

ALASKA STATE LEGISLATURE  
**SENATE STATE AFFAIRS COMMITTEE**

April 25, 2002  
4:30 p.m.

**MEMBERS PRESENT**

Senator Gene Therriault, Chair  
Senator Randy Phillips, Vice Chair  
Senator Rick Halford  
Senator Ben Stevens  
Senator Bettye Davis

**MEMBERS ABSENT**

All Members Present

**COMMITTEE CALENDAR**

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 289 am

"An Act relating to the effective date of a municipal manager plan that has been adopted and to the effective date of the repeal of a municipal manager plan, and relating to a special election for mayor when municipal manager plans are adopted or repealed."

HEARD AND HELD

CS FOR HOUSE BILL NO. 438(STA)

"An Act relating to motor vehicle registration plates for disabled veterans; and providing for an effective date."

MOVED CSHB 438(STA) OUT OF COMMITTEE

HOUSE BILL NO. 444

"An Act relating to buildings covered under the Alaska public building fund; and providing for an effective date."

MOVED HB 444 OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 305(STA) am

"An Act prohibiting certain state employment, a student loan, or a permanent fund dividend for a person who fails to register for the military selective service; and providing for an effective date."

HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

HB 289 - See CRA minutes dated 4/10/02.  
HB 438 - No previous action to record.  
HB 444 - No previous action to record.  
HB 305 - No previous action to record.

**WITNESS REGISTER**

Representative Gary Stevens  
Alaska State Capitol  
Juneau, AK 99801-1182  
**POSITION STATEMENT:** Sponsor of HB 289.

Jim Pound  
Aide to Representative Lesil McGuire  
Alaska State Capitol  
Juneau, AK 99801-1182  
**POSITION STATEMENT:** Introduced HB 438.

Representative Jeannette James  
Alaska State Capitol  
Juneau, AK 99801-1182  
**POSITION STATEMENT:** Sponsor of HB 444.

Chris Parce  
Director  
Division of General Services  
Department of Administration  
PO Box 110200  
Juneau, AK 99811-0200  
**POSITION STATEMENT:** Testified on HB 444.

Colleen Shaub  
Aide to Representative Lisa Murkowski  
Alaska State Capitol  
Juneau, AK 99801-1182  
**POSITION STATEMENT:** Introduced HB 305.

Diane Barrans  
Executive Director  
Alaska Commission On Postsecondary Education  
Department of Education & Early Development  
801 W 10<sup>th</sup> St.  
Juneau, AK 99801-1894  
**POSITION STATEMENT:** Testified on HB 305.

Lance Herrington  
No address provided  
**POSITION STATEMENT:** Testified on HB 305.

Nanci Jones  
Director

Permanent Fund Dividend Division  
Department of Revenue  
PO Box 110400  
Juneau, AK 99811-0400

**POSITION STATEMENT:** Testified on HB 305.

Charlie Smith  
No address provided

**POSITION STATEMENT:** Testified on HB 305.

## **ACTION NARRATIVE**

### **TAPE 02-25, SIDE A**

**CHAIRMAN GENE THERRIAULT** called the Senate State Affairs Committee meeting to order at 4:30 p.m. Present were Senators Halford, Phillips and Chairman Therriault. Senators Davis and Stevens arrived later.

The first order of business was HB 289.

#HB 289

### **HB 289-MUNICIPAL MANAGER PLAN**

REPRESENTATIVE GARY STEVENS, sponsor of HB 289, said there can be confusion when an election takes place to change the form of a municipal government at the same time as an election is taking place for the mayor's position. HB 289 attempts to protect the voters' right to change the form of government and give the community some options. He said the bill would make it clear to the voter to what position they are electing the candidate. It would also make it clear to the candidate what position they are running for. He said HB 289 would not take away the right of the public to change the form of government. They can do this at any time by having a special election separate from a mayoral election. HB 289 would allow the addition of a year between the change of government and the change of the mayor. He said it would also allow a special election for the new mayor when the change of government occurred during the current mayor's term.

He said current regulations require the assembly to enact provisions within 60 days of the adoption of a change in the form of government. Having been through that process, he knows that two months is a very short period of time to change all of the borough codes to comply with the new form of government. He noted that under current regulations, a candidate running for

mayor will not know until after the election which type of mayor they are going to be.

REPRESENTATIVE STEVENS said HB 289 was written with three major objectives in mind; first, to protect the rights of the voters to change the government; second, to reduce confusion amongst the voters as to what position they are electing someone; and finally, to ensure that a candidate was aware of the position they were running for and may be elected to.

SENATOR HALFORD said often a person is running for mayor at the same time that the management question is on the ballot. If a person elected as mayor wished to be a strong mayor and the voters had approved that form of government, the way he reads the bill, that strong mayor form of government would not take effect for one year. In this situation, the manager would be protected for another year. He noted that the manager is often the person that people are mad at, especially in a small community.

REPRESENTATIVE STEVENS said HB 289 would give the community and the assembly the option to take an additional year to enact the change in form of government. It is possible that the candidate wishing for a strong mayor position would be elected but the voters would decide to stay with the ceremonial mayor form of government or vice versa.

SENATOR HALFORD said it appeared that this situation could happen in either direction. A candidate wishing to be a strong mayor could have to wait a year to get the position they wanted or vice versa.

REPRESENTATIVE STEVENS noted there was also an option in the bill.

SENATOR HALFORD asked how the option worked.

REPRESENTATIVE STEVENS noted the following language on page 1, lines 7-12:

The manager plan takes effect on the earlier of the following: (1) the day after the last day of the term of the mayor in office on the date the plan is adopted by the governing body; or (2) one year after the date the plan is adopted by the governing body.

REPRESENTATIVE STEVENS said this language allows the voters to make the decision to take an additional year to make the change.

CHAIRMAN THERRIAULT said after an election, the current mayor is usually only in office for a couple of weeks before the swearing in of the new mayor. He asked if the change would take place at that time.

REPRESENTATIVE STEVENS said state law requires that the borough codes be revised to match the new form of government within 60 days. This change cannot take place immediately because it's a lengthy process.

CHAIRMAN THERRIAULT presented the following scenario. A candidate runs for mayor wishing to be a strong mayor. The voters approve a strong-mayor form of government. The current mayor, a ceremonial mayor, is at the end of their term. The change would take place when the ceremonial mayor's term ended. This would be a short time after the election.

REPRESENTATIVE STEVENS said that was correct.

CHAIRMAN THERRIAULT asked if they decided after the election how long was going to be allowed to make the change.

SENATOR HALFORD said the problem was that it wasn't clear until after the election which form of government was going to be in place.

CHAIRMAN THERRIAULT asked if the information regarding the form of government and when the change would take place was on the ballot.

REPRESENTATIVE STEVENS said it should be.

SENATOR HALFORD said the following scenario could happen. A strong mayor is elected and a strong mayor form of government is approved. The assembly would then have 60 days to adopt the plan, but the plan doesn't take effect for one year or until the term of that mayor expires. The assembly could call for the ending of the term of the mayor that was just elected and have a special election for a new mayor under the new form of government.

REPRESENTATIVE STEVENS said the term of office to which the mayor had been elected must be respected.

SENATOR HALFORD quoted the following language from page 2, line 11:

Notwithstanding AS 29.20.230, a municipality may by

ordinance provide that, when a manager plan takes effect under AS 29.20.480(a)(2) or when a repeal of a manager plan takes effect under AS 29.20.520(2), the term of office of the incumbent mayor ends.

He said this appeared to end the term of the mayor, even if the mayor had just been elected. Perhaps there is somebody who can explain how this works to the committee. He is concerned because the factions in some of the small communities don't change their minds all at once. There can be differences of opinion between the assembly members. The community can be divided on the two candidates for mayor and the form of government they want.

CHAIRMAN THERRIAULT said he was thinking of a different scenario in which somebody running for mayor intending to be a ceremonial mayor now finds himself or herself with a full time job. He noted that an election for a change in the form of government could also happen halfway through the mayor's term of office.

REPRESENTATIVE STEVENS said this could happen by special election.

SENATOR HALFORD asked if there was somebody from the State who could explain this.

REPRESENTATIVE STEVENS said somebody from the Alaska Municipal League had been there but they had to leave.

There was no further testimony.

SSHB 289am was held in committee.

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The next order of business was HB 438.

#HB 438

#### **HB 438-DISABLED VETERANS LICENSE PLATES**

MR. JIM POUND, Aide to Representative Lesil McGuire, sponsor of HB 438, said the Legislature has repeatedly honored veterans. The most noticeable form of recognition has been the special license plates that signify branches of service, Purple Heart recipients and Medal of Honor recipients. However, there are approximately 900 disabled veterans who are only recognized by the standard blue-and-gold Alaska license plate with the letters D-A-V. He said HB 438 would change that license plate to a red, white and blue license plate, an example of which is in the bill packet. These license plates would be available in two forms,

one for veterans who are eligible for special parking and one for those who are not. All disabled veterans who meet the standard municipal tax deduction requirement of 50% disability would be eligible for these license plates. He said HB 438 has a zero fiscal note because the Division of Motor Vehicles is running out of the blue-and-gold disabled veterans' license plates.

SENATOR HALFORD said the existing law, which also appeared on page 2, lines 14-16 of HB 438, stated, "or a resident 65 years of age or older who files a written application for an exemption on a form prescribed by the department." He asked what the basis of that exemption is.

MR. POUND said he did not know.

There was no further testimony

SENATOR HALFORD moved HB 438 from committee with attached zero fiscal note and individual recommendations.

SENATOR THERRIAULT asked if there were any objections.

There being no objection, HB 438 moved from committee with attached fiscal note and individual recommendations.

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The next order of business was HB 444.

#HB 444

#### **HB 444-ALASKA PUBLIC BUILDING FUND**

REPRESENTATIVE JEANNETTE JAMES, sponsor of HB 444, said the Alaska Public Building Fund (PBF) was established a couple of years ago for a trial period. The buildings listed in that legislation were the Alaska Office Building in Juneau, the Robert B. Atwood Building in Anchorage, the Fairbanks Regional Office Building, the Juneau Community Building, the Juneau Public Safety Building and the State Office Building in Juneau. The PBF establishes a methodology for charging rent to the various agencies and/or other outside interests that use space in these buildings including an amount for depreciation. After paying for heat, light and other minor maintenance items, the additional money from the fund could be used to keep up the maintenance. She noted that the State has a deferred maintenance lag, meaning that virtually no major maintenance was being done. She said the fund gives the State a little more money to keep things from running down over a period of time. She noted that this two-year

trial period has been successful. HB 444 would allow all of the buildings that have been transferred from the Department of Transportation (DOT) to the Department of Administration (DOA) to be "covered buildings." HB 444 would also keep the PBF as a permanent program. The State would be able to move forward with the fund and allow the same process on other buildings that may be transferred to DOA.

SENATOR HALFORD asked if HB 444 only applied to buildings that have come from DOT to DOA.

REPRESENTATIVE JAMES said yes.

SENATOR HALFORD noted that the fiscal note said HB 444 allows for the expansion of the PBF approach. The way he reads the definition, he is concerned that HB 444 may mandate the PBF approach. He wanted to make sure that the process was permissive.

REPRESENTATIVE JAMES said DOA went through another process to reach the decision.

**RECESS UNTIL 4:55 P.M.**

CHAIRMAN THERRIAULT called the Senate State Affairs Committee back to order. He asked if Representative James had concluded with her comments.

REPRESENTATIVE JAMES said she had.

CHAIRMAN THERRIAULT asked if somebody from the State could explain how the PBF worked and how the money came into and went out of the fund.

CHRIS PARCE, Director of the Division of General Services, Department of Administration, said one of her duties was to manage the PBF. She said DOA determines the cost of running the buildings including the depreciation of the facilities. Those costs are spread over the total rentable square feet and the rent is collected from the tenants. Those funds are used to pay for utility bills, general janitorial services and other items of that nature. She noted that one of the main goals of the PBF was to be able to collect the depreciation dollars and be able to use them on major maintenance projects. She pointed out that the Alaska Office Building was being roofed at the moment. She said the PBF was working marvelously.

CHAIRMAN THERRIAULT asked how much money was earned.

MS. PARCE said the eight buildings brought in about \$6-7 million.

CHAIRMAN THERRIAULT asked if that showed up in the capital budget.

MS. PARCE said the money comes into the operating budget. The PBF is a sub-fund of the general fund and is a dedicated fund. DOA pays the bills out of the PBF and takes care of major projects as they can afford to.

5:00 p.m.

CHAIRMAN THERRIAULT asked how DOA got authorization for the expenditures.

MS. PARCE said the Legislature approved the expenditures through the operating budget in the first two years of the PBF. In the budget that is before the Legislature now, she has requested that the depreciation dollars be called CIP funds so they can be used throughout the construction season. She said major construction projects don't get started until April or May. If she had to stop these projects on June 30<sup>th</sup>, the money can't be used effectively. The depreciation purposes of the PBF have been moved to be able to roll over the year.

SENATOR HALFORD asked how many more buildings or how much more in value HB 444 would add to the PBF.

MS. PARCE said HB 444 wouldn't add any more buildings. HB 444 would allow more buildings to be added if they became attractive to the PBF. She noted that one of the main missions of the PBF is to replace general fund dollars with other kinds of revenue streams. In order for a facility to be attractive for PBF uses, it would need to bring in new money for the State. If a building were housed totally by the general fund, it wouldn't be quite as attractive because it wouldn't bring in new money.

SENATOR HALFORD said he thought it would lose money.

MS. PARCE agreed.

SENATOR HALFORD said it would have an operating budget impact if there was the cost of operation that was normally in the operating budget plus the reserve for maintenance. That would cost more than it would otherwise.

MS. PARCE said DOA wouldn't just take all of the buildings.

SENATOR HALFORD said saving reserves for maintenance might not be a bad idea.

MS. PARCE said DOA looked at the makeup in the tenants of each building.

REPRESENTATIVE JAMES said originally, Retirement and Benefits had not been paying rent. She said that was collected in a different fund. The State also cannot collect rent from the federal agencies in the facilities unless all of the agencies in the building are charged rent. She said when DOA was making its decisions, those federal agencies needed to be included to make it a benefit financially. She said the kinds of maintenance the PBF was able to achieve wouldn't get done otherwise without a special appropriation.

CHAIRMAN THERRIAULT asked if the federal agencies housed in the state buildings had been paying rent.

MS. PARCE said they had not. Their costs had been covered through the regular operating budget of DOT. DOT was managing these buildings and would put forth a proposal to pay for the bills of the buildings. She said she supposed DOT could have asked for funds for depreciating items. However, she didn't think that they had done so because there is a great deal of work that never got done.

There was no further testimony.

SENATOR DAVIS moved HB 444 from committee with attached zero fiscal note and individual recommendations.

There being no objection, HB 444 moved from committee with attached fiscal note and individual recommendations.

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The final order of business was HB 305.

#HB 305

#### **HB 305-NONCOMPLIANCE WITH SELECTIVE SERVICE**

COLLEEN SHAUB, Aide to Representative Lisa Murkowski, sponsor of HB 305, said the intent of this legislation is to ensure that all Alaskans are knowledgeable about the Selective Service registration system and would register promptly. She said HB 305 would require any U.S. male citizen between the ages of 18-26 to

comply with the federal Selective Service registration if applicable to be eligible for certain state employment, an Alaska Student Loan (ASL) or the Permanent Fund Dividend (PFD). She said at least 28 other states had implemented similar conditions for eligibility for certain programs and state benefits. Federal law already requires registration with the Selective Service within 30 days of turning 18. At the federal level, a person who does not register will be denied certain federal employment and aid. She said HB 305 brings those aspects down to the state level and adds the provision on the PFD. She said the sponsor would like the committee to adopt the following amendment:

Page 4, following line 8:

Insert a new bill section to read:

"\* **Sec. 3.** AS 14.43.172(c) is amended to read:

(c) In addition to the provisions of (a) of this section, a borrower is eligible for a loan under AS 14.43.170 - 14.43.175 if the borrower

(1) is not delinquent on and has never been in default on a loan previously awarded by the commission;

(2) at the time of application or loan disbursement does not have a past due child support obligation established by court order or by the child support enforcement division under AS 25.27.160 - 25.27.220;

(3) has not, within the previous five years, had a loan discharged or written off by the commission for any reason;

(4) does not have a status, at the time of application for a loan or disbursement of loan money, that would prevent the borrower from repaying the loan as it becomes due;

(5) has not within the previous five years defaulted on another loan made to the borrower by a lending entity unless the borrower can show good faith efforts to repay the loan and extraordinary circumstances that led to the default; [AND]

(6) does not have a credit history, at the time of application for a loan, that demonstrates chronic inability or unwillingness to pay an extension of credit or loan as it becomes due; and

(7) has complied with the military selective service registration requirements imposed under 50 U.S.C App. 453 (Military Selective Service Act), if those requirements were applicable to the person, or the person has come into compliance within 30 days of being notified of the person's lack of compliance."

Renumber the following bill sections accordingly.

Page 6, line 12:

Delete "a student"  
Insert "an education loan, supplemental education loan,"

SENATOR PHILLIPS asked where the sponsor was.

MS. SHAUB said Representative Murkowski was in the fiscal discussion meeting.

CHAIRMAN THERRIAULT asked if she had concluded her remarks. He also asked if there was any obligation under federal law for the State to try and compel Selective Service registration. He said usually when a short title was put in, it was a section of the statutes. But the language in HB 305 appears scattered throughout the statutes and it has a title. He asked why this was done.

MS. SHAUB said the sponsor wanted the title to seem less abrasive.

CHAIRMAN THERRIAULT said the title would be in the uncodified section of the statutes whereas the operative language would be spread throughout the statutes. He used the example of a new crime being added to the statutes where the title would appear in the regular statute along with the new crime language. He noted that with HB 305, they wouldn't even be in the same book. He said this seemed strange to him.

DIANE BARRANS, Director of the Alaska Commission on Postsecondary Education (ACPE), said HB 305 did not reference the new student loan programs that would go into effect July 2002 but were not yet in statute. The amendment in the bill packet references the new AS 14.43.172 that contains the new Alaska Supplemental Education Loan Program. The requirement for Selective Service registration would be added to the requirements for the loan. The amendment ensures that the changes the sponsor wanted to make to the ASL program were carried through to the new loan as well.

CHAIRMAN THERRIAULT asked how someone would prove that he had complied with Selective Service registration when he applied for the ASL.

MS. BARRANS said ACPE proposed to verify registration in a way that would cause no additional cost to ACPE. ACPE would require prospective borrowers to fill out the Free Application for Federal Student Aid, which they would need to do anyway to be eligible for the new Alaska Supplemental Loan Program. The U.S. Department of Education would then send the application through a

data review, performing matches against the Immigration Service, the Selective Service, the Internal Revenue Service and other such agencies, to ensure that the borrower was eligible for their loan. ACPE would take eligibility for the federal loan as an assurance that the borrower met the Selective Service requirement.

CHAIRMAN THERRIAULT asked if the borrower would be required to fill out this form every year.

MS. BARRANS said the borrower would have to fill out a renewal form that would have the data from the prior year and they would simply have to update changes to that information.

CHAIRMAN THERRIAULT pointed out the exemptions listed in Sec. 4 of HB 305 and asked why these employees would be exempt.

MS. SHAUB said she believed these employees were already exempt under federal law.

CHAIRMAN THERRIAULT said a legislator could take college courses and get a student loan. He asked why they would be exempt.

MS. BARRANS said Sec. 4 makes it a requirement to register for Selective Service in order to be employed in certain job classes.

SENATOR STEVENS said it was federal law that being elected to a position, exempted a person from a lot of requirements. He said that if a person had been convicted of a felony, they would not be eligible to be hired for or appointed to certain positions. However, they could be elected to that position.

SENATOR HALFORD pointed out that the mayor of Washington, D.C., Marion Berry, had been convicted of cocaine possession.

LANCE HERRINGTON said he was on the teleconference in the event that Charlie Smith was not available.

SENATOR PHILLIPS said the question of Selective Service had been on his questionnaire and he received a lot of comments asking why females weren't required to register for Selective Service. He said he knew that this was federal law but wondered if there was a push to include females.

MR. HERRINGTON said he was not employed by the Selective Service so he didn't know what they were or were not doing. He didn't believe that they were under any pressure to register females at this time.

NANCI JONES, Director of the Permanent Fund Dividend Division, noted the language on page 6, lines 2-8, "come into compliance within 30 days of being notified of their lack of compliance." This would establish a different time frame for PFD applicants who didn't comply with Selective Service registration versus everybody else that applied for the PFD. She said this would be difficult to administer. She noted the Division already had an agreement with the Selective Service. The Division would send Selective Service a tape of people who would be eligible for the requirement and the Selective Service would send that tape back with a list of people who had registered. The Division would match the tape against a list of PFD applicants. If a person had not registered for Selective Service, the Division would send them a notice. That notice would be the same notice that everybody else who has an incomplete application receives establishing a time frame to get additional information to the Division. The applicant would have until the given date to register with Selective Service. The Division would get another tape from Selective Service to verify that the applicant had registered.

CHAIRMAN THERRIAULT asked if the applicant could send a photocopy of their registration or if they had to wait for the information to get in the system.

MS. JONES said the applicant would have to wait. In the first year of the Selective Service requirement, the Division would ask Selective Service to send two tapes at two different times of the year. The effective date of HB 305 is January 1, 2004, so the first tape would include everybody who had registered with Selective Service from January 1 through December 31, 2003. She said that tape would be matched against the applications for the 2004 PFD. A notice would be sent to the applicants that were out of compliance saying that they needed to register with Selective Service before October 31. Another tape would be received from Selective Service, which would be run just before payment, probably in August. She said if the applicant was not on that tape, then they would be denied their PFD along with everybody else who did not respond to the Division's correspondence. For the second year, 2005, the Division would already have the tape from August. The Division would receive a tape each year in August. She is concerned that the 30-day provision would give the applicant a false sense that something could get turned around that quickly. The applicant has ten months to comply with whatever they are lacking on their application. She said

there is always the opportunity to appeal a denial or extend the length of time you have to comply with a request if you work with the Division.

SENATOR HALFORD asked if the Selective Service tape could include location.

MS. JONES said the Division wouldn't necessarily need that information. They would only be interested in whether a person had registered or not.

SENATOR HALFORD said that could be an important residency crosscheck. He said sometimes people register where they are, not where they came from. He noted that during the Vietnam War, people would register in more populated areas because they felt the draft board wouldn't get further down the numbers.

MS. JONES said at some point the Division could use the Selective Service for residency but she guessed that if a person didn't register with an Alaska address, they wouldn't be on the tape.

SENATOR HALFORD said you registered for Selective Service in a certain geographical location. He thought it would be a good idea to put that into the Division's database. When somebody registers in a location that's not in Alaska, there's an indication that they ought to be checked for residency unless they're in active duty by the time the Division gets the application.

CHAIRMAN THERRIAULT asked how the Division would catch up with somebody who lived in Florida and moved to Alaska after they turned 18. He asked if the Selective Service was going to run a tape against the entire nation.

MS. JONES said Selective Service would just run a tape for the people who are registered in Alaska.

CHAIRMAN THERRIAULT asked about someone who lived in Alaska but registered in Florida when they turned 18.

MS. JONES said that would be up to the applicant. When the Division sends them a letter saying they're not in compliance, they would give the Division that information. The Division would then verify those few with Selective Service. She said the men between 18 and 25 would be matched against the tape Selective Service gives the Division, so if an applicant is between those ages and is not on the tape, they would receive a letter. She noted that if any of the identifying information was wrong, such

as the Social Security Number, the Division wouldn't be able to make a match and they would receive a letter. The applicant could then say that they had registered and provide the Division with proof.

SENATOR HALFORD said if the Division was only going to get the match from Alaska, the system would do what he wanted it to do because the applicant who didn't register in Alaska wouldn't get a match and the Division would ask them to prove that they had registered for the Selective Service. The applicant would then say that they had registered somewhere else. He said that would at least raise a flag that that person ought to be checked for residency. He would like it to be one more piece of the residency package that is in the system.

MS. SHAUB noted the requirement also wouldn't apply to someone who wasn't in the 18-26 age range. Those applicants would still get their PFD.

SENATOR HALFORD agreed that it only applied when you were required to register with Selective Service.

MS. SHAUB said once someone turned 26, if they had never registered with the Selective Service, they would still be able to get their PFD.

SENATOR DAVIS moved Amendment #1 adding the Selective Service requirement to the new student loan program.

The being no objection, Amendment #1 was adopted.

CHARLIE SMITH, State Director of the Selective Service in Alaska, said his position was an uncompensated volunteer federal position. He has been in the position for about six years. He said he was available to answer any questions the committee might have specific to the Selective Service.

**TAPE 02-25, SIDE B**

5:30 p.m.

CHAIRMAN THERRIAULT asked if the Permanent Fund Dividend Division would be sending information to Mr. Smith to try to contact the individuals who didn't register with Selective Service.

MR. SMITH said that would be done through the national computer center. He said he is mainly involved with selecting people to be on the draft board. He said there still is a draft board even

though there hasn't been a draft since 1973. He also has five National Guard Reserve Forces Officers assigned to him. They have offices in Juneau, Anchorage, Nome and Fairbanks and if the draft ever gets reactivated, those offices would be reactivated. He said Alaska has almost a 90% compliance rate with the Selective Service. He said not too many people objected to being on the list. He noted that it was just a list. If the draft should come in, there would be other protections. The President and the Congress would have to declare a draft. He has found that the majority of people that do not register are not aware that there's a requirement to register. He said they've tried newspapers. He said he has a person working with him in every high school in Alaska, usually a counselor, to help by letting the young men know that there's a requirement. However, 10-15% of these people still slip through the cracks.

He said other states have done this through the drivers' licensing system. If a person doesn't register for the Selective Service, they wouldn't be able to receive a drivers' license. From his work as a deputy director and director of motor vehicles, he knows that there are a lot of people who don't get drivers' licenses. He hopes HB 305 would be a better vehicle to promote registration.

SENATOR PHILLIPS asked Mr. Smith to refresh his memory as to why females weren't included in the draft.

MR. SMITH said it was federal law. He said about 10 years ago there was an ERA movement to get females included, but it died off.

SENATOR PHILLIPS said he had a lot of comments on his questionnaire that this was not fair. He even had one constituent send him a letter requesting Stevens, Murkowski and Young to introduce legislation to get females included. He followed through on that. He thinks they out to be included.

MR. SMITH said his job is to get things that comply with the current federal law going.

SENATOR PHILLIPS asked if we were making a request of Murkowski, Young and Stevens to draft women.

MR. SMITH said he hadn't thought about it.

CHAIRMAN THERRIAULT asked if Representative Lisa Murkowski, the sponsor, would have a problem with deleting Sec. 1 of HB 305, which was the title. He said titles usually appear with the

language in the statute and this title would be in the uncodified law with no language to accompany it. He doesn't see the need to have the title in the uncodified law when there's nothing there with it. He asked if other members of the committee shared his concern.

SENATOR PHILLIPS moved Amendment #2.

CHAIRMAN THERRIAULT clarified that Amendment #2 would delete Sec. 1.

There being no objection Amendment #2 was adopted.

CHAIRMAN THERRIAULT said he thought he understood what the sponsor was trying to do in giving the readers of HB 305 something to look at other than the legislative title. But since this was close to being put in law, he didn't see the need for it.

MS. BARRANS referenced the language in HB 305 on page 4, lines 7-8 and in Amendment #1 on page 2, lines 1-2, stating, "or the person has come into compliance within 30 days of being notified of the person's lack of compliance." She said this would actually reduce a person's opportunity to receive a student loan and be considered eligible. She said if an applicant is denied they can reapply at any time during school enrollment. She was concerned that this language seems to limit that opportunity to the 30 days following the denial. She requests that language be struck from both the bill and the amendment. She also noted that the effective date had been changed from a prior version of HB 305 to January 1, 2004. With respect to the education loan sections, HB 305 would come into effect in the middle of a loan year. She said this would be a problem because some borrowers would have been approved without the requirement earlier in the loan year and others would be required to register with Selective Service during the second half of the same loan period.

CHAIRMAN THERRIAULT asked if there was a problem with the 30-day provision to come into compliance with Selective Service registration.

MS. SHAUB said she believed this was amended on the House floor. She believed the Representatives had not realized that you could reapply or appeal with both the PFD and the ASL. She believes it would be fine to remove that language.

CHAIRMAN THERRIAULT asked if they just added that specific language.

MS. SHAUB said they had. She said it was done so that if someone didn't realize that they had to register with Selective Service when they filled out their application and be denied as a result, they weren't unduly punished. She said they could always go back and reapply or appeal for the PFD or the ASL.

CHAIRMAN THERRIAULT said he'd like to work with the drafters and Representative Murkowski to make sure that in incorporating the amendments and dropping the 30-day provision they didn't create other problems. He said the bill would come back before the committee for final action.

HB 305 was held in committee.

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#### ADJOURNMENT

There being no further business before the committee, the Senate State Affairs Committee meeting was adjourned at 5:40 p.m.