

HOUSE FINANCE COMMITTEE  
April 26, 2004  
8:45 A.M.

TAPE HFC 04 - 97, Side A  
TAPE HFC 04 - 97, Side B

CALL TO ORDER

Vice Chair Meyer called the House Finance Committee meeting to order at 8:45 A.M.

MEMBERS PRESENT

Representative John Harris, Co-Chair  
Representative Bill Williams, Co-Chair  
Representative Kevin Meyer, Vice-Chair  
Representative Mike Chenault  
Representative Eric Croft  
Representative Hugh Fate  
Representative Richard Foster  
Representative Mike Hawker  
Representative Reggie Joule  
Representative Carl Moses  
Representative Bill Stoltze

MEMBERS ABSENT

None

ALSO PRESENT

Tom Wright, Staff, Representative John Harris; Sue Wright, Staff, Representative Mike Chenault; Greg O'Claray, Commissioner, Department of Labor; Guy Bell, Director, Division of Administrative Services, Department of Labor & Workforce Development; Carl Rose, Executive Director, Association of Alaska School Boards, Juneau; Patty Ware, Director, Division of Juvenile Justice, Department of Health and Social Services; Ernie Mueller, Alaska Juvenile Justice Advisory Committee; Darrel Hargraves, Superintendent, Yukon Flats Schools; Dorothy Adams, President for Yukon Flats School District

PRESENT VIA TELECONFERENCE

Ethyl Christensen, Alaska Society for the Protection of Cruelty to Animals (SPCA), Anchorage; Lt. Allen Storey, Alaska State Troopers, Department of Public Safety, Anchorage; Ronnie Rosenberg, President, Fairbanks Animal Fund, Fairbanks; Christine Heintz, Alaska Equine Rescue, Kenai; Shana Anderson, Shelter Manager, Animal Control Officer, Valdez

SUMMARY

HB 241 An Act relating to optional exemptions from municipal property taxes on residential property.

CS HB 241 (FIN) was reported out of Committee with a "do pass" recommendation and with an indeterminate note by the Department of Revenue and zero note #2 by the Department of Community & Economic Development.

HB 275 An Act relating to veterinarians and animals.

HB 275 was HEARD and HELD in Committee for further consideration.

HB 427 An Act relating to guardianships and conservatorships, to the public guardian and the office of public advocacy, to private professional guardians and private professional conservators, to court visitors, court-appointed attorneys, guardians ad liem, and fiduciaries, and to the protection of the person or property of certain individuals, including minors; amending Rules 16(f) and 17(e), Alaska Rules of Probate Procedure; and providing for an effective date.

HB 427 was WAIVED from Committee.

HB 487 An Act relating to the detention of delinquent minors in correctional facilities; relating to emergency detention of minors for evaluation for involuntary admission for mental health treatment; relating to detention of intoxicated minors and minors incapacitated by alcohol or drugs; and providing for an effective date.

HB 487 was reported out of Committee with "individual" recommendations and with zero note #1 by the Department of Health & Social Services and zero note #2 by the Department of Public Safety.

HB 507 An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of design, construction, and major maintenance of educational facilities; and providing for an effective date.

HB 507 was placed in Subcommittee consisting of Representative Harris as Chair and with members Representative Hawker and Representative Croft.

HB 559 An Act repealing the termination of the state training and employment program; and providing for an effective date.

HB 559 was reported out of Committee with a "do pass" recommendation and with a new zero note by the Department of Labor & Workforce Development.

#HB241

HOUSE BILL NO. 241

An Act relating to optional exemptions from municipal property taxes on residential property.

Representative Chenault MOVED to RESCIND previous action taken on passing CS HB 241 (FIN) out of Committee in order to address Amendment #1 dealing with the optional municipal tax exemption for residences of law enforcement officers located within certain eligible areas. There being NO OBJECTION, action was rescinded.

Representative Chenault MOVED to ADOPT work draft #23-LS0851\U, Cook, 4/23/04, as the version of the legislation before the Committee, which clarifies the concern. There being NO OBJECTION, it was adopted.

Representative Chenault explained that under Amendment #1, an eligible area is one that is eligible for designation as a special zone or an area under certain federal programs, or is an area with a statistically higher crime rate. The federal programs are identified by common names rather than by citation of federal laws or regulations. The new language would tie it into the federal program.

Representative Chenault MOVED to report CS HB 241 (FIN) out of Committee and to use the previous individual recommendations adopted on the April 23<sup>rd</sup>, 2004 meeting. There being NO OBJECTION, it was so ordered.

CS HB 241 (FIN) was reported out of Committee with a "do pass" recommendation and with an indeterminate note by the Department of Revenue and zero note #2 by the Department of Community & Economic Development.

#HB559

HOUSE BILL NO. 559

An Act repealing the termination of the state training and employment program; and providing for an effective date.

TOM WRIGHT, STAFF, REPRESENTATIVE JOHN HARRIS, stated that HB 559 would reauthorize the State Training and Employment Program (STEP), which was established by the Legislature in

1989. In 2002, the Legislature reauthorized the program for an additional two years. STEP will sunset on June 30, 2004, without further action. STEP uses a small part of the employee Unemployment Insurance (UI) tax to fund training for Alaskan workers. The Department of Labor & Workforce Development collects the STEP revenues and administers the program with partner agencies and vendors. The Alaska Workforce Investment Board is responsible for oversight and direction.

The STEP program assists Alaskans in moving from unemployment to work by annually making \$4.5 million dollars available to trainees and training providers in Alaska. Since inception, 16,000 Alaskan residents have trained under the STEP program. In FY2003, STEP paid for the training of 1,832 Alaskans. The rate of participants that enter employment after training is the highest of all State administered programs at 83.5%. He added that in 1996, the Legislature made several changes to increase accountability, cap administrative costs and re-emphasize Alaska hire.

GREG O'CLARAY, COMMISSIONER, DEPARTMENT OF LABOR, offered to answer questions of the Committee.

GUY BELL, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT, offered to answer questions of the Committee.

Representative Foster MOVED to report HB 559 out of Committee with individual recommendations and with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 559 was reported out of Committee with a "do pass" recommendation and with a new zero fiscal note by the Department of Labor & Workforce Development.

#HB487

HOUSE BILL NO. 487

An Act relating to the detention of delinquent minors in correctional facilities; relating to emergency detention of minors for evaluation for involuntary admission for mental health treatment; relating to detention of intoxicated minors and minors incapacitated by alcohol or drugs; and providing for an effective date.

PATTY WARE, DIRECTOR, DIVISION OF JUVENILE JUSTICE, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, explained that in 2002 reauthorization of the Juvenile Justice and Delinquency Prevention Act (JJJPA) of 1974 went into effect on October 1, 2003. The JJJPA has traditionally prohibited incarceration of non-offenders and status offenders in adult

jails and "lock-ups". New language in the 2002 reauthorization prohibits the use of juvenile detention facilities for the non-offenders and status offenders as of October 1, 2003.

Ms. Ware continued, the bill would modify AS 47.12.240, AS 47.30.705 and AS 47.37.170 to come into compliance with the federal requirements set out in the Guidance Manual for Monitoring Facilities Under the Juvenile Justice and Delinquency Prevention Act of 2003. Under the amendments, emergency protective custody of minors may not include placement in a jail or other secured facility. The language is also found in current law relating to placement of children in need of aid (CHINA) and has been interpreted by both State and federal official to provide sufficient flexibility for holding minors until a more appropriate facility can be found or until transportation to such a facility is feasible. The purpose of the bill is to preserve Alaska's federal formula grant receipts of approximately \$700 thousand dollars and to meet requirement to apply for other federal money.

Ms. Ware continued that the bill will bring Alaska into compliance so that emergency protective custody of juveniles may not include placement in a locked jail or youth facility when relating to detention of intoxicated minors incapacitated by alcohol or drugs.

Vice Chair Meyer questioned if the program would cost the State money. Ms. Ware pointed out that both notes are zero.

Representative Joule asked what the alternative would be in the smaller communities. Ms. Ware advised that the Department has been working to determine ways to place individuals in the Public Safety buildings or in other secure situations. She pointed out that the State continues to work with the federal government regarding their definitions and what is allowable.

Representative Fate pointed out the high percentage of violations. He asked if there was a cut off point not retracted. Ms. Ware responded that there are and that the numbers are highlighted in the handout from the Department. (Copy on File). She added that Alaska continues to struggle with the juvenile rule challenge.

ERNIE MUELLER, ALASKA JUVENILE JUSTICE ADVISORY COMMITTEE, noted that the Governor appoints the Alaska Juvenile Justice Advisory Committee with members throughout the State. The mission is to advise the Governor, Legislature and the Department on matters relating to juvenile justice throughout the State. He noted that they had been working with the Division on these bills and that the Committee

endorses HB 487, which is important legislation that will ensure continued funds for the Division.

LT. ALLEN STOREY, (TESTIFIED VIA TELECONFERENCE), ALASKA STATE TROOPERS, DEPARTMENT OF PUBLIC SAFETY, commented that they had been working with Department of Health & Social Services and Ms. Ware to insure that the Department of Public Safety is in compliance with the requirements. Juvenile Justice has made a commitment to work the Department of Public Safety and the local police departments to educate them regarding the standard. He commented that Department of Public Safety supports the legislation.

Representative Foster MOVED to report HB 487 out of Committee with individual recommendations and with the accompanying fiscal note.

HB 487 was reported out of Committee with "individual" recommendations and with zero note #1 by the Department of Health & Social Services and zero note #2 by the Department of Public Safety.

#HB275

HOUSE BILL NO. 275

An Act relating to veterinarians and animals.

REPRESENTATIVE MIKE CHENAULT, SPONSOR, stated that the Committee would be working from the House Judiciary version of the legislation.

SUE WRIGHT, STAFF, REPRESENTATIVE MIKE CHENAULT, noted that two years ago in Sterling, State Troopers, animal rescuers, veterinarians and office staff witnessed the worst case of mass animal cruelty in Alaska. Dozens of dogs, some frozen to the ground, but still alive, were found on a parcel of land in the Sterling area. Some were locked in an abandoned bus, some tied to trees and stakes. Recently, police officer stopped a drunk driver who had his dog tied to the bumper of his truck. She commented that it is appalling to find any human being capable of such horror. Many individuals later convicted of grave crimes are found to have seriously abused animals at some point in their lives.

Ms. Wright stressed that this is not an issue for partisan politics, as most people either have pets or have memories of childhood pets. She noted that learning the responsibility of caring and providing for another living being is an important part of becoming an adult.

Ms. Wright provided a sectional analysis of the legislation.

Representative Stoltze referenced Page 6, Lines 12 & 13, and asked how the provision would affect trapping. Additionally, he asked if "the defense to a prosecution under (a)(3)" was the highest threshold of defense. He wanted to make sure that the legislation would not create problems for trappers. Ms. Wright responded that the concern had been discussed with trappers, statewide. She noted that the intent of the legislation is not to interfere with commercial trapping.

Representative Stoltze questioned if the Alaska Trapper's Association had endorsed the legislation. Ms. Wright did not know if it had been endorsed, but indicated that the office had worked a long time on the language. Representative Stoltze pointed out that there is a formal organization of trappers and that he wanted to know their stand on the issue.

Representative Joule referenced subsistence trapping. He understood that the bill was aimed at pets and not wild animals and recommended that language be added specifically indicating pets.

Representative Fate echoed concern regarding how the legislation would affect dog mushers and the fact that shelter is often not offered along the racing areas. He inquired if input had been received from that group. Ms. Wright commented that during the past four years, their office had worked with both trappers and dog mushers and that it comes down to a practical interpretation of the law. The bill attempts to affect only domestic animals.

ETHYL CHRISTENSEN, (TESTIFIED VIA TELECONFERENCE), ALASKA SOCIETY FOR THE PROTECTION OF CRUELTY TO ANIMALS (SPCA), ANCHORAGE, pointed out that the only dollar note is the one from the Public Defender Agency in the Department of Administration. She countered that the legislation would save the State money, noting that currently, the courts do not have the tools to adequately address these crimes.

Vice Chair Meyer inquired how many years had Ms. Christensen worked with concerns regarding animals. Ms. Christensen replied that she started the work in 1966.

Vice Chair Meyer referenced Page 6, Line 14, and the cruelty and unsecured animals in pick-up trucks. He pointed out that happens a lot throughout the State. Ms. Christensen commented that it is happening less now and that it is no longer legal in Anchorage and hoped that more people would soon be paying close attention to that.

Vice Chair Meyer inquired if Ms. Christensen would like to see that provision continued to be implemented. Ms. Christensen responded that she would, as unsecured dogs in

pickups can be a traffic hazard. She concluded testimony that in Anchorage in 1977 and 1978, the SPCA was killing 1,100 dogs and cats a year; now the average is 183. Vice Chair Meyer commented that the goal should be that the shelters are putting down no animals.

RONNIE ROSENBERG, (TESTIFIED VIA TELECONFERENCE), PRESIDENT, FAIRBANKS ANIMAL SHELTER FUND, FAIRBANKS, discussed the need for enhanced protection of animals. She indicated that the shelters support including mandatory reports, to Section 5, Page 7. Ms. Rosenberg commented that they were disappointed that the penalty provision for serious abusers had been removed. She added that it would be a big mistake to exempt sled dogs and requested that language be added to address those animals.

Ms. Rosenberg addressed the concern with dogs in pick up trucks, noting it was in the Title VI portion of the borough code. The provision works well. She urged that the bill be passed from Committee and that serious abusers be prosecuted under a felony statute.

Representative Stoltze questioned who enforces the borough code. Ms. Rosenberg responded that animal control officers, who have the authority to issue citations enforce it and that most people accept that. She added that their group attempts to educate the public.

Representative Fate referenced Page 2, Lines 18-25, and the language "somebody who believes that there has been animal cruelty may file a complaint and may apply for a search warrant". He thought that language was "murky". Ms. Rosenberg responded that most complaints to law enforcement come via a citizen complaint rather than law enforcement out patrolling. If someone calls in, the officer then has a duty to do an investigation before it can go any further. In order to get a search warrant, the officer has to go before the judicial officer and establish grounds for the warrant. Ms. Rosenberg pointed out that she did not see the troopers, registering all the complaints that come in regarding domestic circumstances. The troopers are used to responding to complaints about abuse to children and others and they are well trained in how to respond.

Representative Fate questioned if a complaint could be based upon a "belief" or would the person filing that complaint need evidence to support it. Ms. Roseburg advised that there must be evidence or the Court would not be willing to issue a warrant.

Co-Chair Williams interjected that the bill would not be moved from Committee at this time. He requested that the Committee only take public testimony at this meeting.

CHRISTINE HEINTZ, (TESTIFIED VIA TELECONFERENCE), VOLUNTEER, ALASKA EQUINE RESCUE, KENAI, testified strong support for the bill. She questioned how the note from the Alaska Public Defender had been determined.

SHANA ANDERSON, (TESTIFIED VIA TELECONFERENCE), ANIMAL CONTROL OFFICIER, SHELTER MANAGER, VALDEZ, referenced Page 2, Lines 11-30, defining who has the authority to determine what is "cruelty" and to investigate and prosecute the cruelty. She asked if animal control officers were included in that.

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Ms. Wright understood that animal control officers are classified in the State of Alaska as Peace Officers and they do have the authority to investigate. The bill does not name animal control officers specifically.

Representative Chenault referenced Page 2, Line 18, which addresses investigation of animal control complaints. Ms. Anderson did not believe that the animal control officers were considered peace officers. She stated that she supports all the language defining what constitutes cruelty; however, was concerned about areas in the State that do not have any animal control and how the animal cruelty abides in those places.

Ms. Anderson added that it is important to include language regarding when prosecuting cases, animals are taken care of. Sometimes, the animals are kept as evidence for as long as a year and someone needs to pay for that service. She stressed that asking for reimbursement from a county agency is important. She thought that mandatory reporting was something that animal control people should be doing. Ms. Anderson reminded members that domestic violence usually begins with animal cruelty. She added that the authority to prosecute and investigate cruelty should not be taken away from animal control officers as they are professionally trained in that area.

Co-Chair Harris mentioned for the record that issues relating to farm animals and livestock must be addressed.

HB 275 was HELD in Committee for further consideration.

#HB507

HOUSE BILL NO. 507

An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of design, construction, and major maintenance of

educational facilities; and providing for an effective date.

REPRESENTATIVE MIKE HAWKER, SPONSOR, commented that the bill was introduced following consultation with the University of Alaska, recognizing the needs for continued design construction and expansion for statewide facilities. The bill is modeled after the 22<sup>nd</sup> Legislature education bond bill. As structured, HB 507 is a general obligation (G.O.) bond and would require voter approval. Getting any G.O. bond on a ballot could be problematic unless there is a larger package of fiscal legislation. The bill as drafted contains only a list of University facilities with the largest item being the integrated science facility in Anchorage. There are other facilities included.

Representative Hawker pointed out that when originally introduced, the amounts proposed were brought forward by the administration of the University. He suggested that part of the intent of introducing HB 507, is contemplating statewide K-12 needs.

Co-Chair Williams stated that the bill would be placed into a Subcommittee consisting of Representative John Harris as the Chair and with members Representative Hawker and Representative Croft.

DARREL HARGRAVES, SUPERINTENDANT, YUKON FLATS SCHOOLS, noted that HB 507 is the only bill with a title that could incorporate some regular K-12 projects. He stressed that the Capital Improvement Project (CIP) list prepared by the Department of Education & Early Development includes projects that have been scrutinized. He stressed that these are needed projects.

DOROTHY ADAMS, PRESIDENT FOR YUKON FLATS SCHOOL DISTRICT, stated that the Arctic Village School is number #5 on the CIP list. It is a former Bureau of Indian Affairs (BIA) facility and judged to be inadequate and unsafe for students. There is heavy oil saturation. The furnace is a fire hazard due to oil leaks. She noted that the last bond issue provided sufficient funds to do an architecture design and it would be best to proceed at this time. The project would require \$182 thousand dollars from the district and the district is prepared to make that contribution. Ms. Adams requested that the school's CIP list should be added to HB 507.

Co-Chair Harris asked if they were aware of SB 283, dealing with school funding and if they had applied pressure on their Senator to support that legislation. He pointed out that there has been a proposal to put in the top ten projects into that bill. Ms. Adams responded that they have spoken to their senator and anyone else who would listen.

Representative Hawker clarified that there is both the major maintenance list and the capital construction list. He pointed out that their needs are listed in the CIP list. Mr. Hargraves agreed and noted that he would also support the major maintenance list, as it is important because it keeps projects off the CIP list.

CARL ROSE, EXECUTIVE DIRECTOR, ASSOCIATION OF ALASKA SCHOOL BOARDS, JUNEAU, stated that the Association is considering how to accomplish tasks that need to be addressed. He put forward that a couple years ago, they were part of a G.O. Bond, however, they no longer have the ability to appropriate for the needs for the State but do have the ability to bond out over a period of time, taking advantage of low interest rates. That option appears to be the only way to address many of the capital and major maintenance needs. When putting a G.O. bond together, passing the electorate must be considered. A major appeal package must be shaped.

Mr. Rose identified projects, noting one on the list where the well system has failed; in Copper River, the result from the serious leakage is now dry rot; another project on the list is a roof system that is in need of serious repair where the roof is now sagging. That project is listed as #3 with life safety at hand. He urged that each critical issue on the list be addressed.

Mr. Rose commented that the State must determine how to fashion a G.O. bond so the critical issues are addressed. He pointed out the document included in the files, which educates people regarding the critical needs statewide. (Copy on File). He advised that the Association supports the concept of G.O. bonds, as it would be a viable way to address critical needs. Public schools are the State's investment and must be protected. Major maintenance must be addressed in an appropriate fashion to reduce the long-term need for construction.

Mr. Rose noted that there are a number of items in play at this time having the Senate dealing with the major maintenance list. He noted that there are other options available, however, the end result is, if no action is taken this year, the problems will become even more exacerbated and dangerous. He acknowledged that this is also tied to the fiscal plan and that a G.O. bond is most likely the only way to address these needs. He offered to work with the Subcommittee.

HB 507 was HELD in Committee for further consideration.

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ADJOURNMENT

The meeting was adjourned at 9:54 A.M.