

SENATE FINANCE COMMITTEE

May 9, 2025

9:03 a.m.

9:03:33 AM

CALL TO ORDER

Co-Chair Hoffman 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 Mike Cronk  
Senator James Kaufman  
Senator Jesse Kiehl  
Senator Kelly Merrick

MEMBERS ABSENT

None

ALSO PRESENT

Lacey Sanders, Director, Office of Management and Budget, Office of the Governor; Liz Harpold, Staff, Senator Donny Olson; Senator Bill Wielechowski, Sponsor; David Dunsmore, Staff, Senator Wielechowski.

PRESENT VIA TELECONFERENCE

Cori Mills, Deputy Attorney General, Office of the Attorney General, Department of Law.

SUMMARY

SB 64           ELECTIONS

CSSB 64(FIN) was REPORTED out of committee with three "do pass" recommendations and with four "no recommendation" recommendations, and with a new fiscal impact note from the Office of the Governor, and one previously published zero fiscal note: FN 2(ADM).

OFFICE OF MANAGEMENT and BUDGET:

GOVERNOR'S FY 26 OPERATING AMENDMENTS  
GOVERNOR'S FY 26 MENTAL HEALTH AMENDMENTS

BARGAINING AGREEMENTS:

GGU - GENERAL GOVERNMENT  
CEA - COLLECTIVE EMPLOYMENT AGREEMENT  
MEBA - MARINE ENGINEERS' BENEFICIAL ASSOCIATION

Co-Chair Hoffman discussed the agenda.

^OFFICE OF MANAGEMENT and BUDGET:

GOVERNOR'S FY 26 OPERATING AMENDMENTS  
GOVERNOR'S FY 26 MENTAL HEALTH AMENDMENTS

BARGAINING AGREEMENTS:

GGU - GENERAL GOVERNMENT  
CEA - COLLECTIVE EMPLOYMENT AGREEMENT  
MEBA - MARINE ENGINEERS' BENEFICIAL ASSOCIATION

[9:04:32 AM](#)

LACEY SANDERS, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, relayed that she was in committee to present the FY 26 operating and mental health budget amendments that had been transmitted to the legislature the previous week. The amendments represented the contractual bargaining agreements between the state and the Alaska State Employees Association for General Government (GGU), the Confidential Employees Association (CEA), and the Marine Engineer Beneficial Association (MEBA). She relayed that each of the contracts covered the terms from FY 26 to FY 28, however the amendments being presented were specific to the terms for FY 26. The result was an overall increase of \$84.5 million. The Unrestricted General Fund (UGF) portion was \$35 million. On May 2, the GGU terms were submitted totaling \$80.5 million, \$33.4 of which was UGF.

Ms. Sanders continued that the CEA and MEBA items were transmitted on May 7, totaled \$4 million, \$1.6 million of which was UGF. She drew attention to transmittal letters outlining the terms of each agreement for FY 26 as well as backup spreadsheets identifying individual transactions throughout agency budgets (copy on file).

Co-Chair Hoffman observed that the GGU contract was roughly \$80 million in all funds and \$33 million UGF for the first year. He asked what happened if there were not enough non-UGF fund sources to pay or if some of the other fund sources were hollow receipts.

Ms. Sanders relayed that each year when the budget was adopted, the administration worked with agencies to develop a personal services module that balanced each position with the expected funding source. Throughout the year, if agencies identified hollow receipts, the administration would work to determine the reason and make a decision as to the function of the position would continue. The other course of action would be to make a supplemental request to the legislature identifying shortfalls.

Co-Chair Hoffman relayed that he had a concern that in the state's fiscal situation, the legislature may be asked to fund positions at a later date in a supplemental request. He wanted to inform members that it was a possibility.

Senator Kiehl looked at the GGU contract and understood that the lump sum was non-recurring and did not go into the base nor compound. He identified that the base salaries went up by 1.25 percent and the base wages went up by 1.75 percent. He asked about the practical difference between the two.

Ms. Sanders relayed that overall pay was increasing by 3 percent. She noted that there was staff available from the Department of Law to speak to Senator Kiehl's question.

[9:09:21 AM](#)

CORI MILLS, DEPUTY ATTORNEY GENERAL, OFFICE OF THE ATTORNEY GENERAL, DEPARTMENT OF LAW (via teleconference), thought Ms. Sanders answered the question overall. There was an ongoing payment, so the increase got baked in. She mentioned recruitment. The practical effect was a 3 percent increase.

Co-Chair Stedman thought it would be nice to hear from the Department of Law during the negotiations. He asked if the department took the salary studies into account to address problematic areas.

Ms. Mills relayed that the department did not take the salary study into account and thought more work needed to be done on the study. She thought the department looked at general trends and the complexities of the system to try and evaluate choices at the end of the negotiation. The study was not considered as a baseline. She mentioned the classification as a whole and cost of living increases (COLAs). The study was not a core portion of the bargaining.

Co-Chair Stedman mentioned that the salary study the committee had been presented two weeks previously had shown that there were several groups of employees that were below 50 percent and 65 percent. He thought there was high turnover in some of the lower-level positions, which he thought appeared excessive. He asked if the committee should be anticipating an additional request for reference to the wage study, or whether the wage study would be put aside.

Ms. Sanders relayed that the salary study and labor negotiations were two distinct processes, and the study was not bargained into contractual negotiations. She noted that there was significant work needed to go through the study and consider the recommendations of the study. She relayed that the administration would have to evaluate the study over the interim and bring back recommendations to the legislature in the following session.

Co-Chair Stedman thought that there would be a more constrained budget the following year and that there could be another significant increment request for employees if the state was going to deal with the study.

[9:13:45 AM](#)

Co-Chair Hoffman asked if the testifiers could address a justification of bonuses and the duration of the three-year contract.

Ms. Sanders offered at a high level that there were continued conversations about ensuring the state had the staff in positions to meet the needs and services provided to Alaskans. One of the tools utilized in negotiations and in the agreement was the use of a recruitment/retention bonus. She noted that the GGU had many entry-level positions that were hard to fill and hard to retain.

Ms. Mills thought Ms. Sanders had covered the topic. She relayed that the bonuses were an attempt to come to agreement, and bonuses were one of the ways to try and increase recruitment and retention.

[9:15:29 AM](#)

Co-Chair Hoffman asked if [the bonuses] were a normal practice, and if it existed in the past, and if it was expected to be used in the normal course of business.

Ms. Sanders could not speak to past practice but offered that she had spoken to the committee in the past about letters of agreement and those things occurring outside the negotiation process. She mentioned an effort to get items outside the letters of agreement process and into the contract. She thought whether the bonuses continued in the future was dependent upon the economic outlook, how the state was doing with recruitment and retention, and the state's future fiscal situation.

Co-Chair Hoffman stated that the legislature was still working on the FY 26 budget, which was very tight and had yet to go through the conference committee process. He expressed significant concern as to how the state would address the FY 27 budget. The committee would be faced with major financial decisions the following year and wanted to work more closely with the administration as to how to achieve a balanced budget the following year. He opined that the state would have to address additional revenue measures to balance the budget, more so than the one that passed the Senate. He referenced SB 113 [related to corporate tax for online business in Alaska], sponsored by Senator Wielechowski. He reiterated that the state was facing a big challenge.

Senator Kiehl mentioned the following year's budget and asked if there were still bargaining units with outstanding agreements with the executive branch.

Ms. Sanders answered in the affirmative and specified that no agreement had been reached with the Inland Boatman's Union (IBU).

Senator Kiehl asked for an order of magnitude estimate. He asked about the potential General Fund cost if the agreement was for roughly 3 percent.

Ms. Sanders did not have the figure at hand.

#sb64

SENATE BILL NO. 64

"An Act relating to elections; relating to voters; relating to voting; relating to voter preregistration for minors at least 16 years of age; relating to voter registration; relating to the Alaska Public Offices Commission; relating to synthetic media in electioneering communications; relating to campaign signs; relating to public official financial disclosures; relating to the crime of unlawful interference with voting in the first degree; and providing for an effective date."

[9:19:16 AM](#)

Co-Chair Hoffman relayed that the committee had first heard SB 64 on April 9, at which time it had taken public testimony and reviewed fiscal notes. The only amendments received were from the bill sponsor, which had been rolled into a Committee Substitute (CS) for the committee's consideration.

Senator Kiehl MOVED to ADOPT proposed committee substitute for SB 64, Work Draft 34-LS0153\L (Dunmore, 5/8/25).

Co-Chair Hoffman OBJECTED for discussion.

[9:20:36 AM](#)

LIZ HARPOLD, STAFF, SENATOR DONNY OLSON, relayed that there was an Explanation of Changes document (copy on file) that provided technical details regarding the changes between the previous version of the bill and the version that was being considered. She suggested that the sponsor's staff address the amendments that had been incorporated into the CS, which she thought would be more beneficial to the committee.

[9:21:17 AM](#)

SENATOR BILL WIELECHOWSKI, SPONSOR, introduced himself and referred to his staff.

[9:21:24 AM](#)

DAVID DUNSMORE, STAFF, SENATOR WIELECHOWSKI, relayed that his office had prepared several amendments to address concerns raised in conversation with various Senators.

Mr. Dunsmore summarized the changes to the bill:

The following provisions are removed from the bill:

- Sections 2 and 5 relating to electronic signatures.
- Section 25 and Section 1 subsection (9) relating to moving from a house district just before an election.
- Section 49 related to public official financial disclosures by municipal officials.

The following provisions are added to the bill:

- Section 4, 51, and 52 require data sharing between the Department of Revenue and the Division of Elections (DOE) for the purpose of voter registration, confirming the residency of voters, identifying duplicate registrations, and detecting voters who are ineligible to vote.
- Section 11 requiring DOE to notify the public and the Legislature if there is a data breach of confidential election data within 14 days of the election or before the election is certified.
- Sections 49 and 50 codifying the ability to opt-out of voter registration through a Permanent Fund Dividend application.

The following changes are made to existing provisions in the bill:

- In Section 5, the time frame for voter inactivity that triggers a notice is changed from two general elections to 28 months and technical changes are made to the language related to notices sent to voters with out-of-state addresses.
- In Section 9, the review of the master voter register is changed from every two years to annually.

- In Section 12, the list of entities the rural community liaison is required to collaborate with is narrowed to municipalities and tribes.
- In Section 18, it is clarified that language assistance must be provided to the extent practicable in compliance with federal law.
- In all sections concerning the use of utility bills, banks statements, paychecks, government checks, or other government documents as identification, the requirement for how recent the document must be is changed from 90 days to 60 days. These provisions are found in Sections 19, 29, and 34.
- In Section 24, DOE will be required to adopt regulations for additional risk limiting audits rather than being giving the authority to do so.
- In Section 37, language is adding requiring that DOE only purchase a ballot-tracking system from a domestic company and requiring that the ballot-tracking system must use multi-factor authentication to verify a voter's identity.

Co-Chair Hoffman asked if Senator Wielechowski believed that any provisions in the legislature were partisan.

Senator Wielechowski relayed that the bill had been several years in the making and was the result of meetings between Republican, Democrat, Independent, and Non-partisan legislators as well as the Division of Elections and the Office of the Governor. He opined that SB 64 was truly a bipartisan bill that would clean up the state's voter rolls that currently had 106 percent more registered voters than Alaskans. He continued that the bill would make elections more secure and speed ballot counting. The bill would make small changes to help rural and military voters from having their ballots disenfranchised.

[9:25:53 AM](#)

Co-Chair Hoffman reflected that during the previous election, there was a high proportion of votes in his and Co-Chair Olson's districts that had not counted. He asked how the bill would address the problems.

Senator Wielechowski relayed that there were several reasons why the event had occurred, which had happened predominantly in rural villages but also in military

districts. The biggest problem had been related to a witness signature, and through a compromise package of reforms the section had been fixed. He relayed that the witness signature had never been verified by the Division of Elections. He described ballot tracking procedures and other measures to ensure there was no fraud possibilities in absentee ballots.

Co-Chair Hoffman asked if members had further questions.

Senator Merrick asked the sponsor if there was anything in the bill that would create statewide mail-in elections.

Senator Wielechowski replied, "absolutely not," and relayed that there was nothing in the bill that created anything for statewide elections.

Co-Chair Stedman asked if the sponsor had received any feedback from the lieutenant governor's office. He asked about meetings with the office.

Senator Wielechowski relayed that he had worked extensively with the lieutenant governor's office and the Division of Elections and relayed that it had been a collaborative process. He did not think the division had taken a position on the bill. He emphasized that he had taken the division's input on every aspect of the bill.

[9:28:15 AM](#)

Senator Kiehl asked about a provision related to those who had not voted in two cycles, and changing the time frame from 24 months to 28 months.

Mr. Dunsmore relayed that the current statute provided a time frame of two general elections. There was a concern for a more specific time frame. He noted that the timeframe of 28 months was chosen because of the review process timing with elections.

Senator Kiehl mentioned discussion about changing how municipal officials shared information regarding financial disclosures.

Mr. Dunsmore thought there was a provision in the Committee Substitute from Senate State Affairs looking to address the issue. A member had raised concern about unintended

consequences. The sponsor agreed that the topic was not a core provision of the bill and would leave the language at status quo.

Senator Kaufman knew the sponsor's office had been working with the minority leader, and that there had been input from the minority leader and his office. He asked about the status of concurrence between the two.

Senator Wielechowski affirmed that he had worked extensively with the minority leader, and it had been very productive. He estimated that at least 50 percent of the provisions in the bill were at the request of the minority leader. He relayed that the current version of the bill was only received yesterday, and he had hastened to bring it to the minority leader's attention. He mentioned two relatively minor sections which he was working to adjust but did not want to state whether the minority leaders supported the sections. He emphasized that the work had been collaborative and hoped that the minority leader would support the bill.

Co-Chair Hoffman asked about fiscal notes.

Mr. Dunsmore had not seen an updated fiscal note. He thought most of the changes would have a minimal cost. He had been told that the change related to the review of the master register from bi-annually to annually would probably double the operating cost of the action to about \$60,000 per year on a bi-annual basis.

[9:32:37 AM](#)

AT EASE

[9:33:36 AM](#)

RECONVENED

Co-Chair Hoffman asked Senator Kiehl to review the new fiscal note.

Senator Kiehl addressed a new fiscal note, OMB Component 21 from the Office of the Governor Division of Elections. There was no change in the operating expenditures section, which showed costs beginning in FY 27 at \$338.8 thousand UGF and one new permanent position and five temporary positions. The fiscal note showed the cost leveling from FY 28 onward to \$290.1 thousand. As was typical for the

division, the amount was levelized and every other year there were five temporary positions. The fiscal note zeroed the estimated capital cost.

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

Senator Kiehl MOVED to report CSSB 64(FIN) out of Committee with individual recommendations and the accompanying fiscal notes.

Senator Kaufman OBJECTED for discussion. He was fine with moving the bill from committee, and commented on the pace of the CS. He wanted to know more from the Senate Minority Leader, who he understood was still reviewing changes to the bill. He thought there may be floor amendments. He hoped that the same bipartisan cooperative effort that had been a part of the bill thus far would continue on the floor.

Senator Kaufman WITHDREW his objection. There being NO further OBJECTION, it was so ordered.

CSSB 64(FIN) was REPORTED out of committee with three "do pass" recommendations and with four "no recommendation" recommendations, and with a new fiscal impact note from the Office of the Governor, and one previously published zero fiscal note: FN 2(ADM).

[9:36:36 AM](#)

AT EASE

[9:38:18 AM](#)

RECONVENED

Co-Chair Hoffman relayed that the afternoon meeting was canceled.

#

ADJOURNMENT

[9:38:42 AM](#)

The meeting was adjourned at 9:38 a.m.