

ALASKA STATE LEGISLATURE
SENATE JUDICIARY COMMITTEE

April 29, 2002
2:13 p.m.

MEMBERS PRESENT

Senator Robin Taylor, Chair
Senator John Cowdery
Senator Johnny Ellis

MEMBERS ABSENT

Senator Dave Donley, Vice Chair
Senator Gene Therriault

COMMITTEE CALENDAR

CS FOR HOUSE BILL NO. 206(RLS)

"An Act relating to a vessel-based commercial fisheries limited entry system for the Bering Sea Korean hair crab fishery and for weathervane scallop fisheries, to management of offshore fisheries, and to the definition of 'person' for purposes of the commercial fisheries entry program; and providing for an effective date."

MOVED CSHB 206(RLS) OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 332(FIN)

"An Act extending the termination date of the Council on Domestic Violence and Sexual Assault; relating to the council's duties; placing the executive director and staff of the council in the exempt service; and providing for an effective date."

MOVED CSHB 332(RLS) OUT OF COMMITTEE

PREVIOUS SENATE COMMITTEE ACTION

HB 206 - See Resources minutes dated 3/20/02, 4/17/02 and 4/24/02.

HB 332 - No previous action.

WITNESS REGISTER

Mary McDowell
Commercial Fisheries Entry Commission
8800 Glacier Hwy, Suite 109
Juneau, AK 99801-8079

POSITION STATEMENT: Explained the provisions of HB 206

Ms. Teressa Kandianus
No address provided

POSITION STATEMENT: Supports HB 206

Jason Tandler
P O Box 4471
Kodiak, AK 99615

POSITION STATEMENT: Opposed to HB 206

Paul Seaton
58395 Bruce St.
Homer, AK 99603

POSITION STATEMENT: Opposed to HB 206

Leonard Herzog
916 Delaney St.
Anchorage 99501

POSITION STATEMENT: Supports HB 206

John Winther
Petersburg, AK

POSITION STATEMENT: Supports HB 206

Joe Kyle
No address provided

POSITION STATEMENT: Supports HB 206

Representative Con Bunde
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor of HB 332

Gigi Belcher
WISH
Ketchikan, AK 99901

POSITION STATEMENT: Supports HB 332

Bill Miller
Deputy Chief
Anchorage Police Department
Anchorage, AK

POSITION STATEMENT: Supports HB 332

Brenda Stanfill
Executive Director
Interior Alaska Center for Non-Violent Living
Fairbanks, AK

POSITION STATEMENT: Supports HB 332

Susan Scudder
Executive Director
Council on Domestic Violence & Sexual Assault
Department of Public Safety
PO Box 111200
Juneau, AK 99811-1200

POSITION STATEMENT: Supports CSHB 332 but opposes one provision

Lauri Hugonen
Director
Network on Domestic Violence and Sexual Assault
Juneau, AK 99801

POSITION STATEMENT:

Pat Davidson
Legislative Audit Legislative Affairs Agency
Legislative Affairs Agency
Alaska State Capitol
Juneau, AK 99801-1182

POSITION STATEMENT: Explained the audit recommendations for the Council on Domestic Violence & Sexual Assault

ACTION NARRATIVE

TAPE 02-22, SIDE A

Number 001

CHAIRMAN ROBIN TAYLOR called the Senate Judiciary Committee meeting to order at 2:13 p.m. Senators Cowdery, Ellis and Chair Taylor were present. The first matter to come before the committee was HB 206.

#HB206

HB 206-LIMITED ENTRY FOR COMM. FISHERIES

MS. MARY MCDOWELL, Commissioner at the Commercial Fisheries Entry Commission (CFEC), gave the following description of the origins of HB 206. In 1996 the Legislature enacted a moratorium on the entry of new vessels into the Korean hair crab fishery and in 1997 to the scallop fishery. As part of the Korean hair crab moratorium bill, the Legislature included a provision directing CFEC to work with the Department of Law to draft legislation that would create a vessel-based limited entry program. In response to that legislative mandate, HB 206 was drafted and introduced last year by the House Resources Committee at CFEC's request.

MS. MCDOWELL said in its directive, the Legislature asked that

statutory language be developed to create a vessel-based program that could be used in fisheries in which limitation to the current, existing program would not effectively meet the purposes of the Limited Entry Act: conservation of the resource and protection of the economic viability of the fishery. In doing that, the Legislature recognized that certain fisheries do need limitation, but that the characteristics of those fisheries make them ill-suited to CFEC's existing program and recognized that the state needs a tool to handle those fisheries. HB 206 was initially introduced as generic legislation as the Legislature directed. It contained a new framework of a program better suited to certain fisheries that CFEC could apply. However, the House passed version of the bill was narrowed down so that it now restricts the use of this program to only the scallop and hair crab fisheries, the two fisheries placed under moratorium. Members of the public expressed concern in the House committees about giving generic authority to limit fisheries under this new method, which diverges considerably from traditional limited entry. HB 206 was amended to create the new program and authorize its use in the two fisheries only. She explained that the program does not limit those fisheries; it would be an alternative available for CFEC's use if it does limit those fisheries.

MS. MCDOWELL pointed out the current limited entry program has been in place for nearly 30 years and has been used to limit nearly 65 fisheries. Its design is based on an owner-operator model, which is characteristic of most fisheries. Those fisheries are relatively small and tend to have single owners who invest in their boats and equipment and operate them. Limited entry permits are issued only to individuals, not to the vessels or partnerships. However, in recent years, CFEC has been faced with the need to handle fisheries that have evolved in a different way, the hair crab and scallop fisheries being two of them. They have different ownership and participation patterns and are difficult to limit under CFEC's existing program. HB 206 contains a modified approach that can be used in fisheries that are characterized by larger, more expensive vessels, which are rarely owned by one person. Skippers are often hired to run them and they fish further offshore. If that fishery was limited using the current limited entry program, there is a possibility that the number of participants would increase because of the number of skippers per boat. If the only two choices were open access to the fishery or limitation, it's possible there would be enough risk to the resource that managers would opt to close the fishery rather than endanger the resource, resulting in a loss of jobs and taxes.

CFEC also sees this as a fairness issue. In the existing limited

entry program, the person who has invested in the fishing operation is the one who is likely to be "grandfathered" in. In the scallop and hair crab fisheries, investors have purchased and maintained vessels and hired skippers. The Legislature must decide who should get the fishing privileges that go with that vessel in the future. The Legislature recognized these problems when it enacted the two moratoria because both fisheries are vessel based. The hair crab moratorium ends in 2003 and the scallop moratorium ends in 2004. CFEC needs to have a tool to limit the hair crab fishery next year so passage of HB 206 this session is important.

2:19 p.m.

CHAIRMAN TAYLOR noted that Senator Therriault joined the committee.

MS. MCDOWELL said that passage of HB 206 will not effect the existing limited entry program, which will continue to be CFEC's primary method of limiting fisheries in the future. And, even if HB 206 had passed as generic legislation, it contains a default provision to CFEC's regular program unless CFEC could determine that limitation would not be effective. The House-passed version simply creates a tool that would be available to CFEC in just two fisheries. She noted CFEC strongly supports maintaining the traditional person or gear operator based limited entry system as its primary program and recognizes that this legislation does authorize an exception to the fundamental premise of that existing program. HB 206 is a departure from CFEC's existing program and it presents a policy call for the Legislature to make. She stated CFEC believes this legislation is responsive to the Legislature's directive and presents a pragmatic approach to dealing with the evolving nature of Alaska's fisheries and that CFEC is faced with having to limit a few fisheries that do not fit the model that works well in other fisheries. CFEC supports this legislation.

SENATOR THERRIAULT asked Ms. McDowell to explain why the two fisheries do not fit the existing model.

MS. MCDOWELL explained that the ownership and participation arrangements in the two fisheries differ from the traditional fisheries, which tend to be owner-operator fisheries. In the traditional fisheries, one person or a family owns the vessel and runs it. In the larger boat fisheries, the vessels are large and expensive and tend to be owned by partnerships or corporations and several skippers are hired to run them on a rotating basis.

SENATOR COWDERY asked Ms. McDowell to elaborate on the eligibility period.

MS. MCDOWELL said that would be determined through the regulatory process when CFEC puts forth a proposal on how it will limit a given fishery. Usually, CFEC looks at four years immediately preceding a limitation. Because these fisheries have been closed for several years, the issue is more complicated.

SENATOR THERRIAULT asked if the sale of permits would be similar to limited entry permits.

MS. MCDOWELL said it would be very similar to the limited entry permits. The permits would be a use privilege that would be under the control of the state. Transfers would have to be requested of the Commission and authorized and they would trade on the open market so when the owner sells the vessel, the fishing privileges would be sold with it.

SENATOR THERRIAULT asked if the initial permits would be issued or sold.

MS. MCDOWELL said they would issue a permit and grandfathered in.

SENATOR THERRIAULT asked if the permits will have a tremendous value.

MS. MCDOWELL said they would take on the open market value.

CHAIRMAN TAYLOR announced that he would take teleconference testimony. Due to the number of participants, he asked that testimony be limited to two minutes.

MS. TERESSA KANDIANUS informed members that she and her husband own a scallop vessel named the Provider. She has reviewed some of the correspondence sent to the committee regarding the number of skippers. The Provider has had five different skippers on it since 1996. She noted there are a lot of on-board processing issues with DEC. DEC processing and wastewater permits are required regardless of whether or not the fish are frozen on-board and vessels must have 100 percent observer coverage. Those requirements are not economically feasible for smaller vessels to comply with. In one respect, it is a large boat, offshore fishery that requires a boat that can handle rough weather, and it requires a lot of permitting not required of a smaller "mom and pop" operation.

MR. JASON TANDLER, testifying from Kodiak, said he has been a

year-round fisherman for 26 years. He is a former scallop permit holder and vessel owner captain who is now denied access to the scallop fishery. He is adamantly opposed to HB 206 as this bill will not only enable but will guide CFEC to make unconstitutional and unfair laws, specifically giving rights to harvest scallops to a very few select out-of-state boat owners. Traditionally, that privilege has gone to the permitholder operator, for instance in the salmon fishery. HB 206 will set the stage for other fisheries to follow this precedent. By giving vessels the exclusive rights to the fishery, the need to pay an experienced local crew fair wages is eliminated. By either returning the scallop fishery to open access or giving the permitholder operator the rights to fish instead of the boat owner, the state can eliminate the monopoly and economic hardship that has been created by the present and proposed continuation of having the boat owner possessing exclusive rights to a public resource. He stated:

His boat will by no means lose its actual value, and if he's willing to offer a competitive opportunity to utilize his already rigged and proven vessel in the scallop fishery, undoubtedly his boat is selected by a permitholder to continue to fish. Should the owner be unwilling to be economically competitive, then he can buy a permit in another fishery the same as you or I. At least a fair situation is created where the economics dictate that the proverbial pie is split up a little more evenly. As a veteran, long time year round fisherman, I maintain that the scallop resource is dramatically underutilized. Some of the areas already being harvested, such as Prince William Sound and Kodiak, could withstand a significant increase and effort. Many areas now permanently closed, for instance most of the bays and near shores of the Alaska Peninsula mainland and the Shelikof Island areas, should be open. At a time when both the state and fishing industry are in financial trouble, we need to approach this very valuable resource on a level where Alaska and its local residents realize some of the profits available. This upcoming season, the state scallop fishery will be a one-boat fishery, this boat being a large out-of-state factory boat delivering its catch to foreign [indisc.] or going back to Washington with its catch. Let's put our state waters back into our state's residents' hands. Thank you.

MR. PAUL SEATON, a commercial fisherman from Homer, said HB 206 raises the philosophical debate for corporate ownership of

limited entry permits. He noted he is not referring to the offshore scallop fleet that already has federal limited entry permits, he is referring to state licenses only. He stated that Ms. McDowell testified that HB 206 will apply to only a few non-owner operated fisheries, however the tanner crab fisheries, the state water sea cod fisheries and others also fit the description of non-owner operated. The only addition that would be needed to add these fisheries to the list, once this philosophical debate is over, would be a simple statutory change. If HB 206 is enacted, approximately 75 percent of the owner corporations in the hair crab fleet would be outside corporations. He said he is opposed to HB 206. He noted the constitutional amendment allowing for the Limited Entry Act would not have passed if corporations would be able to buy or be issued entry permits.

MR. SEATON noted a second judicial issue is the Magnuson Stevens Act. Section 303 authorizes the terms under which the North Pacific Fisheries Management Council (NPFMC) can implement the fisheries management plans, and Section 304 restricts the Secretary from doing any management plans that include a limited access program. The state uses that same authority to extend its jurisdiction so he believes the state would be overstepping its bounds if it tried to put limited access of state origins into federal waters.

MR. LEONARD HERZOG, part-owner of a crab boat in Homer, said the hair crab fishery takes place in deep waters in the Bering Sea, outside of state waters. About 20 boats are involved in the fishery. The fishery consists of large vessels that go through different ownership and skipper provisions. It would be problematic to issue a permit to a skipper. He and his partner bought their boat with the privilege of fishing hair crab. He stated:

The idea that whatever we do here has to transfer to small boat fisheries in the Gulf I don't think is correct. At the last Board of Fish meeting, most of the tanner crab fisheries in the Gulf were made super exclusive and it was the intent of the Board to try to keep those boats small and owner-operated. However, in the Bering Sea the situation is different where most of the investments are over \$1 million and the boats are owned, in our case, by a corporation with two Anchorage owners and one other case is by Yellow [indisc.]. So I think it is a tool the state recognizes is necessary, you know, for the hair crab fishery and I don't see any detriment to non-Alaskans or Alaskans. Thank you.

CHAIRMAN TAYLOR took public testimony from those present.

MR. JOHN WINTHER, a life long Petersburg resident who has been involved in the fisheries since 1964, said he is part owner of three vessels that participate in the cod fishery and the owner of another vessel that participates in the hair crab fishery. He said the hair crab fishery, when the moratorium is lifted in 2003, will be the only fishery that would not be limited. The NPFMC has put all ground fisheries, and is currently putting all crab fisheries, under a limited entry system. If this moratorium is allowed to expire, it will be the only open access fishery in the Bering Sea so that anyone not included in the current system under federal management will get involved in it. The hair crab fishery is very small, with quotas ranging from 1 to 3 or 4 million pounds. It is currently in a down cycle so very little fishing is going on. This fishery is the only crab fishery where every single crab is brought to shore and processed in Alaska. No catcher-processors are involved. Alaska receives its fish tax from every pound of this crab. The fishery provides about two months of employment in St. Paul, where most of the crab is delivered. He agreed with Mr. Herzog that this fishery occurs in the middle of the Bering Sea and requires large boats and major investments. He noted he has had three or four skippers run his boat during the hair crab fishery and, under the current system, four more licenses would be required. This fishery cannot take a multitude of licenses. While a member of the NPFMC from 1983-1989, he learned a lot about fisheries management plans and believes HB 206 is "the way to go."

MR. JOE KYLE told members he also speaks as an ex-member of the NPFMC and someone who has worked on the moratoria that were established for the Korean hair crab and scallop fishery. He said The Norton Sound CDQ group and the St. Paul CDQ group are invested in the Korean hair crab fishery and they have testified at previous hearings that they support HB 206. He said the Korean hair crab fishery is the only crab fishery in the state for which the NPFMC delegated limited entry authority to the state. The NPFMC delegated crab management to the state but it retained the exclusive right to limit those fisheries, except for the Korean hair crab fishery. He said he believes it is good to give CFEC a tool to use to limit this fishery if necessary. He emphasized that he has participated in numerous limited entry decisions on the NPFMC and every one would always get "a crawl stuck in our throat" over the equity issue. But, after the issue was debated, sometimes for years, having to limit the fishery was the only thing standing in the end. While the NPFMC did not like conveying equity interest, the fishery would be lost if it was not done because of conservation issues.

MR. KYLE said he believes Representative Scalzi did an extraordinary job of carrying HB 206 on the House side. He tried to fix the bill many times to pacify the legitimate concerns of some but the goal post keeps moving. He said he personally

believes that enough is enough and that CFEC needs this tool. He noted that Mr. Seaton expressed concern about the precedent that HB 206 will create because to apply it to other fisheries would only take a statutory fix. He believes that is an oxymoron because he has never seen a simple statutory fix to any fishery issue.

There being no further testimony, SENATOR COWDERY moved CSHB 206(RLS) from committee with individual recommendations and its zero fiscal note.

CHAIRMAN TAYLOR announced that without objection, CSHB 206(RLS) would move from committee.

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CHAIRMAN TAYLOR announced that he intended to take up the confirmation hearing of Arthur Robinson but Mr. Robinson had to go to court. He announced a brief at-ease to await the arrival of Representative Bunde.

#HB 332

HB 332-DOMESTIC VIOLENCE/SEXUAL ASSAULT COUNCIL

REPRESENTATIVE CON BUNDE, sponsor of HB 332, explained that HB 332 extends the sunset date of the Council on Domestic Violence and Sexual Assault. He noted the Legislative Budget and Audit division did an audit of the Council and it came to his attention that some of the Council's problems could be resolved if the director could hire or work with a team, therefore the bill includes a provision to exempt the Council employees so that if a director changes, the new director can choose a team that can accomplish results that are best for the state.

SENATOR THERRIAULT asked what recommendations were made in the audit that Representative Bunde did not include in HB 332.

REPRESENTATIVE BUNDE said he did not have the audit in front of him but thought the recommendation included in HB 332 would be a management tool that would serve the Council well.

CHAIRMAN TAYLOR took testimony via teleconference.

MS. GIGI PILCHER, testifying from Ketchikan, thanked Chairman Taylor for his long and devoted support and service to victims of crime. She acknowledged his dedication and commitment has extended beyond his service as a Senator. She discussed a recent homicide in Ketchikan in which a 6 week-old infant died of physical abuse and said that incident should give pause to the importance of passing HB 332. She stated that Ketchikan has

experienced an increase of violence during the last 12 months. Most attribute the increase in violence, in part, to the severe economic crisis in Ketchikan and lower Southeast Alaska as the result of the closure of the pulp and sawmills. Ketchikan experienced an unemployment rate of 11.4 percent in February; Wrangell, Petersburg, Prince of Wales Island and Metlakatla have even higher rates. There is a sense of hopelessness about what the future holds for those communities. The Council of Domestic Violence and Sexual Assault provides extremely valuable oversight of domestic violence programs throughout the state. It ensures that non-profits and other agencies receive state funds and adhere to grant regulations. It ensures that the immediate safety and other services are available to victims of violent crimes. Because the Council does such a good job on oversight, she has suggested over the years that some of the other departments take note. She also thanked Representative Bunde for sponsoring HB 332.

REPRESENTATIVE BUNDE told members that their packets contain a copy of the Legislative Budget and Audit audit and, in addition, Pat Davidson was available to answer questions about the audit.

DEPUTY CHIEF BILL MILLER, Anchorage Police Department, urged members to pass HB 332. As the Domestic Violence Coordinator, he makes sure the Anchorage Police Department acts to the best of its ability to help victims of domestic violence and sexual assault. The Anchorage Police Department answers thousands of calls related to domestic violence each year. One-third of the homicides in Anchorage are due to domestic violence. The Council on Domestic Violence and Sexual Assault gives the police department a number of tools to work with. It provides opportunities to get trained by non-profit organizations and state agencies. That training is extremely important during this time of fiscal constraint. The Council also facilitates coordination between law enforcement agencies, non-profit organizations, service organizations and with government agencies. He urged passage of HB 332.

MS. BRENDA STANFILL, the Executive Director of the Interior Alaska Center for Non-Violent Living in Fairbanks, informed members the Center is a domestic violence shelter that also aids victims of sexual assault. The Center relies very heavily on the Council and Council staff, which provide tremendous oversight and technical assistance. The Council collects statistics from around the state about domestic violence and sexual assault and can provide a good look at what is happening. The Center also relies on the Council for the resources it can provide. She urged members to pass HB 332.

2:55 p.m.

MS. SUSAN SCUDDER, Executive Director of the Council on Domestic Violence and Sexual Assault, offered to answer any questions about the audit. She informed members the Council has been in place since 1981 and was put in the Department of Public Safety to fill a very public need of making sure that the women and children in Alaska that are in harms way have a safe place to go. As part of a comprehensive and evolving effort to address domestic violence and sexual assault, the Council added oversight of batterers' intervention programs several years ago to try to take a more holistic approach to try to break the cycle of violence. Last year, more than 7,000 Alaskans needed more than 50,000 shelter nights around the state.

MS. SCUDDER said the Council is concerned about the provision added to the bill that changes the employees to exempt status. The Council feels there is institutional knowledge among employees and even though executive directors change, other employees develop relationships with program staff and federal staff and provide good service. The Council is concerned that the possibility of changing all employees at one time could create problems for the programs it serves. She said the Council truly serves a public safety function.

SENATOR THERRIAULT referred to the recommendation in the audit that pertains to conflict of interest and asked Ms. Scudder to comment.

MS. SCUDDER explained that the Network on Domestic Violence and Sexual Assault is the non-profit coalition of all programs around the state. The programs themselves provide names to the Network and of board applicants who must fill out a very long questionnaire. Though this procedure can be seen as creating a possible conflict of interest, it can also be seen to create a conflict of interest with the community program that the person is affiliated with. She noted that most people who serve on the Council's board as public members have some background in domestic violence or sexual assault. For example, one of the current board members was a former board member of STAR, a grantee. Another board member was a former director of AWAKE, the main shelter in Anchorage. She said that even though these names come from the Network, the Governor does not have to appoint people recommended by the Network. The Council believes that many program people are experts in this field so it makes a lot of sense that they recommend people they feel are the best qualified to be the public members of the Council's board.

SENATOR THERRIAULT asked if any allegations that the executive director was showing favoritism have occurred in the past.

MS. SCUTTER said there have not been any.

MS. LAURI HUGONIN, Director of the Network on Domestic Violence and Sexual Assault, stated support for HB 332. The Council on Domestic Violence and Sexual Assault is the nexus in government for state departments and the public to coordinate efforts to address these crimes. She stated:

Through the Council, the Departments of Public Safety, Law, Education and Health and Social Services work together to streamline services to victims, hold perpetrators accountable for their criminal behavior, and create societal change so these crimes are no longer tolerable in our communities. The departments develop cooperative work agreements on how to handle situations where overlap may occur or where one department's work depends on another. The Council provides a forum for the departments to work through systemic problems when addressing these crimes. The Council also provides an avenue for public input into the state's policies and procedures regarding these crimes, by seating three members from the public on the Council itself. The Council meets four times a year and provides opportunity for public trust money and holds at least one statewide teleconference each year on a topic related to domestic violence or sexual assault. The Council works closely with the Network in developing community based programming for victims and perpetrators of domestic violence and sexual assault. Maintaining the Council in the Department of Public Safety, whose purpose is to coordinate the state's response to domestic violence and sexual assault, sends strong messages. It says to the victims of these acts that they are crimes and help is available. It says to perpetrators that the state has a vested interest in their criminal activity and it says to all citizens that the state cares enough about these issues to be actively working to address them. I'd be happy to answer any questions.

TAPE 02-22, SIDE B

SENATOR THERRIAULT asked Ms. Davidson to discuss the recommendation that pertained to the conflict of interest.

MS. PAT DAVIDSON, legislative auditor, Legislative Affairs Agency, told members the first recommendation was to amend the legislation to eliminate the reference to the Network for Domestic Violence in the statutes regarding the Council on Domestic Violence and Sexual Assault. She said the reason is that the Network makes recommendations to the governor for new or continuing members and when the Network also became a grantee of the Council, the auditors felt that was an apparent conflict of interest. When the auditors looked at the relationship between the two, they identified a couple of incidents, the first occurred in FY 01. When a grant went to the Network, it was modified and limited the Council to reviewing only the financial records. As a result, the Council could not actually monitor the performance of the grant. She pointed out that after the auditors talked to the Council about the situation, when that same request was made, it was denied so that the Council is no longer limited to reviewing financial records only. The second incident occurred when the Council was developing the monitoring schedule for sub-grantees, it did not include the Network. She said because of the close financial relationship between the Network and the Council, the auditors recommended an arms length relationship. She said the auditors did not mean to indicate that the governor cannot consult with the Network and she agrees the Network is a great agency to suggest names. The auditors were not looking to eliminate that but they believe the statutory tie between the Network and the public members should be broken.

MS. DAVIDSON pointed out the report also recommended that the legislation be modified to allow the executive director to hire staff. The auditors did not address whether the staff should be placed in exempt status. The auditors' concern was that the employees should recognize the executive director as their supervisor rather than the Council. She then noted the auditors believe the Council should consult with the Department of Health and Social Services (DHSS). In 1996, the Council's statutes were amended to add a plethora of things and she believes consulting with DHSS is just one the Council has not gotten to yet. The final recommendation was that the Council work with the Department of Education and school districts to create a comprehensive standardized curriculum to be used within the schools across the state. She said that some of the larger school districts have adopted curricula and have wonderful programs. Other school districts have not had the time or resources and need the Council to step forward and draw on the resources from the other school districts and devise at least a minimum plan.

MS. DAVIDSON noted the auditors followed up on prior recommendations. In terms of data collection, the Council has improved substantially. Timeliness of annual reports improved in addition to onsite monitoring.

SENATOR ELLIS asked Ms. Davidson to reiterate the downside of making the executive director and staff positions exempt.

MS. DAVIDSON said there is a trade-off from a management perspective. If one is looking for employees who want solid employment and are willing to go the extra mile to build strong working relationships, those employees will feel more secure in the classified system. On the other hand, to have an effective organization, all employees must work as a team. If a new executive director is hired with a different philosophy of the organization, it is sometimes difficult to "move that ship around a little bit."

CHAIRMAN TAYLOR thanked Ms. Davidson for the great work she and her staff do. He then said he would entertain a motion.

SENATOR ELLIS asked Chairman Taylor about the proposed amendment in members' packets.

CHAIRMAN TAYLOR said it was submitted to the committee and that he was willing to discuss it but he did not intend to raise it personally. He said he believes Ms. Scudder has done a good job and he did not see the need for another study.

SENATOR COWDERY moved CSHB 332(FIN) from committee with its accompanying fiscal note and individual recommendations.

CHAIRMAN TAYLOR announced that without objection, CSHB 332(RLS) moved from committee. He then adjourned the meeting at 3:12 p.m.