



Alaskans Working For Alaska!

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ASEA/AFSCME Local 52 Legislative Report May 2, 2006

The second session of the 24th Alaska Legislature convened Jan. 9 and will end May 9. There is approximately **1 week** left in the session.

24-Hour Hearing Notice in Effect: The Senate (on Apr. 21) and House (on Apr. 24) appointed conference committees for **HB 365, the operating budget**. When conference committees are convened to reconcile differences between the House and Senate versions of the operating budget, the Legislature adopts a 24-hour notice policy for all committee hearings. Bills will begin to move quickly through the legislative process after the 24-hour rule is applied. **As of Apr. 24, all bills can be heard if given notice the day before.**

Bills on the move:

The following bills wait for **committee action**:

HB 29—Health insurance association to fund state liability, **HB 271**—Prohibit mandatory nurse overtime, **HB 467**—Medication administered by a nurse, **HB 475**—Modify state retirement system, **HB 480**—Health insurance company self-audit, **HB 488**—Petroleum production tax, **SB 152**—Geographic differential study funding, **SB 293**—Start defined contribution retirement in 2008, **HJR 32**—Constitutional amendment disqualifying gay benefits.

The following bills wait for **floor action**:

HB 51—Employer self insurance for workers' compensation, **HB 257**—State procurement outsourcing, **HB 365**—Operating budget, **HB 485**—Remove pharmacists & forensic auditors from classified service, **SB 160**—State procurement outsourcing, **SB 310**—Employment of prisoners, **SJR 20**—Constitutional amendment disqualifying gay benefits.

Targeted Legislation: [HB 257 and SB 160 \(State Procurement Outsourcing\)](#)

Status: Pending

Sponsor: House Judiciary Committee

ASEA Position: OPPOSE

PAC Recommendation: OPPOSE

Bill Status: HB 257, the procurement privatization bill, passed both chambers in two different versions at the end of the first session. A vote on HB 257 by the House or Senate could come up at any time in the next two weeks.

A Senate Finance Committee hearing for SB 160 held May 1. Senate Finance moved the bill out of committee the same day with 3 'Do Pass' and 4 'No Recommendation' votes. SB 160 is now on the Senate floor moving quickly toward transmission to the House for consideration.

Bill Summary: As drafted, HB 257 prescribed a complete expansion to all state departments of HB313, the previous session's procurement privatization pilot project. However, HB 257 passed the House only as a one-year extension, with no expansion of the original pilot project, which would otherwise expire June 30, 2006. As passed originally by the Senate, the bill would extend the pilot project by 4 years. In either version, HB 257 would continue the private contractors exemption from observing the Procurement Code.

Recent study of the pilot program's effectiveness requested by the Div. Of General Services and performed by Mikunda Cottrell has concluded that limited procurement outsourcing **has not** delivered savings and **has actually cost the state more than \$2 million.**

ASEA is taking this threat very seriously, the Union has joined forces with APEA and Local 71 to collect information and actively lobby against this legislation. **Moving procurement to a private vendor will destroy the public trust in the process.** State employees should be making procurement decisions per the state's Procurement Code.

Action Needed: Contact members of the [House and Senate](#) to express opposition to procurement privatization.

Legislation: [HB 475 \(Modify State Retirement System\)](#)

Status: Pending

Sponsor: Rep. Paul Seaton (R)-Homer

ASEA Position: OPPOSE

PAC Recommendation: OPPOSE

Bill Status: HB 475 was transmitted Apr. 25 to the Senate. The bill has been referred to Senate Community & Regional Affairs, Senate State Affairs and Senate Finance committees for hearings.

Bill Summary: Modifies the public employee retirement plan created under SB 141. **Currently contains an amendment postponing the effective date of the defined contribution retirement plan to July 1, 2007.** The individual retirement account (401k-style) plan also reduces medical benefits for new employees, among many other changes. HB 475 cannot fix the regressive consequences of SB 141 and its passage should be opposed. The Internal Revenue Service has yet to approve the DC plan as a non-taxable retirement program.

Action Needed: Contact members of the [State House](#) to encourage them to delay the effective date of the defined contribution plan.

Legislation: [HB 485 \(Exempt Pharmacists & Forensic Auditors\)](#)

Status: Pending

Sponsor: Rep. Norm Rokeberg (R)-Anchorage

ASEA Position: OPPOSED

PAC Recommendation: OPPOSED

Bill Status: Two amendments to HB 485 by Rep. Eric Croft (D)-Anchorage were narrowly defeated Apr. 27 on the House floor. Both amendments modified the bill to seek expansion of the GGU bargaining unit wage scale to accommodate salary upgrades for pharmacists and forensic auditors. Following the failed attempt to amend, the entire bill was voted down the next day. Norm Rokeberg (R)-Anchorage gave notice of reconsideration and HB 475 will return to the House Floor May 3.

Bill Summary: Places the following job classes in the exempt service: Pharmacists in the Department of Health and Social Services and in the Department of Corrections, and corporate income tax forensic auditors who specialize in apportionment analysis and tax shelters of multi-state corporate taxpayers.

Action Needed: Contact all members of the [State House](#) to encourage rejection this ill-conceived solution to recruitment problems.

Legislation: [SB 152 \(Geo-Diff Study Funding\)](#)

Status: Pending

Sponsor: Sen. Tom Wagoner (R)-Kenai

ASEA Position: SUPPORT

PAC Recommendation: SUPPORT

Bill Status: SB 152 was first referred to the Senate State Affairs Committee, a committee on which Sen. Wagoner holds the title of Vice-Chair. SB 152 passed out of that committee on April 13, 2005. SB 152 was then referred to its final committee, Senate Finance. This bill has not seen recent action.

Bill Summary: The bill, introduced on March 24, 2005, would authorize a \$500,000 appropriation for the purpose of conducting a study to review pay differentials, commonly known as the Geo-Diff. State law requires such studies to take place every five years. However, the last pay differential study took place more than twenty years ago in 1983.

Sen. Wagoner says in his sponsor statement, "Over time, some differentials have changed to reflect the change in cost of living, while state statutes remain unchanged since there has not been an update on the Cost of Living survey. The recent School District Cost Study highlights that a cost of living study should be done soon to ensure that the geographic pay differential provided to public employees is up to date."

Action Needed: Contact members of the [Senate Finance Committee](#) and urge them to vote yes on this long overdue legislation!

Legislation: [HB 29 \(Comp. Health Ins. Association\)](#)

Status: Pending

Sponsor: Rep. Norm Rokeberg (R)-Anchorage, Rep. Richard Foster (R)-Nome

ASEA Position: OPPOSE

PAC Recommendation: OPPOSE

Bill Status: HB 29 passed the State House Apr. 28 and was transmitted to the Senate. The title of HB 29 was amended before passage, although three other amendments to the bill from the floor failed. Senate Finance is the only committee of referral assigned to the bill.

Bill Summary: Establishes a Comprehensive Health Insurance Association of medical insurers in the state. Mandatory membership in the CHIA would be accompanied by an assessment to help fund the liability resulting from state medical plan expenses exceeding premium payments made by enrollees. However, CSHB 29(L&C) ensures that there will be no impact on the ASEA Health Benefits Trust.

Legislation: [HB 51 \(Comp. Health Ins. Association\)](#)

Status: Pending

Sponsor: Reps. Kevin Meyer (R)-Anchorage, Jim Holm (R)-Fairbanks, Jay Ramras (R)-Fairbanks, Peggy Wilson (R)-Wrangell, Mark Neuman (R)-Wasilla, John Harris (R)-Anchorage, Mike Kelly (R)-Fairbanks

ASEA Position: NO POSITION

PAC Recommendation: NO POSITION

Bill Status: HB 51 waits for action on the House floor. However, a companion bill (HB 29) was transmitted recently to the Senate.

Bill Summary: Allows employers in the same trade or industry to form an employer association for self-insured workers' compensation coverage. CSHB 29(L&C) ensures that there will be no impact on the ASEA Health Benefits Trust.

Legislation: [HB 271 \(Prohibit Mandatory Nurse Overtime\)](#)

Status: Pending

Sponsor: Reps. Peggy Wilson (R)-Wrangell, Jim Elkins (R)-Ketchikan, Bob Lynn (R)-Anchorage, Bill Stoltze (R)-Chugiak/Mat-Su, Berta Gardner (D)-Anchorage, Max Gruenberg (D)-Anchorage

ASEA Position: SUPPORT

PAC Recommendation: SUPPORT

Bill Status: House Health, Education & Social Services referred CSHB 271(HES) to House Finance on Mar. 3. A House Finance committee hearing for HB 271 was held on Apr. 7. This bill has not seen recent action.

Bill Summary: As amended, the bill requires that public and private facilities report when mandatory overtime is assigned to employees.

Legislation: [HB 365 and SB 228 \(APPROP: OPERATING BUDGET/LOANS/FUNDS\)](#)

Status: Pending

Sponsor: Request of the Governor

ASEA Position: SUPPORT

PAC Recommendation: SUPPORT

Bill Status: As of Apr. 24, HB 365 has been referred to a conference committee. **All bills can be heard if given notice the day before under the 24-Hour Rule.** HB 365 is now being heard by a Senate Conference Committee to reconcile differences between the versions passed by the House and Senate. The conference committee has heard the bill daily since Apr. 26.

Bill Summary: FY07 proposed operating budget contains money for GGU negotiated 2% wage increase, negotiated health insurance employer contribution increase, 5% increase to fully fund public retirement program, as well as a \$2.1 mil. Appropriation for nurses salary increase resulting from a grievance resolution agreement with ASEA. The Senate Finance committee added intent language to further privatize state procurement services. A conference committee will resolve the two versions of HB 365.

Legislation: [HB 467 \(Medication Administered by Nurses\)](#)

Status: Pending

Sponsor: Rep. Mike Kelly (R)-Fairbanks

ASEA Position: NEUTRAL

PAC Recommendation: NEUTRAL

Bill Status: HB 467 passed the State House easily Apr. 24 and was transmitted to the Senate. The bill was referred to a single Senate committee, Senate Health, Education & Social Services. The committee held its first hearing May 1.

Bill Summary: Prohibits registered nurses from administering medication and supplements to resident of a nursing facility, an assisted living home, or an Alaska Pioneers Home if the dosage is outside the manufacturer's recommendation. Appears to shield employer from liability in cases of mis-administered medication or supplements.

Legislation: [HB 480 \(Health Ins. Company Self-Audit\)](#)

Status: Pending

Sponsor: Rep. Tom Anderson (R)-Anchorage

ASEA Position: NEUTRAL

PAC Recommendation: NEUTRAL

Bill Status: HB 480 has received two committee hearings (Mar. 31 and Apr. 3) in House Labor & Commerce. A hearing on Apr. 12 was cancelled. House Judiciary and House Finance are the next committees of referral. This bill has not seen recent action.

Bill Summary: Provides a mechanism for self-auditing by insurance companies to comply with state and federal statutes, rules and orders without releasing proprietary data. According to findings, would provide incentives to identify and remedy insurance and other compliance problems while avoiding against inappropriate disclosure of insurance company internal compliance audit information.

Legislation: [HB 488 & SB 305 \(Oil & Gas Production Tax\)](#)

Status: Pending

Sponsor: Request of the Governor

ASEA Position: NO POSITION

PAC Recommendation: NO POSITION

Bill Status: HB 488 has received regular and frequent committee hearings since Feb. 23. On Mar. 22, the bill passed out of House Resources and was referred House Finance, its last committee of referral. At present, HB 488 continues to receive hearings in House Finance Committee.

Bill Summary: The House and Senate have been holding hearings on proposed changes to the tax structure for oil and gas production. A special session is expected on the matter unless compromise legislation is achieved.

Legislation: [HJR 32 & SJR 20 \(Const. Amend. Disqualifying Gay Couple Benefits\)](#)

Status: Pending

Sponsor: HJR 32: Reps. John Coghill (R)-Anchorage, Bob Lynn (R)-Anchorage, Mike Kelly (R)-Fairbanks; SJR 20: Senate Judiciary (Chair Sen. Ralph Seekins)

ASEA Position: OPPOSE

PAC Recommendation: OPPOSE

Bill Status: HJR 32 has not seen recent action. However, SJR 20 was revived with a committee hearing in Senate Finance and passed out of that committee with 'Do Pass' recommendations from Gary Wilken (R)-Fairbanks, Lyda Green (R)-Mat-Su, and Fred Dyson (R)-Eagle River. SJR 20 is expected to be transmitted to the House soon.

Bill Summary: Amends the State Constitution to disqualify same-sex unions from the rights, benefits, obligations, qualities, or effects of a marriage between a man and a woman.

Legislation: [SB 152 \(Geo-Diff Study Funding\)](#)

Status: Pending

Sponsor: Sen. Tom Wagoner (R)-Kenai

ASEA Position: SUPPORT

PAC Recommendation: SUPPORT

Bill Status: SB 152 was first referred to the Senate State Affairs Committee, a committee on which Sen. Wagoner holds the title of Vice-Chair. SB 152 passed out of that committee on April 13, 2005. SB 152 was then referred to its final committee, Senate Finance. This bill has not seen recent action.

Bill Summary: The bill, introduced on March 24, 2005, would authorize a \$500,000 appropriation for the purpose of conducting a study to review pay differentials, commonly known as the Geo-Diff. State law requires such studies to take place every five years. However, the last pay differential study took place more than twenty years ago in 1983.

Sen. Wagoner says in his sponsor statement, "Over time, some differentials have changed to reflect the change in cost of living, while state statutes remain unchanged since there has not been an update on the Cost of Living survey. The recent School District Cost Study highlights that a cost of living study should be done soon to ensure that the geographic pay differential provided to public employees is up to date."

Action Needed: Contact members of the [Senate Finance Committee](#) and urge them to vote yes on this long overdue legislation!

Legislation: [SB 293 \(Start Defined Contribution in 2008\)](#)

Status: Pending

Sponsor: Sen. Kim Eltion (D)-Juneau

ASEA Position: SUPPORT

PAC Recommendation: SUPPORT

Bill Status: SB 293 was introduced Feb. 14 and assigned two committees of referral--House State Affairs and House Finance. The bill received a hearing Apr. 25 and was passed out of committee and referred to Senate Finance the next day.

Bill Summary: Delays implementation of the defined contribution retirement plan until July 1, 2008.

Legislation: [SB 310 \(Employment of Prisoners\)](#)

Status: Pending

Sponsor: Senate Finance

ASEA Position: OPPOSE

PAC Recommendation: OPPOSE

Bill Status: SB 310 passed out of House State Affairs, House Labor & Commerce and House Finance over the course of ten days and currently waits for a vote on the House floor. HB 310 is expected to be transmitted to the Senate soon. The bill has been modified since reaching the House and a conference committee seems likely before passage.

Bill Summary: Allows private enterprise to hire incarcerated inmates. Prisoners shall be compensated by the state for no more than one-half of minimum wage. Part of the wage can be retained by the state to pay for the cost of confinement. SB 310 eliminates the Correctional Industries program fund.