

Minutes approved on August 18, 2016

**ALASKA STATE LEGISLATURE
SELECT COMMITTEE ON LEGISLATIVE ETHICS**

JANUARY 25, 2016

8:30 AM

[8:34:52 AM](#)

Committee Members Present:

Senator Gary Stevens
Senator Dennis Egan
Representative Charisse Millett
Representative Chris Tuck
Representative Liz Vazquez (Alternate)
Conner Thomas
Skip Cook
Gary Turner

Others Present:

Jerry Anderson, Administrator
Joyce Anderson, Contract Employee
Janice Stewart, Staff
Dan Wayne, LAA Legal

1. CALL THE MEETING TO ORDER

The meeting was called to order by Chair Skip Cook at 8:35 am.

2. WELCOME NEW PUBLIC MEMBERS

No new public members have been appointed at this time.

3. APPROVAL OF AGENDA

Motion was made by Member Gary Turner to move Item 11 to a future Senate Subcommittee Executive Session. No objection. Agenda approved.

4. APPROVAL OF MINUTES

a. September 29, 2015 Full Committee

Motion to approve by Member Thomas. No objection. Minutes were approved.

b. September 29, 2015 Senate Subcommittee

Motion to approve by Member Turner with the addition that he was present by teleconference. No objection. Minutes approved.

c. September 29, 2015 House Subcommittee

Motion to approve by Member Turner with the addition that he was present by teleconference. No objection. Minutes approved.

d. November 12, 2015 AO Subcommittee.

Motion to approve by Member Turner. No objection. Minutes approved.

5. PUBLIC COMMENT: No public comment.

6. ELECTION OF COMMITTEE CHAIRS

[See next committee meeting notes for correction in accordance with AS 24.60.130(d)]

7. CHAIR/STAFF REPORT

a. Informal Advice Report.

Jerry Anderson summarized the Informal Advice Report. There were no comments, questions, or additions from the committee.

b. Update: Public Member Committee Appointments

The Ethics Committee is waiting for the appointment of two public members and a public member alternate. Member Conner Thomas and Member Gary Turner were re-nominated by the Chief Justice and consented to serve for another term, pending confirmation by the House and Senate.

c. Ethics training.

A total of 58 employees completed training on January 15, 2016. An additional session is to be held on Wednesday, January 27, 2016, at 8:30 a.m. in Juneau. There is the possibility of one additional training in February. Training on January 27th will include teleconferencing for off-site employees.

d. Ethics Disclosures.

A summary of disclosures filed for 2015 was provided, noting the number of filings was down. Disclosures showing a Close Economic Association were down most likely because of advice clarifying that it was not necessary to file if the amount was less than \$250.

- i. Ethics Committee staff are working on streamlining and making the filing of the forms more easily identifiable and accessible online. Handwritten disclosures

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are now entered by the Ethics Committee Administrative Assistant. The goal is to provide accurate and timely records for the public.

Committee staff suggested a move towards electronic filing only over the next year. Doing so would increase the opportunity for filers to search disclosures and would reduce misunderstandings generated when reading handwritten disclosures. A change in the Rules of Procedure, Section 11c, would be necessary if the requirement changed to "electronic only". Senator Stevens requested that the committee be cautious when asking for electronic filing only, and although electronic filing should be encouraged, it should not be required at this time. He suggested that the issue be revisited at the January meeting next year. No motion was made at this time.

- ii. Committee Staff are working with Tim Powers, LAA Media Services, to refine the disclosure database and access to online filing.

e. COGEL Report.

Mr. Anderson summarized the Council on Governmental Ethics Laws (COGEL) conference and pointed out highlights regarding nationwide issues and situations that other ethics committees have faced. He noted the variety of professions represented at the conference. A compilation of topics and various state decisions were included in the packet.

f. Payment of Fines.

All late fines are current.

A letter received January 25, 2016, from Representative Tarr regarding a late fine was moved to a future agenda.

g. Statutory publications.

- i. There were no Advisory Opinions or Complaint Decisions published in 2015 as none were issued.

- ii. The Standards of Conduct Handbook for 2016 will remain the same as the 2015 version.

h. Campaign Oversight Activities.

The administrator will be focusing on activities, regulations, and statutes regarding what is permitted and prohibited during a campaign year. Information will be sent out in the committee newsletter, The Advisor, as well as occasional email alerts.

8. STATE BENEFIT AND LOAN REVIEW

a. Annual request for review.

Committee members were provided with a sample letter sent to state departments that included a review form and current Standards of Conduct Handbook Appendix C, which lists approved benefit and loan programs. All departments responded with no changes, with the exception of the Department of Commerce, Community and Economic Development, which asked for a review of five of their programs in January of 2015. The five programs are: Deferred Deposit Advance (Pay Day) Lenders, Premium Finance Companies, Business and Industrial Development Companies (BIDCOs), Small Loan Companies, and Banks, Mutual Savings Banks and Credit Unions.

b. Report by Representative Vazquez and Administrator (AS 24.60.050 (b))

Mr. Anderson referred committee members to a chart provided by Kevin Anselm of the Division of Banking and Securities within the Department of Commerce, Community and Economic Development. The chart gave a summary of each of the five programs for which a review had been requested. Mr. Anderson and Representative Vazquez had drafted a memo as a response to Ms. Anselm's request to withdraw those programs.

Representative Vazquez noted that after reviewing the pertinent regulations, all five programs involved more than a minimal amount of discretion, and were not limited to fixed, objective eligibility standards. It was recommended that the programs remain on the state benefit and loan program list.

A motion to keep the five programs on the list was made by Representative Millett. No objection. Motion was approved.

9. BUDGET REVIEW

Mr. Anderson summarized the budget for FY16, noting that the Ethics Committee office was under budget due to turnover in staff. Of \$257,100 appropriated, expenditures totaled \$93,201.17, with a remaining amount of \$163,889 available for use through June 30, 2016. The FY 17 budget includes a 2.5% decrease, from \$257,100, to \$252,400.

(ITEM 10 was moved forward in the agenda pending the arrival of Senator Gardner.)

(ITEM 11 was moved to a future agenda as noted in ITEM 3.)

12. ADVISORY OPINION 15-02 - LUNCH AND LEARN SESSIONS.

CONFIDENTIALITY REGARDING THIS ADVISORY OPINION WAS PREVIOUSLY WAIVED.

Mr. Dan Wayne, Esq., from Legislative Legal gave an overview of the current draft that included changes as directed by the AO subcommittee during the November 12, 2015, meeting. These changes included a reiteration that the Lunch and Learn sessions have a legislative purpose and focus on the topic to be presented rather than the business providing the lunch or the entity presenting the information. This Advisory Opinion would apply to state facilities operated by the legislature, not just the Alaska State Capitol building.

Discussion of AO 15-02

Senator Stevens asked for a definition of "legislative purpose." Mr. Wayne responded that it was broadly interpreted by the committee in the past, and no definition had been provided in past Advisory Opinions. It would be difficult to provide a definition that would encompass all possible things that have a legislative purpose. The term is explained based on the facts provided in each opinion.

Member Gary Turner suggested that using the name of the caterer when advertising the Lunch and Learn be

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prohibited, therefore eliminating the appearance of private benefit.

A Motion was made by Member Gary Turner that language be added saying that the name of the person or business that provides the lunch will not be included on the Lunch and Learn posters, flyers, or communication pieces.

Representative Millett noted that the person or business providing the food will often bring business cards or other information to distribute during the lunch. If the committee were to adopt a zero tolerance policy that issue would need be addressed as well.

Chair Skip Cook asked if the food was provided for free by the caterer, or if the entity presenting information paid for the food.

Representative Millet stated that her understanding was that the person or business providing food were reimbursed by the organizer of the event at no cost to the staff or legislature. She did not recall a situation when the food was provided at no cost to the entity organizing the Lunch and Learn.

It was noted that some caterers were, at times, perceived as a draw by those promoting the Lunch and Learn, bringing more people to the event.

Member Conner Thomas stated that he saw no need for the provider of the food to be listed if they were being paid for their service.

Representative Tuck added that due to food allergies it was important for some people to know what kind of food would be available. It was then noted by the committee that the kind of food to be served would not require the name of the caterer or food provider. Emphasis needed to be away from providing a private benefit to the food provider.

Representative Millett suggested that it might be beneficial to have the Rules Chair talk to the committee about their procedures and criteria for approving Lunch and Learn sessions.

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Chair Skip Cook reminded the committee that a motion to prohibit naming the food provider on a poster or flyer was on the floor.

A roll call vote was conducted.

Those concurring with the motion:

Representative Millett
Member Gary Turner
Member Skip Cook
Member Conner Thomas

Those not concurring with the motion:

Senator Stevens
Senator Egan
Representative Tuck

The motion passed 4 to 3.

The discussion continued with the decision to finalize the language regarding to which facilities the Advisory Opinion would apply - those operated by legislative agencies, including the Capitol. In Addition, Mr. Wayne suggested including the following language to the final draft:

"We think it is important, for example, in order to avoid the appearance of impropriety that fliers and other messages promoting the event do not list the name of the caterer, and they emphasize the learning opportunity more prominently than the free meal or the name of the entity that provides it."

A motion was made by Member Conner Thomas to approve the draft with changes as passed in the previous vote, and the conceptual language stated by Mr. Wayne.

A roll call vote was conducted.

Those concurring with the motion:

Senator Stevens
Representative Millett
Representative Tuck

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Member Conner Thomas
Member Skip Cook
Member Gary Turner

Those not concurring with the motion:

Senator Egan

The motion passed 6 to 1.

Chair Skip Cook declared that AO 15-02 - Lunch and Learn Sessions was adopted. A new draft with the proposed conceptual language would be sent to all committee members for review and approval prior to publically issuing the opinion.

13. RULES OF PROCEDURE PROPOSED CHANGES

Mr. Anderson summarized the proposed changes.

SECTION 2 Administrative Policies currently reads: Any authority delegated to the Chair... ability to incur and be reimbursed for expenses, and purchases less than **\$400**;...

Proposed: \$400 changed to \$1,000 as currently delegated by the chair. No objection, change approved.

SECTION 7(d)(4) Requests for Committee Materials/Correspondence currently reads: Documents determined confidential by statute or by the committee at a public meeting, **and** noted in the committee's Rules of Procedure are not available for public inspection.

Proposed: Change "**and**" to "**as**". "As" was accepted. No objection.

SECTION 7(c)(1), (3), and (6) Closure:
Correct current reference SEC. 10(h) to SEC. 10(j),
Correct current reference SEC. 9(c) to SEC. 9(e),
Correct current reference SEC 11(e) to SEC. 11(f).

No objection, changes approved.

PRESENTATION OF LEGISLATIVE CITATION TO FORMER ETHICS COMMITTEE ADMINISTRATOR, JOYCE ANDERSON.

Senator Berta Gardner and Representative Chris Tuck presented a Legislative Citation to Joyce Anderson thanking her for 14 years of exceptional service as Administrator of the Ethics Committee. Other members and legislators also commented on her years with the committee and the work she had accomplished.

10. LEGISLATIVE UPDATE

Senator Gardner summarized SB 24 as a housekeeping measure pertinent to outside contractors and an effort to clarify who is required to provide full disclosure, including financial, and to complete ethics training. A meeting with the Senate Judiciary Committee Chair, Senator McGuire, was scheduled so the bill could move to the floor. Senator Gardner stated that a parallel House companion bill would help ensure that the legislation would get passed this session and that she had contacted Representative Millett earlier that day to ask if she would sponsor the legislation. Representative Millett agreed to do so, and Senator Gardner said she would be sharing all the information with Representative Millett's office in order to expedite the process.

It was noted during discussion that the disclosure requirement could have an adverse effect, causing some entities to decline entering into contracts with the legislature rather than having to comply with the disclosure and ethics training requirements. It appears that those who are under contract are not consistently compliant with the disclosure requirements, and it is difficult to enforce the statute for a variety of reasons, including a small number of ethics staff members.

Jerry Anderson addressed additional legislative matters, noting that SB 109 contained references to AS 24.60.030(e) and included a definition of financial interest. HB 195 was a companion bill to SB 109.

SSSB4 and CSHB65(JUD): Request an APOC filing date change from March 15 to May 15, providing time outside of session to file.

14. Motion to go into EXECUTIVE SESSION to discuss matters which by law must remain confidential.

A motion to go into EXECUTIVE SESSION was made by Member Conner Thomas. Steps were taken to enter EXECUTIVE SESSION at 10:35 a.m.

15. EXECUTIVE SESSION

16. PUBLIC SESSION

The committee returned to public session at 2:43 p.m.

17. OTHER BUSINESS

No other business.

18. ADJOURN

A motion to adjourn was made by Chair Skip Cook. So moved by Member Conner Thomas. No objection. Meeting was adjourned at 2:44 p.m.

[2:44:19 PM](#)