

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS COMMITTEE

February 20, 2001
3:40 p.m.

MEMBERS PRESENT

Senator Gene Therriault, Chair
Senator Randy Phillips, Vice Chair
Senator Rick Halford
Senator Drue Pearce
Senator Bettye Davis

MEMBERS ABSENT

All Members Present

COMMITTEE CALENDAR

SENATE BILL NO. 93

"An Act relating to the Arctic Winter Games Team Alaska trust; and providing for an effective date."

MOVED SB 93 OUT OF COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 4

Relating to declaring April 6, 2001, as Alaska Tartan Day.

MOVED CS SCR 4 (STA) OUT OF COMMITTEE

SENATE BILL NO. 82

"An Act making corrective amendments to the Alaska Statutes as recommended by the revisor of statutes; and providing for an effective date."

HEARD AND HELD SCS SB 82 (STA)

HOUSE CONCURRENT RESOLUTION NO. 5(title am)

Proposing amendments to Uniform Rules 20(a), 37, and 49(a)(4) of the Alaska State Legislature.

MOVED SCS HCR 5 (STA) OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

SB 93 - No previous action.

SCR 4 - No previous action.

SB 82 - No previous action.

HCR 5 - No previous action.

WITNESS REGISTER

Dan Sullivan
Arctic Winter Games/Team Alaska
16515 Centerfield Dr.
Eagle River, AK 99577
POSITION STATEMENT: Supports SB 93

Gary Mathews
Arctic Winter Games/Team Alaska
16515 Centerfield Dr.
Eagle River, AK 99577
POSITION STATEMENT: Supports SB 93

John Rodda
Arctic Winter Games/Team Alaska
16515 Centerfield Dr.
Eagle River, AK 99577
POSITION STATEMENT: Supports SB 93

Wendell Shiffler
Arctic Winter Games/Team Alaska
1540 Hayes Ave.
Fairbanks, AK 99701
POSITION STATEMENT: Supports SB 93

Phyllis Tate
Arctic Winter Games/Team Alaska
1540 Hayes Ave.
Fairbanks, AK 99701
POSITION STATEMENT: Supports SB 93

Dan Henderson
Alaska Highlanders
Anchorage, AK 99513
POSITION STATEMENT: Supports SCR 4

Pamela Finley
Revisor of Statutes
Legislative Legal Services
Terry Miller Bldg.
Juneau, AK 99801-1182
POSITION STATEMENT: Explained SB 82

Denise Henderson

Staff to Representative Kott
Alaska State Capitol, Room 204
Juneau, AK 99801-1182

POSITION STATEMENT: Explained provisions of HCR 5

Thomas Wright
Staff to Representative Porter
Alaska State Capitol, Room 208
Juneau, AK 99801 99801-1182

POSITION STATEMENT: Explained provisions of HCR 5

ACTION NARRATIVE

TAPE 01-7, SIDE A

Number 001

CHAIRMAN GENE THERRIAULT called the Senate State Affairs Committee meeting to order at 3:40 p.m. Present were Senators Phillips, Halford, Davis and Chairman Therriault. The first order of business to come before the committee was SB 93.

#SB 93

SB 93-ARCTIC WINTER GAMES TEAM ALASKA TRUST

SENATOR PHILLIPS, prime sponsor of SB 93, said that he has been involved with the Arctic Winter Games and Team Alaska for more than 15 years and consistent funding has always been a problem. He explained that the games were established 32 years ago with an agreement between the Premiers from the Yukon and Northwest Territories and then Alaska Governor, Walter Hickel providing winter sporting events every two years. There are over 2000 participants and 18 sporting events featured. The competition will be held in Greenland next year with participation from Northern Alberta, Northern Quebec, Northwest Territories, Yukon, Alaska and Greenland and observers from two Russian provinces.

This legislation was introduced in an effort to provide consistent funding. It is modeled after the Alaska Children's Trust Fund so, if passed, an endowment would be established. The athletes come from all parts of the state and are expected to pay about one third of the associated costs of participation, which is in contrast to their competitors who have all their expenses paid by their governments.

SENATOR PHILLIPS believes that endowing the games will not only provide consistent funding it will also send a positive message that Alaska is a bold and willing participant in the Arctic Winter

Games. In 2006 it is Alaska's turn to host the games and Kenai and the Mat Su areas are competing for the bid.

CHAIRMAN THERRIAULT asked whether the current board of directors would be used if the trust was established.

SENATOR PHILLIPS said the current board would be used.

CHAIRMAN THERRIAULT referred to page 2 line 5 and asked if income from the trust would be put into the general fund and then require yearly legislative appropriation.

SENATOR PHILLIPS said that it was set up that way and that a letter from Dan Sullivan suggests that tobacco settlement money is a possible funding source.

Number 434

CHAIRMAN THERRIAULT asked whether the interest earnings would be general fund without yearly legislative appropriation.

SENATOR PHILLIPS said his intent is to keep the money with the fund itself. It's modeled exactly the same as the Alaska Children's Trust and it now has about \$9 million. He said that the games need about \$200,000 every year because the games cost between \$200,000 and \$300,000 every two years and international dues are \$25,000.

DAN SULLIVAN, Development Director Arctic Winter Games/Team Alaska (AWGTA), has been involved with the games for over 30 years and strongly supports SB 93. AWGTA is a non-profit corporation that is trying to develop a guaranteed revenue source to ensure the viability and longevity of the event.

Over 40 communities send athletes to the games and all winter games are included. There are many well-known Alaskans who have participated in the games. There is one paid employee and numerous volunteers working for AWGTA and it is a very efficient and cost effective entity. Every two years 300 or more athletes are assembled, uniforms are purchased, travel is arranged and the games are conducted.

MR. SULLIVAN went on to describe AWGTA as more than a non-profit. He said that it is actually `an entity of the State of Alaska and therefore should have a stable funding source. If the trust is properly endowed, it would generate sufficient revenues to finance the future costs of Team Alaska and provide revenue for host cities when it is Alaska's turn to stage the games. It costs between \$800,000 and \$1 million every decade to fund the host city. It is

modeled after the Alaska Children's Trust with monies managed by the Department of Revenue.

Number 951

CHAIRMAN THERRIAULT asked if the games were referenced or established in statute.

MR. SULLIVAN said he believes so because they were established through the Governor's office and the Lieutenant Governor is the official representative to the international committee.

CHAIRMAN THERRIAULT said that there would still have to be annual appropriations of income back into the trust so AWGTA would still need to come before the legislature every year.

MR. SULLIVAN said yes, but they would be asking for the earnings from the trust and not a general fund appropriation.

CHAIRMAN THERRIAULT asked for the reasoning for having this done in state statute rather than using a private lending institution with administration from the board of directors.

MR. SULLIVAN said they wanted to maintain the connection with the state and that management by the Department of Revenue and oversight by the legislature is advantageous.

SENATOR PHILLIPS said that the governments from the other jurisdictions are directly involved in supporting their athletes and AWGTA feels it is important for the State of Alaska to show its support as well.

MR. SULLIVAN said that in most of the Canadian provinces there is a minister of sport whose full function is to provide athletic opportunities to youths in their province or territory. AWGTA serves this function for the State of Alaska.

CHAIRMAN THERRIAULT asked whether economic models have been run to ensure that a \$5 million endowment would provide sufficient revenue for not only annual expenses but also a periodic 20 percent draw for the years that Alaska hosts the games.

MR. SULLIVAN said they had. In a given year they would draw about \$150,000 for team purposes so in an 8-year period there would be an additional \$100,000 per year to go into the account to cover host city expenses.

CHAIRMAN THERRIAULT asked how they had accounted for inflation.

MR. SULLIVAN said that all estimates in their economic model are conservative and that account earnings will probably be greater than 5 percent. If the trust doesn't have sufficient funds available without tapping principle then it is the responsibility of the host community to come up with the additional funds.

SENATOR DAVIS asked about host city local government participation every ten years.

MR. SULLIVAN said local governments make a contribution when they host the games. When Anchorage last hosted the games, the municipality gave AWGTA a \$150,000 grant and those funds were returned to the municipality in full.

SENATOR PEARCE arrived.

SENATOR DAVIS asked where international funds come from.

MR. SULLIVAN said John Rodda, Alaska representative to the international committee, could answer that type of question.

GARY MATHEWS, board member for AWGTA, said that the financial issues facing the non-profit are critical. This is a very well run organization and he urged the committee to move the legislation forward.

Number 1463

JOHN RODDA has been involved with the games for 27 years in various capacities. Specifically, Alaska is the only jurisdiction that must look for funding on a yearly basis. All others have full and ongoing government support.

CHAIRMAN THERRIAULT asked whether Mr. Rodda understood that the legislation sets up the trust but does not fund the trust. He also said that he doesn't believe that Alaskan residents expect the same level of support as that provided by the Canadian provinces.

MR. RODDA said perhaps not, but that this is an opportunity to support young Alaskans. It's a long-term investment that is well intended and worthwhile.

Number 652

CHAIRMAN THERRIAULT asked whether corporate contributions are anticipated to fund the trust.

MR. RODDA said they have been involved with corporations for many years and they will continue to solicit contributions.

Number 1744

WENDELL SHIFFLER, northern region international member for the Arctic Winter Games, said these games "provide an exciting, international sporting event and a lifetime learning experience for residents north of the 60th parallel." Participation has increased from three to nine jurisdictions, from 600 to over 2000 members and the games are now televised across the Arctic.

SB 93 will bring consistency of support to the games that is needed on an ongoing basis. It will neither take the place of efforts to gain private financial support nor end the practice of athletes contributing a portion of the costs from their own pocket. It will however, "establish a basis of continuing monetary commitment by the State of Alaska to support our youth in a positive way."

PHYLLIS TATE, AWGTA director, has been involved with the games for 30 years as a parent, an official and now as director. She strongly supports SB 93 because sports enhance self-esteem and status of young people who may not otherwise have enough to do to keep themselves productively involved. She encouraged members to support SB 93 thus establishing an endowment trust for Arctic Winter Games Team Alaska.

Number 2017

SENATOR PHILLIPS showed framed medals from previous games.

Number 2065

JIM POWELL, AWGTA board member, said he would be brief because much that he could say had already been covered in previous testimony. He said that an economic report from the 2000 Arctic Winter Games showed that host city, Whitehorse, netted 5 million Canadian dollars from the games. In 2006 when Alaska hosts the games there is the same opportunity for a similar economic boost.

He emphasized that the cost of the games isn't born solely by public monies. Rather, it is a three-way participation with corporations, the State and the athletes all contributing. The athletes contribute one third of the monies. The original vision and intent of the games was to bring Arctic regions together for a cultural and sporting exchange. To maintain this vision, there needs to be more stability in financing.

His final point was that many communities are affected by the games. This includes small communities, statewide, that would not otherwise have an opportunity "to participate in such a wonderful cultural and athletic event." He wanted members to remember this when making their decisions.

CHAIRMAN THERRIAULT said that, as a general rule, there is a desire to separate from state government and its bureaucracy. With this in mind, he wondered why AWGTA wants the trust set into state statutes.

MR. RODDA said that actually it is the state that is the member and that AWGTA is the non-profit entity that does the work. The State of Alaska is a founding member and in endowing the trust it is saying that they are committed to the continuation of the games.

GARY MATHEWS said that in attending the opening ceremonies and the games themselves, it is clear that the athletes are representing their governments. Lieutenant Governor Ulmer was present in Whitehorse, as were Canadian premiers and other officials, lending a definite governmental presence.

Number 2336

SENATOR DAVIS asked if anyone could give her the total amount of money given to AWGTA since inception.

SENATOR PHILLIPS thought it was about \$225,000 every two years.

MR. RODDA said that was a close estimate but he hasn't ever tabulated those figures.

SENATOR PHILLIPS said he thought that \$100,000 per year is a defensible average.

SENATOR DAVIS said that it's a wonderful program but she doesn't understand why there's an urgency to put this into state statute when the non-profit has been doing so well over the 30 plus years. AWGTA is estimating that the trust would need about \$5 million and is modeled after the Children's Trust but she remembers when the Children's Trust was started and lay dormant for years due to lack of funding. She thinks that pulling \$5 million from the general fund to fund the trust will short other worthwhile programs such as schools.

SENATOR PHILLIPS said that one suggestion to fund the trust is to use the tobacco settlement monies and another is for corporate participation. It isn't strictly state dollars but a consistent and

stable funding source is necessary for the State to maintain its presence. The State of Alaska is viewed as a standard bearer.

Number 2236

SENATOR DAVIS said she's not against the Arctic Winter Games, she believes it's a wonderful program and she supports it wholeheartedly. Nonetheless, she thinks it's unusual that AWGTA has chosen this method rather than private funding.

CHAIRMAN THERRIAULT asked for additional testimony and there was none. He said that the fiscal note says zero but the explanation points out that the referral to finance is needed. As a former member of the finance committee, he suggested that projections of fund earnings, inflation and draws be provided to the committee.

He asked for the will of the committee.

SENATOR HALFORD made a motion to move the bill and accompanying fiscal note from committee with individual recommendations.

There were no objections so SB 93 was moved from committee.

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Number 2052

#SCR 4

SCR 4-ALASKA TARTAN DAY

DAN HENDERSON, Alaska Highlanders representative, said that most Canadian provinces celebrate April 6 as Tartan Day and in 1997, the U.S. Congress designated April 6 as Tartan Day as well. The Alaska Legislature has proclaimed April 6 as Tartan Day yearly since 1996 and SCR 4 seeks to bring permanence to the proclamation. There is no cost to the bill and there is no request for a paid holiday.

CHAIRMAN THERRIAULT read page 2 line 5 "... numerous Alaska landmarks, such as the one at Point MacKenzie..." and asked Senator Phillips whether there is something at Point MacKenzie or is it the landmark.

SENATOR PHILLIPS said Point MacKenzie is the landmark.

CHAIRMAN THERRIAULT said the wording should be, "...such as Point MacKenzie..." striking the words, "the one at". He made a motion that those changes be made as Amendment #1. There were no objections.

SENATOR HALFORD made a motion to move CS SCR 4 (STA) from committee

with individual recommendations.

There were no objections.

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Number 1861

#SB 82

SB 82-2001 REVISOR'S BILL

PAM FINLEY, revisor of statutes, said HCR 5 is a "clean up bill" and suggestions come from bill drafters, the Executive Branch and the general public. Policy choices and political issues are, understandably, avoided.

She referred to the State Affairs CS for the bill saying that it adds Section 21 and 23 to the bill to correct errors found after Legislative Council had their meeting. Section 23 gives a special effective date of July 1 because the section that it is amending doesn't take effect until July 1.

CHAIRMAN THERRIAULT asked whether those were new sections added to the bill and not problems with the original wording.

MS. FINLEY said that is correct.

CHAIRMAN THERRIAULT said that his staff had conducted a lengthy sectional analysis, checked all the statutory references and found "nothing hidden." He noted that there was a zero fiscal note attached.

MS. FINLEY said she was pleased to hear that.

CHAIRMAN THERRIAULT asked for a motion to adopt the Senate State Affairs version of the bill.

SENATOR PHILLIPS made the motion to adopt CS SB 82 (STA).

CHAIRMAN THERRIAULT asked for amendments to the working document and there were none.

SENATOR HALFORD asked for an explanation of section 3.

MS. FINLEY said that was the result of a mistake, by a revisor, in another revisor bill. "There were two bills changing the end of that spanned reference, (AS 16.05.330-16.05.) 723. I think it was (AS 16.05.) 700 and there were other ones added so it was changed to (AS 16.05.) 723 and there were two sections in the revisor's

bill in which that change to the end of the spanned reference was made. The first section started out (AS 16.05.) 440 and this one started out (AS 16.05.) 330 and I think what happened is they just duplicated the change in the second section. There was no intention to change 440 to 330. I was concerned that that might--because 330 actually will pick up the fishing licensing fees. So I was concerned that it might actually, even though it was undoing an error, that it might change something on the ground. I asked George Utermohle, our fish and game person, to look into that and to talk to the Department of Fish and Game about it. Everyone now seems satisfied that it will not change anything." There is a memo in the committee packets from Mr. Utermohle about the aquatic farming triennial license.

SENATOR HALFORD asked about the next to last paragraph in the memo that reads, "It is my conclusion that an aquatic farming activity authorized by a permit issued under AS 16.40 is not subject to the aquatic farming triennial license and that a..." He asked whether "we are doing what he says."

MS. FINLEY said yes, that in making the change there is no change in law. What he's saying now is "As the law stands now, an aquatic farming activity authorized by a permit under 640 is not subject to the triennial license that is in, I believe it is, 330. By changing from 440 to 330, we're not changing anything."

SENATOR HALFORD said, "He said it may be useful to amend 930."

MS. FINLEY said that it is a long and complicated issue but she believes he is saying there was an ambiguity that arose when AS 16.40.100-199 was enacted and it wasn't clear how they interacted. It is his opinion that the amendment in the revisor's bill doesn't change anything.

CHAIRMAN THERRIAULT asked if that's appropriate for a revisor's bill.

MS. FINLEY said no, she'd rather have the Department of Fish and Game deal with it.

Number 1580

SENATOR HALFORD said that partial fixes were being made and it came from a revisor's bill.

MS. FINLEY said it is her intention to fix problems without causing other harm. She could ask Fish and Game if they have suggestions on amending AS 16.05.930(g) but she doesn't want to change anything that isn't necessary.

CHAIRMAN THERRIAULT said there was no problem holding the bill.

SENATOR HALFORD commented that this is a situation where "you pull on a thread..."

SENATOR PHILLIPS asked about the change from 19 to 18 years of age on page 1 line 9.

Number 544

MS. FINLEY said that when the age of minority was changed from 19 to 18, AS 13.06.050(29) wasn't amended and this takes care of that oversight. When the uniform probate code definition was enacted, the age of majority, which was 19, was put in; later the age of majority was changed to 18 but the definition was not changed here. Therefore, if you're the age of majority you shouldn't be considered a minor under the uniform probate code.

CHAIRMAN THERRIAULT said he wanted to hold the bill so members could more thoroughly read and understand the memo from George Utermohle. It is also his intention to contact Fish & Game.

SB 82 was held in committee.

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Number 1360

#HCR 5

HCR 5-UNIFORM RULES 20(A), 37, AND 49(A)(4)

DENISE HENDERSON, staff for Representative Kott, said that HCR 5 adopts three changes. Section 1 consolidates departments and deals with department name changes and places the Department of Corrections under the purview of the Judiciary Committee. Rule 37 in Section 2 deletes the carbon copy rule because it no longer applies. Section 3, Rule 49(a)(4) deals with special concurrent resolutions when disapproval of an executive order of the Governor is considered. Wording changes on page 3 line 15 & 16 are as follows with new text underlined and deleted text bracketed: "This resolution must be considered by a standing (JOINT) committee of each house and may be..."

SENATOR PEARCE offered amendment #1 on page 3 line 16 adding "meeting jointly" after the word "house".

CHAIRMAN THERRIAULT objected to the amendment for purposes of discussion then removed his objection.

SENATOR HALFORD observed that the amendment makes it more difficult

to accomplish the goal and said that adding "meeting jointly" weakens the legislative branch.

CHAIRMAN THERRIAULT said that his concern is that, depending on the majorities in the houses and the governor's party affiliation, changing the language might empower a single chairman to thwart the intention of the legislature and the executive order would be adopted.

SENATOR PEARCE didn't agree.

TOM WRIGHT, staff to Representative Porter, understood the concerns but said that there are a number of things that could stop the action other than the committee chairs. The make up of a committee could also lend itself to stopping the action. Tam Cook, Legislative Legal Counsel, said that, in the past, rather than having a joint committee meet, a standing committee met jointly with a standing committee in the other body to consider the special concurrent resolution. Thus, adding "meeting jointly" makes sense and conforms to past practices.

SENATOR HALFORD said amendment #1 makes it a bit more difficult while the house version, as sent, is easier and makes it stronger for the legislative branch.

CHAIRMAN THERRIAULT said it is past practice because the word joint is included. As worded, the two standing committees could meet jointly but they aren't required to do so.

MR. WRIGHT agreed and said he and Ms. Cook believe it simplifies the process.

CHAIRMAN THERRIAULT asked whether Mr. Wright thought adding the words "meeting jointly" would short circuit the five day notice and the entire time process.

MR. WRIGHT didn't believe so, that the requirement to have the previous Thursday and five day notice would still be in effect.

CHAIRMAN THERRIAULT said that if that is so, he isn't sure there is any efficiency if the second house must still adhere to the notice requirements.

MR. WRIGHT agreed saying the process would have to be followed.

SENATOR PEARCE said no, it would be read across in each house and referred by the presiding officers; it would then be noticed and there is a joint meeting. "It doesn't pass each house and then go to a joint session, it would come to the floor and be recommended to the joint session. It doesn't have to pass the house before it comes there."

SENATOR HALFORD said that language in The Alaska Constitution decides whether provisions are effective or not. This is a simple provision and such provisions are waived by simple majority action.

CHAIRMAN THERRIAULT agreed with Senator Pearce.

SENATOR HALFORD said that the problem is that if a rule says it must be heard in joint committee then it is raised as a point of order and the point of order must be answered. "If it says it has to be considered by a committee in each house then it doesn't matter if it is joint or separate and "the point of order is clearly out of order when it is raised but it's a motion to defeat the executive order."

CHAIRMAN THERRIAULT said adding the amendment reduces the flexibility of the legislature.

Amendment #1, adding the two words "meeting jointly", is offered and there is objection to it. He asked for a roll call vote.

SENATOR PEARCE withdrew her amendment after Senator Davis asked for more discussion before the roll call vote.

She then raised the question of placing the Department of Corrections under the purview of the State Affairs Committee rather than the Judiciary Committee, as proposed, saying that there isn't much judiciary business in housing prisoners. She asked whether this discussion was raised in House committees.

MR. WRIGHT said no, there wasn't that discussion, but he believes that the assignment to Judiciary is because of parole and probation.

CHAIRMAN THERRIAULT asked where the suggestion originated.

Number 108

MR. WRIGHT said that there was discussion with the drafter and the Speaker who thought Judiciary was appropriate and Ms. Cook concurred.

SENATOR PHILLIPS agreed with Senator Pearce's argument.

SENATOR PEARCE said that it could be useful to have the department assigned to the Judiciary Committee and when projects such as building jails were proposed there could be a referral to State Affairs. This would give the presiding officers a bit more latitude.

SENATOR PEARCE made a motion that Department of Corrections move

from Judiciary Committee to State Affairs Committee.

CHAIRMAN THERRIAULT asked whether there were objections to the amendment to change the oversight of Department of Corrections to the State Affairs Committees.

Amendment #2 passed with no objections.

SENATOR PHILLIPS made a motion that SCS HCR 5 (STA) move from committee with individual recommendations.

SCS HCR 5 (STA) moved from committee with no objections.

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CHAIRMAN THERRIAULT adjourned the meeting at 5:10 p.m.