

**ALASKA STATE LEGISLATURE**  
**HOUSE STATE AFFAIRS STANDING COMMITTEE**

May 17, 2025

3:44 p.m.

**MEMBERS PRESENT**

Representative Ashley Carrick, Chair  
Representative Andi Story, Vice Chair  
Representative Rebecca Himschoot  
Representative Ky Holland  
Representative Sarah Vance  
Representative Kevin McCabe  
Representative Elexie Moore

**MEMBERS ABSENT**

All members present

**OTHER LEGISLATORS PRESENT**

Representative Mike Prax

**COMMITTEE CALENDAR**

HOUSE BILL NO. 4

"An Act relating to write-in candidates for President and Vice-President of the United States."

- MOVED HB 4 OUT OF COMMITTEE

HOUSE BILL NO. 1

"An Act relating to specie as legal tender in the state; and relating to borough and city sales and use taxes on specie."

- MOVED CSHB 1(STA) OUT OF COMMITTEE

HOUSE BILL NO. 133

"An Act establishing a 30-day deadline for the payment of contracts under the State Procurement Code; establishing deadlines for the payment of grants, contracts, and reimbursement agreements to nonprofit organizations, municipalities, and Alaska Native organizations; relating to payment of grants to named recipients that are not municipalities; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 82

"An Act designating a state dinosaur; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 4

SHORT TITLE: PRESIDENTIAL WRITE-IN VOTES

SPONSOR(s): REPRESENTATIVE(s) SADDLER

01/22/25	(H)	PREFILE RELEASED 1/10/25
01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	STA, JUD
02/11/25	(H)	STA AT 3:15 PM GRUENBERG 120
02/11/25	(H)	Heard & Held
02/11/25	(H)	MINUTE(STA)
05/15/25	(H)	STA AT 3:15 PM GRUENBERG 120
05/15/25	(H)	Heard & Held
05/15/25	(H)	MINUTE(STA)
05/17/25	(H)	STA AT 1:00 PM GRUENBERG 120

BILL: HB 1

SHORT TITLE: SPECIE AS LEGAL TENDER

SPONSOR(s): REPRESENTATIVE(s) MCCABE

01/22/25	(H)	PREFILE RELEASED 1/10/25
01/22/25	(H)	READ THE FIRST TIME - REFERRALS
01/22/25	(H)	STA, FIN
04/15/25	(H)	STA AT 3:15 PM GRUENBERG 120
04/15/25	(H)	-- MEETING CANCELED --
04/29/25	(H)	STA AT 3:15 PM GRUENBERG 120
04/29/25	(H)	Heard & Held
04/29/25	(H)	MINUTE(STA)
05/08/25	(H)	STA AT 3:15 PM GRUENBERG 120
05/08/25	(H)	Heard & Held
05/08/25	(H)	MINUTE(STA)
05/15/25	(H)	STA AT 3:15 PM GRUENBERG 120
05/15/25	(H)	Heard & Held
05/15/25	(H)	MINUTE(STA)
05/17/25	(H)	STA AT 1:00 PM GRUENBERG 120

BILL: HB 133

SHORT TITLE: PAYMENT OF CONTRACTS

SPONSOR(s): REPRESENTATIVE(s) HIMSCHOOT

03/12/25 (H) READ THE FIRST TIME - REFERRALS  
 03/12/25 (H) CRA, STA  
 03/25/25 (H) CRA AT 8:00 AM BARNES 124  
 03/25/25 (H) Heard & Held  
 03/25/25 (H) MINUTE(CRA)  
 03/27/25 (H) CRA AT 8:00 AM BARNES 124  
 03/27/25 (H) Heard & Held  
 03/27/25 (H) MINUTE(CRA)  
 04/03/25 (H) CRA AT 8:00 AM BARNES 124  
 04/03/25 (H) Heard & Held  
 04/03/25 (H) MINUTE(CRA)  
 04/08/25 (H) CRA AT 8:00 AM BARNES 124  
 04/08/25 (H) Heard & Held  
 04/08/25 (H) MINUTE(CRA)  
 04/10/25 (H) CRA AT 8:00 AM BARNES 124  
 04/10/25 (H) Heard & Held  
 04/10/25 (H) MINUTE(CRA)  
 04/29/25 (H) CRA AT 8:00 AM BARNES 124  
 04/29/25 (H) Moved CSHB 133(CRA) Out of Committee  
 04/29/25 (H) MINUTE(CRA)  
 04/30/25 (H) CRA RPT CS(CRA) NEW TITLE 4DP 2NR  
 04/30/25 (H) DP: HOLLAND, HALL, HIMSCHOOT, MEARS  
 04/30/25 (H) NR: PRAX, RUFFRIDGE  
 04/30/25 (H) FIN REFERRAL ADDED AFTER STA  
 05/15/25 (H) STA AT 3:15 PM GRUENBERG 120  
 05/15/25 (H) Heard & Held  
 05/15/25 (H) MINUTE(STA)  
 05/17/25 (H) STA AT 1:00 PM GRUENBERG 120

BILL: HB 82

SHORT TITLE: DESIGNATE STATE DINOSAUR  
 SPONSOR(S): REPRESENTATIVE(S) STAPP

02/10/25 (H) READ THE FIRST TIME - REFERRALS  
 02/10/25 (H) STA  
 05/17/25 (H) STA AT 1:00 PM GRUENBERG 120

**WITNESS REGISTER**

BONNIE JENSEN, Director  
 Division of Administrative Services  
 Alaska Department of Fish & Game  
 Juneau, Alaska

**POSITION STATEMENT:** Answered questions about CSHB 133(CRA).

ELLA LUBIN, Staff

Representative Rebecca Himschoot  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Himschoot, prime sponsor, answered questions related to CSHB 133(CRA).

PAM HALLORAN, Assistant Commissioner  
Central Office  
Finance and Management Services  
Department of Health  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions related to CSHB 133(CRA).

ERIC DEMOULIN, Finance Director  
Division of Finance  
Department of Administration  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions related to CSHB 133(CRA).

DAN DEBARTOLO, Director  
Central Office  
Division of Administrative Services  
Department of Labor and Workforce Development  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions pertaining to CSHB 133(CRA).

HENRY THOMPSON, Staff  
Representative William Stapp  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Stapp, prime sponsor, introduced HB 82.

PAT DRUNKENMILLER, Professor  
University of Alaska Fairbanks  
Fairbanks, Alaska

**POSITION STATEMENT:** Gave invited testimony regarding HB 82.

MIKE COONS, representing self  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in support of HB 82.

BERNARD AOTO, Staff  
Representative William Stapp

Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** On behalf of Representative Stapp, prime sponsor, answered questions regarding HB 82.

**ACTION NARRATIVE**

[3:44:26 PM](#)

**CHAIR ASHLEY CARRICK** called the House State Affairs Standing Committee meeting to order at 3:44 p.m. Representatives McCabe, Vance, Holland, Story, and Carrick were present at the call to order. Representatives Himschoot and Moore arrived as the meeting was in progress.

**HB 4-PRESIDENTIAL WRITE-IN VOTES**

[3:45:33 PM](#)

CHAIR CARRICK announced that the first order of business would be HOUSE BILL NO. 4, "An Act relating to write-in candidates for President and Vice-President of the United States."

[3:46:02 PM](#)

REPRESENTATIVE STORY moved to report HB 4 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 4 was reported out of the House State Affairs Standing Committee.

[3:46:26 PM](#)

The committee took an at-ease from 3:46 p.m. to 3:48 p.m.

**HB 1-SPECIE AS LEGAL TENDER**

[3:48:02 PM](#)

CHAIR CARRICK announced that the next order of business would be HOUSE BILL NO. 1, "An Act relating to specie as legal tender in the state; and relating to borough and city sales and use taxes on specie." [The committee adopted two amendments to HB 1 on 5/15/25.]

CHAIR CARRICK noted that during its last consideration of the bill, the committee had queried whether the definition of "person" included a government entity. Her office broached the

question to Legislative Legal Services, which responded with a memorandum [included in the committee file] advising that governmental entities are not expressly included nor excluded from the definition of "person" in the proposed legislation. To address the concern, she said her office drafted an amendment.

CHAIR CARRICK began a motion but paused to call an at-ease.

[3:50:38 PM](#)

The committee took a brief at-ease at 3:50 p.m.

[3:50:48 PM](#)

CHAIR CARRICK moved to adopt [Conceptual] Amendment 3 to HB 1, [as amended], [a handwritten amendment in the committee file], which read as follows [original punctuation provided]:

Page 3 line 8 following "person"  
Insert: "or governmental entity"

[3:51:28 PM](#)

REPRESENTATIVE VANCE objected for the purpose of discussion.

[3:51:43 PM](#)

REPRESENTATIVE MCCABE considered the amendment to be a friendly amendment to HB 1. He said that definitions can often be ambiguous, and the proposed amendment would make the bill stronger.

[3:52:08 PM](#)

REPRESENTATIVE HOLLAND said that he supported the amendment, especially given discussions in previous bill hearings. The proposed amendment would address the Alaska Municipal League's (AML's) concerns regarding whether government agencies would be required to accept gold and silver specie as tender.

[3:52:36 PM](#)

REPRESENTATIVE VANCE withdrew her objection. There being no further objection, Conceptual Amendment 3 was adopted.

[3:52:57 PM](#)

REPRESENTATIVE MCCABE expressed hope that the committee received information pertaining to the proposed bill. He said that this was the fourth or fifth year that this bill concept has been in legislative works. He said that considerable research was made on the bill topic, including clarification of any tax implications that were part of AML's concerns in the committee's previous bill hearing.

[3:53:52 PM](#)

REPRESENTATIVE VANCE commented that she was unsure why she was not yet listed as a co-sponsor for HB 1, as amended, indicating that she would be soon. She said that one of the basic functions of government is to provide a means for people to manage their money and assets. She said that formalizing gold and silver as legal tender would support individuals attempting to retain value in an uncertain fiscal climate. She often said the value of money changes more quickly than people realize, and having gold and silver tender as an option would provide a sense of security for people. She remarked that Alaska was a national leader in gold and precious metal production. She expressed optimism about passing the proposed bill into law.

[3:55:41 PM](#)

CHAIR CARRICK commented that the amendments to the bill had made it even stronger and with more transparent intent. She noted that many of the concerns from previous bill hearings were addressed. She was confident that the bill could be passed to the next committee of referral, the House Standing Committee on Finance. Chair Carrick said that one reason that she was supportive of the proposed legislation was because she understood the sales tax dynamics. Furthermore, she said that many Alaskans are currently using this type of tender as a barter item, with no consumer protection in place. She said that having a definition of specie would provide some transactional protection. She understood the difference of opinion regarding the proposed legislation, and remarked that the committee had done a good job of addressing concerns.

[3:58:21 PM](#)

REPRESENTATIVE STORY said that she appreciated the information made available to the committee [included in committee file]. She said that one of her outstanding questions pertained to potential premiums charged when buying specie, and asked for what a typical premium might be.

REPRESENTATIVE MCCABE replied that if specie were purchased online from JM Bullion, it would be like purchasing any coin online. There would be a precious metal spot price and a premium attached. He reiterated that it would be similar when changing United States Dollars (USD) at a foreign hotel. He said that this is covered in the bill with reference to the "melt value" of the gold and silver tender. He said Mr. Diaz provided some clarifying information to the committee on this topic [included in committee file].

[4:00:14 PM](#)

CHAIR CARRICK remarked that this was a good question to continue discussions, since it was an outstanding concern regarding the proposed legislation.

[4:00:44 PM](#)

REPRESENTATIVE HOLLAND said that he enjoyed this bill discussion very much and enjoyed the opportunity to work with Representative McCabe, the prime sponsor of the proposed legislation. He reminded the committee that the value of the USD fluctuates every day, and mentioned gas stations as an example. He said that it was important to recognize that there is already a system of money in place that is prone to fluctuations.

[4:01:46 PM](#)

REPRESENTATIVE STORY remarked that she appreciated the consumer protection associated with the proposed legislation, but it was important for the public to understand any attached premiums when purchasing specie.

[4:02:15 PM](#)

REPRESENTATIVE HOLLAND moved to report HB 1, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 1(STA) was reported out of the House State Affairs Standing Committee.

[4:02:54 PM](#)

The committee took an at-ease from 4:03 p.m. to 4:06 p.m.

**HB 133-PAYMENT OF CONTRACTS**

[4:06:14 PM](#)

CHAIR CARRICK announced that the next order of business would be HOUSE BILL NO. 133, "An Act establishing a 30-day deadline for the payment of contracts under the State Procurement Code; establishing deadlines for the payment of grants, contracts, and reimbursement agreements to nonprofit organizations, municipalities, and Alaska Native organizations; relating to payment of grants to named recipients that are not municipalities; and providing for an effective date." [Before the committee was CSHB 133(CRA).]

CHAIR CARRICK remarked to the committee that she would like to act on CSHB 133(CRA) early in the next legislative session. She remarked that several testifiers were available to address any questions or concerns regarding contract payments.

[4:07:43 PM](#)

CHAIR CARRICK, in response to Representative Vance, clarified that the version of the bill before the committee was the one that came out of the previous committee of referral.

[4:09:05 PM](#)

REPRESENTATIVE HIMSCHOOT, as prime sponsor, recommended that the committee hear from invited testifiers, who could speak about any issues with the proposed legislation.

[4:09:36 PM](#)

REPRESENTATIVE VANCE said that she had a question for the Alaska Department of Fish & Game (ADF&G). Referring to page 4 of the bill, regarding federal fish disaster funding, she asked whether this funding would constitute a grant or be considered cash assistance to an individual. She noted her reference was to language found on page 4, [line 22], [subparagraph] (H): "state funding that is required annually and is calculated through a formula set in statute". She asked whether the proposed legislation would impact federal fishery disaster funding that comes into Alaska.

[4:10:47 PM](#)

BONNIE JENSEN, Director, Division of Administrative Services, Alaska Department of Fish & Game, responded that the proposed

legislation would impact all federal pass-through funding that ADF&G receives. She believed that fishermen receive funds directly, but she would follow up with a concise answer.

REPRESENTATIVE VANCE requested a follow-up answer to the committee during the interim regarding these designations. She said that the proposed bill suggests that a grant does not include cash assistance to an individual. She wanted to know the legal stipulations associated with the distinctions between cash assistance and grant funding. She did not know the legal definitions pertaining to this. She said some of her fishing constituents felt that their funds were not delivered in a timely manner.

MS. JENSEN responded that ADF&G would be happy to follow up to clarify the distinction.

CHAIR CARRICK told Ms. Jensen that if she had any additional comments regarding the bill, the committee would be happy to hear them.

[4:15:07 PM](#)

REPRESENTATIVE HOLLAND said he anticipates that the committee will be looking into many of these issues during the interim, and then resuming discussions in the next legislative session. He said that understanding the workflow dynamic regarding payment processing was imperative to understanding the current payment issues. He said that he hoped that the upcoming annual budget would recognize this issue and efforts could be made to address prompt payment issues.

REPRESENTATIVE HOLLAND wondered whether these prompt payment complications were department to department or whether there were systematic issues related to software use and tools used in the workflow. He understood that some departments were actively taking steps to improve their workflow. He said that understanding what steps of improvement were in place, and developing plans were an important area of consideration during the upcoming interim period.

[4:17:44 PM](#)

REPRESENTATIVE STORY said that it would help to have some baseline data available for discussions in the upcoming legislative session, to better understand payment dynamics. She remarked on the importance of understanding late fees and

interest associated with delayed payments. She raised concern about the 10.5 percent interest rate associated with late payments, and that it would be good to know the extent of the interest fees. She said that understanding this would better help address the nonprofit and tribal entities sector.

[4:18:44 PM](#)

REPRESENTATIVE HIMSCHOOT invited her staff, Ella Lubin, to address Representative Story's concern regarding late payment fees and interest.

[4:19:37 PM](#)

ELLA LUBIN, Staff, Representative Rebecca Himschoot, Alaska State Legislature, on behalf of Representative Himschoot, prime sponsor of CSHB 133(CRA), responded that there was not adequate information to fully address Representative Story's question regarding late payment fees. She remarked that before introducing the bill, Representative Himschoot's office reached out to the Department of Transportation & Public Facilities (DOT&PF) regarding work with private contractors for public works projects. She reminded the committee that private contractors are entitled to prompt payments as required by Alaska Statute (AS). She said that the office has not heard much from private contractors, but there were anecdotal stories regarding late payments. She explained that it was difficult to compare the private sector to nonprofit, tribal, and municipal entities because of differences in cash reserves.

[4:21:10 PM](#)

REPRESENTATIVE HIMSCHOOT remarked that some private contractors are hesitant to answer questions regarding late payments, since they don't want to get in trouble with the State of Alaska (SOA). She said that information has been difficult to acquire.

[4:21:48 PM](#)

REPRESENTATIVE VANCE asked Representative Himschoot whether she has looked at any potential clogs regarding federal pass-through funding with various SOA departments. She was thinking about [the Fishery Improvement to Streamline untimely regulatory Hurdles post Emergency Situation] (FISHES) Act passed by Congress, and regarding federal fishery disaster funding, it was determined that this money touched the federal Office of Management and Budget (OMB) at least fifteen times. She said

that this was a clog regarding getting funds to recipients. She said that some fishermen have waited up to eight years to receive funding. She said that many fishermen were mad at SOA, but when tracing the funding stream, the federal OMB was an area of clogging. She said that the FISHERS Act was cutting down the funding delivery timeline by identifying the bureaucratic clogs.

REPRESENTATIVE VANCE asked Representative Himschoot whether, given her research on this, she has been able to determine where the clogs might be to make changes in statute or regulation.

MS. LUBIN answered that the Department of Health (DOH) could address this type of question, given its experience working with Medicaid reimbursements and federal money. Much of this passes through SOA to support nonprofit groups.

[4:24:10 PM](#)

PAM HALLORAN, Assistant Commissioner, Central Office, Finance and Management Services, Department of Health, said that Medicaid payments for the most part were efficient, with automatic processes in place. She said there are times when vendors use contractors that can cause issues; however, she opined that Medicaid payments were fairly streamlined.

[4:25:11 PM](#)

REPRESENTATIVE VANCE said that she was looking at the six fiscal notes from DOH, and each one requested an additional staff member to assist with Medicaid processing. She said that these obligations have always existed for the department, and asked whether there was anything else other than "manpower" that might be considered when building a more efficient process.

MS. HALLORAN responded that when the DOH evaluated their fiscal model, they primarily looked at the timeline from the invoice date to transaction date. This did not include specific factors for Medicaid. She said the volume of work related to payments within the department was substantial. Since COVID-19, DOH has experienced an overall capacity issue. She said that staff have been responsible for receiving invoices, approving them, and processing payments. She said that during the pandemic many employees were burned out.

MS. HALLORAN remarked that DOH was onboarding staff, training them, and working to rebuild its former operational capacity. She said that contracts, excluding Medicaid, account for

approximately \$575 million and grants account for around \$145 million. She said that compared to two years ago, the department is in a much better position with both promising prospects and improvements.

MS. HALLORAN said that DOH is considering several initiatives. The first is examining how the department can better leverage its accounting system to improve workflow. Additionally, the department is exploring the procurement of a new grant management system, like ones used by other departments. She recognized the challenges associated with different systems utilized across agencies. Furthermore, the department recently implemented a system called Periscope, which supports contract visibility and management within the department.

REPRESENTATIVE VANCE understood that DOH is responsible for many services, but also recognized that it is associated with the most delays. She asked whether the department had a goal it was trying to accomplish that would increase grant distribution and turnover.

MS. HALLORAN responded that the department did have a goal. She said that currently the department does not see grants as much of a problem, since most DOH grants are advanced. She said it takes around 11 days from the initial grant agreement to process payment. She said the department is working on both communication and training.

[4:31:38 PM](#)

REPRESENTATIVE HIMSCHOOT asked Ms. Halloran whether the extended effective date proposed under CSHB 133(CRA) would give the department enough time to come into compliance with the 30-day expectation.

MS. HALLORAN responded that she appreciated the new effective date, which would give the department time to acquire new staff, onboard them, and provide training. She said that the department manages over two hundred different programs, and training required a certain degree of specification.

REPRESENTATIVE HIMSCHOOT asked Ms. Halloran whether she felt that the department needed more staff, or if it could meet the 30-day requirements given the extended effective date and the current departmental budget. Furthermore, she asked for elaboration on the work from home policy available to department employees.

MS. HALLORAN responded that the department did have staff working from home. However, none worked from home full-time. She said the department prefers that staff in non-probationary status work in office full-time, but hybrid schedules were available to employees that pass the probationary period and receive supervisory permission.

MS. HALLORAN said that the department would need to look at the new effective date, and check on both funding and staffing to ensure that the timeline could be met.

[4:35:05 PM](#)

REPRESENTATIVE STORY remarked that it was difficult to assess the extent of payment issues, since the committee did not hear from any private contractors about what issues they may be experiencing. She asked where there might be data that could illustrate payments better, including any penalties.

[4:36:05 PM](#)

ERIC DEMOULIN, Finance Director, Division of Finance, Department of Administration, responded that he could get some baseline data prepared to illustrate payment dynamics. He explained that in the state's accounting systems, there is a lot of variability in terms of how payments are made across the state, because each agency has the authority to spend funds. When looking at the accounting system, he remarked that there are a lot of different ways that agencies conduct their internal processes that best fit their business. He noted that the invoicing system had a universal field that could have data pulled for illustration. He informed the committee that there may be potential shortcomings to any pulled data. He said this is important to understand when building efficiencies and establishing baseline data, especially with grants.

MR. DEMOULIN said that there are several approaches that can be taken to extrapolate grant-related information. He explained that most grants managed across the state are tied to the Department of Administration and tracked through chart-of-account elements within the accounting system. He said that by leveraging these elements, expenditures can be traced back to their posting points and corresponding payments. He said that while the technical details are complex, the key point is it can paint a clear picture of grant activity in the state.

MR. DEMOULIN remarked that it was critical to outline any deficiencies in the data used as a starting point. Doing so would allow for better informed recommendations when improving the processes. This effort should be viewed holistically, with the goal of strengthening the state's overall approach to grant management and reporting.

REPRESENTATIVE STORY asked whether there would be a column that could identify late payment penalties.

MR. DEMOULIN responded that when looking at the state's accounting system, there were object codes that could highlight expenditure type, this could illustrate penalties or fines. He explained that the codes were freeform fields and, as a result, the integrity of any object code was not guaranteed and would need careful review.

MR. DEMOULIN explained that when paying a vendor, the system typically requires the use of multiple object codes to identify costs. He said if an invoice is late and includes penalties, the payment should be itemized to distinguish between service expense and the fine. He said that without these distinctions, the entire payment could be recorded under a single category, which would obscure the true nature of the expenditure.

REPRESENTATIVE STORY asked whether Mr. DeMoulin had a sense of how large the problem was regarding late payments from SOA.

MR. DEMOULIN responded that anecdotally he could not speak about the issue. However, he noted that when looking at late payments, there's a variety of reasons that they occur across different state agencies. He pointed out the previous testimonies regarding employee turnover and departmental training. He said that until preliminary figures are collected, he could not fully speak to the extent of the late payment problem.

[4:41:23 PM](#)

CHAIR CARRICK remarked that a lot of the private contracts that SOA pays to companies occur within the Department of Labor & Workforce Development (DLWD), and the Department of Transportation & Public Facilities (DOT&PF).

CHAIR CARRICK wished to understand what approach would be most appropriate for payments. She inquired about whether most

private contractor payments were made in 30 days, and how frequently payments lapsed past the 30-day period.

MR. DEMOULIN responded that he has worked on the finance side of things for SOA for quite some time. He noted that he worked at DLWD as a division operations manager for about a year, and then as a finance officer for DOH. He said that he can speak only about these experiences.

MR. DEMOULIN said SOA is always working toward the goal of paying everybody as quickly as possible. He said that the current method of payment is something that he does not view as a deterrent. He said that he has never seen current methods prioritize one payment over the other. He said the intent always has been timely payment prioritization. He said that delays are often caused by underlying issues.

CHAIR CARRICK asked for clarification of how frequent payments to private contractors lapse.

MR. DEMOULIN responded that preliminary numbers would need to be run to give a concise answer.

CHAIR CARRICK said that she wanted to hear testimony from Dan DeBartolo with DLWD, since the department is a bit smaller and he may have some anecdotal data regarding the extent of payment lapses with private contractors.

[4:45:20 PM](#)

DAN DEBARTOLO, Director, Central Office, Division of Administrative Services, Department of Labor and Workforce Development, responded that when looking at the fiscal note submitted by DLWD, there was indication that the department experiences approximately \$4,200 in interest charges from late payments. He said that he extrapolated that information by looking at the point in time when the department was late paying invoices to contractors. He approximated that the department is around 95 percent effective, accruing around \$400 a month in penalty fees.

MR. DEBARTOLO noted that as Mr. Demoulin had indicated, the departments strive to meet 30-day deadlines for payment. He said he does not believe that there is a systemic issue. He said when using a first-in, first-out approach, sometimes people responsible at the back end may be out and unable to process

payments. He said that departments can be caught in this type of situation.

MR. DEBARTOLO said that at DOLWD, he did not see that anything was being solved except for continuing to put forward the best effort, as indicated on the fiscal note. He believed the provisions are reasonable and every contractor should expect payment within 30 days of submitting an invoice.

MR. DEBARTOLO explained that one concern with private contractors is that DOLWD has entire divisions that are almost 100 percent federally funded. He said that if the state is required to pay penalties, SOA cannot use federal funds to pay penalties.

CHAIR CARRICK asked Mr. DeBartolo whether he could provide a contrast of private contractor payments with non-private entities included in CSHB 133(CRA).

MR. DEBARTOLO responded that grants are interesting, and many of them went through DLWD's Workforce Investment Board and the department's grant section. He explained the "reappropriation period" occurs when a fiscal year ends and a new one begins, typically around July 1 to the end of August. He discussed the dynamics associated with closing out grants from the previous fiscal year. He mentioned that many grantees reapply annually, and if there are any performance issues, they are placed on performance improvement plans. He said that this can affect grant dynamics.

MR. DEBARTOLO noted for DLWD, often grant payments are not made in the first 30 to 45 days of the new fiscal year. He explained that grantees first submit requests for payments, typically monthly or quarterly. He said that when getting requests during the reappropriation period, the department often cannot process grants quickly enough, which consequently can accrue interest for SOA. He explained that the transition during the reappropriation period can be challenging but otherwise the department remains timely throughout the rest of the fiscal year.

[4:50:07 PM](#)

REPRESENTATIVE MCCABE remarked that when looking through the DHSS fiscal notes, there were a couple of things that he had not seen before. He said that a bill with six different fiscal notes was interesting. He remarked that looking at the fiscal

notes, he thought the department understood how far in arrears they were, since they were able to calculate how much money it would cost them given the 10.5 percent interest rates for late payments. He said that if all the fiscal notes came to fruition, and the department was not appropriated \$909,000 for the increased staff, then there could be as much as \$1.55 million in interest payments. He described late payment averages amongst departmental services: 73-day average for department support services; 42-day for healthcare services; 88-day for public assistance; 43-day for public health; 59-day for senior disabilities; and 57-day for behavioral health. He said that these are only averages and he would like to know what the longest delay was. He said that an 88-day delay for public assistance is a long time for a single mom with three kids. He reiterated that the fiscal notes concerned him, and this was something that needed further investigation.

[4:52:42 PM](#)

CHAIR CARRICK remarked that the committee needed to understand the correlation between vacancy rates and timely processing of payments. She said that the correlation between length of time an employee had been staffed and late payment was worth consideration as well.

[4:53:24 PM](#)

REPRESENTATIVE HIMSCHOOT offered to the committee that she planned to work on the proposed legislation during the interim period. She said that the departments have been responsive and intend to solve any issues.

[4:53:53 PM](#)

REPRESENTATIVE HOLLAND remarked that he learned about some process improvement projects currently underway in SOA from previous meetings in other committees. He said that while many of these projects focused on process improvements, they do not pertain to grants but may be worth looking consideration.

REPRESENTATIVE HOLLAND said that rather than doubling down and hiring more people to "Band-Aid" a process that is not working well, there may be other approaches focused on process improvement, efficiency building, and better technology. He said there have been previous discussions regarding the possibility of integrating new technology tools to ease the burden of some "chronically unfilled" SOA positions. He asked

whether there was a current project that could illustrate process improvement and whether it could help the committee think differently about the issue.

MR. DEMOULIN responded that it was an open-ended question, but he affirmed that there is an opportunity to leverage some technologies. He echoed Ms. Halloran's previous comments, mentioning both Periscope and looking at another grant management system while also collaborating with other departments.

MR. DEMOULIN remarked that when looking at the process of approval or ensuring eligibilities for grantees, there is a lot of manual work involved. He said that streamlined processes could be built by leverages systems. For example, within a grant management system, if robust enough, grant managers working for SOA could authorize and validate that work was completed and then process reimbursements. He said the system could talk directly to accounting for payment processing rather than rely on physical data entry and routing. He said this would eliminate some current workflows.

MR. DEMOULIN said that when looking at building efficiencies across the state, it has been mentioned that various agencies have different grant management systems. He said each agency collaborates with federal partners in various manners. For instance, Federal Emergency Management Agency (FEMA) grants go to SOA's [Division] of Motor Vehicles (DMV); health grants from the U.S. Department of Homeland Security (DHS) go to SOA's DOH; and U.S. Department of Transportation grants go to SOA's DOT&PF. He said that these agencies are responsible for managing and receiving funds, with many grant programs procured based on departmental needs rather than through a statewide procurement system. He said that SOA has received federal funds for many years, and some of the operational processes have existed for quite some time.

MR. DEMOULIN said that SOA could look at building potential synergies and shared technologies. He understood that some grant management systems are specifically tailored depending on grant type. He said that given conversations with other departments, it may be worthwhile attempting to build interdepartmental synergies.

[4:59:45 PM](#)

REPRESENTATIVE VANCE appreciated the sponsor of the proposed legislation. She said that when first looking at the proposed legislation, it seemed like a simple compliance bill, but it was not. She mentioned that audits completed by the Joint Committee on Legislative Budget & Audit were a great resource for looking at recommendations. She noted that the Department of Administration (DOA) had made considerable strides for the year, and strides that SOA had been waiting for. She remarked on the challenges associated with staffing turnover, including in her experience working at the legislature. She said that every department has seemed to face this challenge since the COVID-19 pandemic.

REPRESENTATIVE VANCE asked Mr. Demoulin whether there has been any success in raising salaries for certain positions to acquire someone who brings more experience, and if it has provided value to the department regarding timeliness and efficiency. She also said that perhaps the jobs were unique enough that it may not matter, since there may be a learning curve regardless.

MR. DEMOULIN responded that both factors are at play. He said that organizations have proprietary systems, and even given somebody with experience there would be learning curves. However, more experienced hires may learn these systems faster. He opined that when looking at salaries, it was important not to overpay but, at the same time, pay fairly.

MR. DEMOULIN said that regarding the different systems across the state, there is an additional cost for differences. However, he said that if SOA had a single system, there would be a new learning curve for state staff.

REPRESENTATIVE VANCE remarked that hiring new people and training them often has higher costs than paying experienced people more. She remarked that finding this balance was crucial.

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REPRESENTATIVE MCCABE said that in the interest of brevity, he would hold his additional questions.

[5:05:36 PM](#)

REPRESENTATIVE STORY thanked those who were available for testimony during the committee meeting.

CHAIR CARRICK remarked on directing committee questions to the bill sponsor's office or the departments. She remarked that the department personnel have shown a willingness to answer committee questions, and she wished for the committee to reopen this legislation during the next legislative session.

CHAIR CARRICK announced that CSHB 133(CRA) was held over.

**HB 82-DESIGNATE STATE DINOSAUR**

[5:06:56 PM](#)

CHAIR CARRICK announced that the final order of business would be HOUSE BILL NO. 82, "An Act designating a state dinosaur; and providing for an effective date."

[5:07:35 PM](#)

HENRY THOMPSON, Staff, Representative William Stapp, Alaska State Legislature, on behalf of Representative Stapp, prime sponsor, introduced HB 82. He said that the proposed legislation would establish the Nanuqsaurus as Alaska's state dinosaur. The Nanuqsaurus was discovered in the Prince Creek formation of the North Slope by the scientific community in 2014. He said that Nanuqsaurus was a theropod, quite large and in the same family as the Tyrannosaurus Rex. Some believe that this dinosaur had feathers as well. He remarked that Dr. Pat Drunkenmiller, accomplished paleontologist and director of the University of Alaska Museum of the North, was available for testimony.

CHAIR CARRICK noted that the committee would hear invited testimony.

[5:09:24 PM](#)

PAT DRUNKENMILLER, Professor, University of Alaska Fairbanks, Gave invited testimony regarding HB 82. He appreciated Representative Stapp's office for its interest and recognition of the research and work conducted by the University of Alaska Fairbanks regarding fossils and paleontology. He explained that the Nanuqsaurus was Alaska's only Tyrannosaurus and belonged to a larger group of dinosaurs known as Tyrannosaurids, the most famous of which is the Tyrannosaurus Rex, which is not found in Alaska. He said that the Nanuqsaurus was discovered in the Prince Creek formation of the North Slope in 2014 and was among around 13 or 14 different types of dinosaurs that have been

discovered from that formation. He said that the formation dates back about 73,000,000 years, when Alaska was farther north than it is today. He said that Nanuqsaurus is among the northernmost dwelling dinosaurs that ever lived on earth and was one of four named dinosaurs from Alaska; he suggested that more would be named in the future.

DR. DRUNKENMILLER remarked that Nanuqsaurus was the "top dog" and the apex predator in Alaska's prehistoric environment; its diet consisted of duck-billed, horned dinosaurs and others. He said initially Nanuqsaurus was described as a dwarf, but given additional research it was estimated to have been around 25-30 feet in length. Furthermore, research indicates that it likely had feathers, unlike depictions of other tyrannosaurids.

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CHAIR CARRICK opened public testimony on HB 82.

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MIKE COONS, representing self, testified in support of HB 82. He said that after a "long grueling week," he hoped the bill would bring some levity. He lauded Nanuqsaurus for its relation to the feared Tyrannosaurus Rex.

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REPRESENTATIVE VANCE asked Representative Stapp, prime sponsor, whether there were any drawings or renditions of the Nanuqsaurus available to the committee.

[5:15:09 PM](#)

BERNARD AOTO, Staff, Representative William Stapp, Alaska State Legislature, on behalf of Representative Stapp, prime sponsor of HB 82, responded that the bill sponsor had a toy Nanuqsaurus and pictures in his legislative office. He welcomed committee members to come see.

[5:15:48 PM](#)

CHAIR CARRICK, after ascertaining there was no one else who wished to testify, closed public testimony on HB 82.

[5:15:53 PM](#)

REPRESENTATIVE HIMSCHOOT remarked that after a quick Google search, she learned that Nanuqsaurus was similar in appearance to a Tyrannosaurus Rex. She asked Dr. Drunkenmiller whether he thought that Nanuqsaurus was the appropriate candidate as a state dinosaur. She asked whether there was an older or more geographically diverse candidate that might be worth consideration. She said that Ichthyosaurus was also found on the North Slope, and there were even fossils found in Southeast Alaska. Overall, she asked for Dr. Druckenmiller's opinion on which dinosaur he felt represented the state the best. She suggested that the school children of Alaska could choose what dinosaur they felt best represented the state; other states often leave these designations to the youth.

DR. DRUNKENMILLER responded that there are number of extinct reptiles that were known to be from Alaska, many of which were described in a publication fifteen years ago. He noted that Ichthyosaurs were a marine reptile that resembled a giant dolphin and were found in multiple parts of the state. He also described Styxosaurus, to which he said he is partial; however, despite having a saurus suffix, it was not actually a dinosaur but belonged to a different group of reptiles.

DR. DRUNKENMILLER also described Hadrosaurs, also known as duck-billed dinosaurs. They were known to be large, plant-eating animals. He said that the best-known species was one from the North Slope. He said that it would be no match for the Nanuqsaurus, but its name was noteworthy. He explained that the name was derived from Inupiaq and meant "ancient grazer of the Colville River" and there was much known about the species.

DR. DRUNKENMILLER complimented the idea of getting school kids involved in designating a state dinosaur for Alaska. He said that the idea of a state dinosaur was not new, and the proposed bill was not the first attempt to establish one. He commented on a previous attempt to establish the duck-billed dinosaur as the state dinosaur.

DR. DRUNKENMILLER remarked that currently, four dinosaur species were classified in Alaska and work was underway to continue classifying additional species. He noted that some species were better documented than others. He concluded by remarking that any of the four could be viable candidates as a state dinosaur, but ultimately it something that the legislature must decide.

[5:20:43 PM](#)

REPRESENTATIVE HOLLAND asked Dr. Drunkenmiller about the context, time, and environment in which Nanuqsaurus lived. He asked for elaboration about what the North Slope looked like relative to a modern context.

DR. DRUNKENMILLER answered that Nanuqsaurus lived during the Cretaceous period, near the extinction event that marked the close of the age of dinosaurs, by current estimates around 73 million years ago. He remarked that Alaska during this time did not look as it does today. He said that Alaska was farther north than it is today, around 10 degrees of latitude farther north given current estimates. He explained that prehistoric dinosaurs living in Alaska were truly polar dinosaurs, and no others lived so far north during the age of dinosaurs.

DR. DRUNKENMILLER explained that Alaska's prehistoric dinosaurs lived on a low, flat coastal plain before the Brooks Range had fully formed. Unlike today's tundra, the coastal plain was forested even as far north as it was. He said that petrified trees are often found alongside dinosaur fossils.

DR. DRUNKENMILLER said that regarding the climate, Alaska's North Slope was much warmer than it is today, despite being farther north. He said that temperatures would be comparable to what Juneau is today. He said that being so far north, these dinosaurs would have to survive seasonal conditions that included three-to-four months of complete winter darkness. Nanuqsaurus would have roamed in darkness and even snowy conditions, a context that is unlike most contemporary images of dinosaurs as tropical creatures.

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CHAIR CARRICK commented that she thoroughly enjoyed the opportunity to participate in classes with Dr. Drunkenmiller during her time at the University of Alaska Fairbanks.

[5:25:02 PM](#)

REPRESENTATIVE HOLLAND asked Dr. Drunkenmiller whether the Nanuqsaurus was still cold-blooded despite living in such a harsh environment.

DR. DRUNKENMILLER responded that there has been a long-standing debate about whether dinosaurs were warm-blooded like mammals and birds or cold-blooded like modern reptiles; all dinosaurs were reptiles. He said that given contemporary knowledge, the

understanding is that dinosaurs were much closer to being warm-blooded. He said that having inhabited cold regions such as Alaska only supports this hypothesis. He said that modern cold-blooded reptiles such as crocodiles, turtles, or lizards do not live in Alaska due to the challenges with cold weather.

DR. DRUNKENMILLER said that the scientific community was confident that Alaska's dinosaurs were warm-blooded, and body heat was maintained by food consumption, much like mammals do. Additionally, there was certainty that meat-eating northern dinosaurs such as Nanuqsaurus were feathered; an adaptation to maintain body heat.

[5:27:25 PM](#)

MR. AOTO extended an apology to the committee on behalf of Representative Stapp, prime sponsor, due to the inability to attend the hearing on the proposed legislation, as he was currently occupied with the House Finance Committee. He said the purpose of the bill was from Representative Stapp's experience touring the Fairbanks North Star Borough School District. During this trip, he spoke with elementary students about the legislature, its role, importance, and the things legislators do. To engage students in debate, he asked students what kind of things they liked to argue about. This conversation sparked a lively debate about dinosaurs, which, in turn, inspired the development of the proposed bill.

[5:28:37 PM](#)

REPRESENTATIVE STORY appreciated the context for why Representative Stapp was interested in the proposed legislation. She said that she supported the children's opportunity to look at the choices and decide. She opined that it would be a wonderful opportunity for Alaska's schoolchildren. She asked the prime sponsor whether he would be open to a Department of Education and Early Development (DEED) survey to both educate schoolchildren and give them the opportunity to decide which dinosaur would be most appropriate as the state dinosaur.

MR. AOTO responded that this was something that Representative Stapp's office was open to.

[5:29:43 PM](#)

REPRESENTATIVE HIMSCHOOT echoed Representative Story's position and said that this could be a wonderful opportunity for Alaska

students to learn about dinosaurs and argue which dinosaur would be most appropriate for state designation.

[5:30:24 PM](#)

REPRESENTATIVE STORY added that students could vote on the dinosaur, which would be a good exercise for civic engagement.

[5:30:38 PM](#)

CHAIR CARRICK announced that HB 82 was held over.

CHAIR CARRICK noted that this concluded business for the House State Affairs Standing Committee for the legislative session. She thanked the committee for the discussions and debate, as well as partisan and nonpartisan staff who supported discussions.

[5:35:24 PM](#)

REPRESENTATIVE MCCABE remarked that his office had nominated Stuart Relay, staff to Chair Carrick, as the hardest working staffer in the building.

REPRESENTATIVE HIMSCHOOT joked that Mr. Relay should be awarded with gold and silver specie.

REPRESENTATIVE VANCE thanked Chair Carrick for supporting discussions despite any differences in partisanship and setting an appropriate mood and tone for previous discussions.

CHAIR CARRICK noted that she would be available for any discussions during the interim period.

[5:37:30 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 5:37 p.m.