, and wondered whether the bill would be retroactive to January 2024.

[9:52:02 AM](#)

Ms. Wojtusik said that the department would like the bill to be active January 1, 2025.

[9:52:22 AM](#)

Co-Chair Olson asked whether the administration was in favor of the change from 45 days to 180 days for sick leave.

[9:52:26 AM](#)

Mr. Limani deferred the question to Ms. Wojtusik.

[9:52:45 AM](#)

Co-Chair Olson OPENED and CLOSED public testimony.

SB 85 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

[9:53:41 AM](#)

The meeting was adjourned at 9:53 a.m.