

HOUSE FINANCE COMMITTEE
February 21, 2001
1:32 PM

TAPE HFC 01 - 32, Side A

CALL TO ORDER

Co-Chair Williams called the House Finance Committee meeting to order at 1:32 PM.

MEMBERS PRESENT

Representative Eldon Mulder, Co-Chair
Representative Bill Williams, Co-Chair
Representative Con Bunde, Vice-Chair
Representative John Davies
Representative Carl Moses
Representative Richard Foster
Representative John Harris
Representative Bill Hudson
Representative Ken Lancaster
Representative Jim Whitaker

MEMBERS ABSENT

Representative Eric Croft

ALSO PRESENT

Senator Dave Donley; Eddy Jeans, Manager, School Finance & Facilities Section, Department of Education and Early Development; Catherine Reardon, Director, Division of Occupational Licensing, Department of Community and Economic Development; Pat Davidson, Executive Director, Legislative Budget and Audit Division; Heather Brakes, Staff, Legislative Budget and Audit Committee.

SUMMARY

HB 90 "An Act relating to reimbursement of municipal bonds for school construction; and providing for an effective date."

CSHB 90 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a new zero fiscal note by the Department of Education and Early Development.

SB 53 "An Act extending the termination date of the Board of Barbers and Hairdressers."

SB 53 was REPORTED out of Committee with a "do pass" recommendation and with a new zero fiscal

note by the Department of Community and Economic Development.

CSSJR 6(FIN)

Urging the Congress of the United States to provide federal education funds as a block grant to the state.

HCS CSSJR 6 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a previously passed zero fiscal note by the Senate Finance Committee.

#hb90

HOUSE BILL NO. 90

"An Act relating to reimbursement of municipal bonds for school construction; and providing for an effective date."

Co-Chair Mulder noted that they had looked at potential amendments. They were not able to come to a compromise.

Co-Chair Mulder MOVED to ADOPT a technical amendment on page 4, line 19: change (p) to (o). There being NO OBJECTION, it was so ordered.

Co-Chair Mulder noted that the legislation corrects a technical error in HB 281, Chapter 130, SLA 2000, school capital funding and bond debt reimbursement. The bill was prospective as opposed to retroactive. The Northwest Arctic Borough and Anchorage School District had already approved the bonds by vote. House Bill 90 reauthorizes what was already authorized.

Representative Foster MOVED to report CSHB 90 (FIN) out of Committee with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 90 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a new zero fiscal note by the Department of Education and Early Development.

#sjr6

CS FOR SENATE JOINT RESOLUTION NO. 6(FIN)

Urging the Congress of the United States to provide federal education funds as a block grant to the state.

SENATOR DAVE DONLEY, sponsor, spoke in support of the bill. He observed that the legislation would encourage Congress to provide federal education funds as block grants. States have been successful in reducing the cost and improving delivery of welfare to their citizens since the federal government began distribution of welfare through block grants. He stressed that there are high the administrative costs

associated with the various federal education programs. This money could be used in the classrooms. Many local school districts have complained about the administrative burden for federal programs, which go through three levels: federal, state and local.

In response to a question by Vice-Chair Bunde, Senator Donley stressed that any movement toward block grants would allow flexibility and lower administrative costs.

Representative John Davies expressed support for the legislation. He pointed out that language on line 4 could be misunderstood to indicate that the federal government provides all of the funding for education. He recommended the addition of "categorical."

Representative John Davies MOVED to amend the legislation on line 4: insert "categorical" before "funding". There being NO OBJECTION, it was so ordered.

HCS CSSJR 6 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a previously passed zero fiscal note by the Senate Finance Committee.

#sb53

SENATE BILL NO. 53

"An Act extending the termination date of the Board of Barbers and Hairdressers."

HEATHER BRAKES, STAFF, LEGISLATIVE BUDGET AND AUDIT COMMITTEE noted that SB 53 amends title 8 Chapter 3, Section 10 to extend the board an additional four years from June 30, 2001 to June 30, 2005. She observed that a legislative audit was released on Dec 6, 2000. The audit concluded that the Board of Barbers and Hairdressers should be reestablished and that the regulation and licensing of qualified barbers, hairdressers and estheticians is of benefit to the public's health, safety, and welfare. The board benefits the public by establishing minimum educational and experience requirements that provide reasonable assurance that persons licensed are qualified. Assurances that those licensed act in a competent manner is provided by active investigation of complaints conducted by the Division of Occupational Licensing's investigative unit within the Department of Community and Economic Development.

Alaska Statute 08.03.010(c) (4) requires the Board of Barbers and Hairdressers be terminated on June 30, 2001. Under AS 08.03.020, the board has a one-year period to administratively conclude its affairs. The audit recommended that the board's termination date be extended to June 30, 2005.

CATHERINE REARDON, DIRECTOR, DIVISION OF OCCUPATIONAL LICENSING, DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT provided information on the legislation. She explained that licenses are valid for two years. They expire at the end of August on even fiscal years. She explained that there would always be a high and low year. On the years when the licenses are not renewed revenues come from new licenses. There are no general funds in the component. The legislature generally rolls forward the excess revenue collections to allow the boards to cover their two-year costs with two-year revenues.

Representative Foster noted that the number of commissions has increased. He suggested that the four-year sunset date is a waste of time.

PAT DAVIDSON, EXECUTIVE DIRECTOR, LEGISLATIVE BUDGET AND AUDIT DIVISION explained that they recommended that that the Board be extended for four years because tattooist is a new occupation under the Board. The normal four-year extension would allow the profession to establish regulations.

Vice-Chair Bunde MOVED to report SB 53 out of Committee with the accompanying new fiscal note. Representative John Davies observed that the fiscal note would reflect the new. There being NO OBJECTION, it was so ordered.

SB 53 was REPORTED out of Committee with a "do pass" recommendation and with a new zero fiscal note by the Department of Community and Economic Development.

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ADJOURNMENT

The meeting was adjourned at 1:55 p.m.